



**TEB**

**On 6 February 2023, a devastating earthquake epicentered in Kahramanmaraş took place, taking a massive toll on and causing widespread destruction in many provinces in our country.**

**We are all immeasurably sorrowed by the disaster and we pray that those who perished will rest in peace, extend our condolences to those who lost loved ones, and wish speedy recovery and resilience to the injured.**

**We believe that we will overcome these hard times in unity, solidarity and cooperation; as the TEB Group, we will continue to stand by our employees, our customers and all our fellow citizens and support them in every way we can.**

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## **SECTION 1 - PRESENTATION**

### **AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING ON 28 MARCH 2023**

1. Opening and formation of the Presidential Board,
2. Granting authorization to the Presidential Board for signing the meeting minutes,
3. Reading, discussion and approval of the Board of Directors' Activity Report for the year 2022,
4. Reading, discussion and approval of the 2022 financial statements,
5. Release of the Board Members from their transactions in 2022,
6. Discussion about the Board of Directors proposal for profit distribution, its approval as is or with revisions, and deciding about the prior year's reserves,
7. Reading of the annual audit report prepared by the Independent Audit Firm, and passing resolution on the appointment of the Independent Audit Firm and the Group auditor proposed by the Board of Directors for the independent audit of our Bank for the year 2023,
8. Determination of number and term of office of the Board Members and election of the same,
9. Determination of benefit such as fees and remunerations to be paid to the Board of Directors,
10. Authorize the Board of Directors for a period of fifteen months in order to issue capital market instruments having the nature of a debt instrument.

### **TÜRK EKONOMİ BANKASI A.Ş. BOARD OF DIRECTORS**

Dr. Akın AKBAYGİL  
Chairman of the Board of Directors

Ümit LEBLEBİCİ  
Executive Member and CEO



**TEB**  
BNP PARIBAS JOINT VENTURE

TÜRK EKONOMİ BANKASI  
Head Office  
TEB Kampüs C ve D Blok, Saray Mah.,  
Sokullu Caddesi, No: 7A-7B Ümraniye 34768 İSTANBUL  
Tel : (0216) 635 35 35  
Fax : (0216) 636 36 36  
Trade Registration No: 189356  
Central Registration System Number:  
0876004342000105  
www.teb.com.tr

**STATEMENT OF RESPONSIBILITY FOR ANNUAL REPORT 2022 OF  
TÜRK EKONOMİ BANKASI A.Ş.**

We have reviewed the annual report of Türk Ekonomi Bank A.Ş. prepared for the period 01.01.2022 - 31.12.2022 in accordance with the Capital Markets Board of Turkey Communiqué (no. II-14.1) on Principles of Financial Reporting in Capital Markets and the Regulation on Principles and Procedures Concerning the Preparation and Publishing of Annual Report by Banks published by the Banking Regulation and Supervision Agency (BRSA), and we hereby represent that, within the frame of our duty and responsibility at the Bank and to the best of our knowledge, the year-end Annual Report:

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


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

  
**Dr. Akın AKBAYGİL**  
Chairman of the  
Board of Directors

  
**Nicolas de Baudinet  
de Courcelles**  
Member of the Board of Directors  
and Chairman of the Audit  
Committee

  
**Ayşe AŞARDAĞ**  
Member of the Board of Directors  
and Deputy Chairman of the  
Audit Committee

  
**Ümit LEBLEBİCİ**  
Chief Executive Officer

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

  
**Kamer KIDIL**  
Director Responsible of Financial  
Reporting

## GENERAL INFORMATION

|  |   |
|--|---|
| <b>Reporting Period:</b>                 | 01.01.2022-31.12.2022   |
| <b>Title of the Bank:</b>                | Türk Ekonomi Bankası A.Ş.   |
| <b>Headquarters:</b>                     | TEB Kampüs C ve D Blok Saray Mah. Sokullu Cad.<br>No: 7A-7B Ümraniye 34768 İstanbul, Turkey |
| <b>Telephone:</b>                        | +90 216 635 35 35   |
| <b>Fax:</b>                              | +90 216 636 36 36   |
| <b>Web site:</b>                         | <a href="http://www.teb.com.tr">www.teb.com.tr</a>  |
| <b>E-mail:</b>                           | <a href="mailto:yatirimciiliskileri@teb.com.tr">yatirimciiliskileri@teb.com.tr</a>          |
| <b>Trade Registration Number:</b>        | 189356  |
| <b>Central Registry Number (Mersis):</b> | 0876004342000105  |

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

The distribution of the Bank’s TL 2,204,390,000.00 paid-in capital as of 31 December 2022

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

There have not been any changes either in the ownership or capital structure in 2022.

### Information on the Bank’s Qualified Shareholders (\*)

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

(\*) The table names the direct shareholders.

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

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

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

### AMENDMENTS TO THE ARTICLES OF ASSOCIATION

There were no amendments to the articles of association in 2022.

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

On 4 November 2022, a Share Transfer Agreement was signed by and between BNP Paribas Personal Finance S.A., TEB Holding A.Ş. and Türk Ekonomi Bankası A.Ş. for the takeover by Türk Ekonomi Bankası A.Ş. of (i) 61,300,800 shares held by BNP Paribas Personal Finance S.A. and (ii) 10,325,200 shares held by TEB Holding A.Ş. in the capital of TEB Finansman A.Ş. divided into 71,626,000 registered shares in total. It has been announced by a material event disclosure on 16 January 2023 that the said transaction is in the nature of an in-group restructuring, related applications/notices regarding share transfer have been made to the Banking Regulation and Supervision Agency and the Competition Authority, and necessary approvals have been obtained. In this framework, closing occurred on 23 January 2023 concerning the takeover of the entirety of the shares (100%) in TEB Finansman A.Ş. by Türk Ekonomi Bankası A.Ş. and the share transfer transaction, as a result of which Türk Ekonomi Bankası A.Ş. has become the sole shareholder of TEB Finansman A.Ş.

Based on the BRSA Board decision dated 31 January 2023, it has been decided that the TL equivalents of FC items will be calculated based not on the CBRT buying rate for 31 December 2021 but CBRT buying rate for 30 December 2022 in the calculation of the amount at credit risk, and that SME and retail limits will be updated pursuant to the Regulation on Measurement and Assessment of Capital Adequacy of Banks.

The Communiqué Serial no. 547 Amending the General Communiqué (Serial No. 537) on the Tax Procedure Law published in the Official Gazette issue 32073 dated 14 January 2023 revised the procedures and principles under the articles of the law that allow the revaluation of immovables and of economic assets subject to amortization. Accordingly, the Bank will be able to make revaluation of its immovables and economic assets subject to amortization, provided that it satisfies the conditions listed in Provisional Article 32 and rep. Article 298(ç) of the Tax Procedure Law. Hence, it will be possible to calculate and pay the corporate tax according to new amortization costs that will result from the revaluation of immovables and economic assets subject to amortization.

On 6 February 2023, earthquakes took place, which had their epicenter in Kahramanmaraş and affected 10 other provinces. Our Bank is evaluating the developments concerning the impacts the earthquakes have on the Bank's operations and financial status.

The Law amending the Social Security and General Health Insurance Law no. 7438 and the Statutory Decree no. 375 covering the arrangement concerning the so-called Victims of Delayed Pension Age (in Turkish: EYT) was enforced upon its publication in the Official Gazette issue 32121 dated 3 March 2023. Although the matter is considered as an event that does not necessitate revision after the reporting period as per TAS 10 Events after the Reporting Period standard, work is ongoing to measure its impact on the Bank's operations and financial position.



## TEB: PAST AND PRESENT

TEB started out as Kocaeli Halk Bankası T.A.Ş. in 1927 a small local bank based in İzmit. Acquired by the Çolakoğlu Group in 1982, TEB's name was changed to Türk Ekonomi Bankası A.Ş. the same year, and its headquarters were relocated to İstanbul.

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

On 10 February 2005, TEB entered into a partnership agreement with BNP Paribas, the largest bank in the Euro Zone with total assets worth EUR 2,666 billion that had operations in 65 countries as of end-2022.

By joining forces with the BNP Paribas Group, one of the world's leading financial institutions, TEB further expanded the scope of its global vision.

In 2009 the BNP Paribas Group acquired majority stakes in Fortis Bank Belgium and Fortis Bank Luxembourg, as a result of which purchases the group also became the principal shareholder in Fortis Bank's Turkish subsidiary.

Subsequently, the BNP Paribas Group, which now indirectly controlled a majority stake in TEB and the Çolakoğlu Group reached an agreement under which it was decided to merge Fortis Bank Turkey into TEB. The closing of the merger formally took place on 14 February 2011.

As a result of this merger, TEB Holding now controls a majority (55%) stake in TEB while the Çolakoğlu Group and BNP Paribas each control an equal (50%) stake in TEB Holding.

At a time when TEB's publicly-traded shares were listed on Borsa İstanbul National Market, on 14 November 2014, BNP Paribas Fortis Yatırımlar Holding A.Ş., acting on behalf of shareholders controlling a sufficient majority in TEB, applied to exercise their squeeze-out rights as provided for under current capital market regulations. With the completion of the delisting process on 25 June 2015, the shares in TEB were delisted from the stock exchange and TEB was excluded from the scope of Capital Market Law as a share issuer. Following an application from TEB, which is listed on the London Stock Exchange, depositary receipts were also closed to processing and delisted as of 31 March 2015. Furthermore, the depositary receipt program was terminated on 6 June 2015.

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

Within this scope, TEB provides its customers with a complete array of corporate, small-business, treasury, capital market, retail and private banking financial products and services as well as an extensive line-up of investment, factoring and portfolio management products and services through its subsidiaries and TEB Group companies.

As of year-end 2022 TEB was offering its services to 8.1 million customers with,

- 8,723 employees,
- 448 branches,
- 1,599 ATMs,
- an online branch at [www.teb.com.tr](http://www.teb.com.tr),
- a call center on 0850 200 0 666.

TEB gives its customers access to the benefits of BNP Paribas' far-reaching presence across 65 countries, its vision and operational capabilities within a synergetic collaboration and also makes it possible for them to keep a close and constant watch on the developments taking place in global markets as they unfold.

## MESSAGE FROM THE CHAIRMAN

Esteemed stakeholders,

Global economic activity slowed down in 2022. Food and energy prices hiked on the supply front due to procurement issues sustained by the economies that were in the process of recovering in the aftermath of the Covid-19 pandemic.

The rise in energy prices accelerated with the geopolitical risks that were aggravated in conjunction with the Russia-Ukraine war. While natural gas prices in the US soared by 77%, annual average rise in Europe area went up to as high as 180%. In a similar vein, food prices also increased for two consecutive years. All these developments resulted in significant rises in global cost inflation.

CPI in the US, which was 4.7% in 2021, reached 6.5% in 2022. The rise in inflation has been even faster in the Euro Zone. Annual inflation went up from 5% at year-end 2021 to 9.2% as at December 2022. Central banks around the world have taken substantial actions in the face of soaring inflation. The US Federal Reserve System (the Fed) hiked benchmark interest rate from 0.25% to 4.5%. The European Central Bank (ECB) increased benchmark interest rate from 0% to 2.5%. Financial tightening policy implemented by central banks decelerated global economic activity.

In the guidance that resulted from their December meeting, the Fed members signaled a potential further 75 bps rate hike in the first half of 2023 that will bring it to 5.25%. The forecasts are presently tilting towards subsequent rate hikes from the Fed.

ECB, on the other hand, might presumably elevate the benchmark interest rate, which is 2.5%, to around 3.75%, and rate hikes might continue until year-end 2023.

Rate hikes are anticipated to bear a negative impact upon global economic activity, which is already pressured by various restraining factors.

The IMF projects that the US economy that has ended 2022 with a 2.1% growth rate might expand by 1.4% in 2023.

The IMF report states that the European economic growth could slump from 3.5% to 0.7%. With a growth figure way below historic averages, the Chinese economy is expected to grow around 5.2% upon loosened Covid-19 measures.

The Turkish economy registered 5.6% growth in 2022. While the services and industry sectors contributed positively to growth, the construction sector pulled it down.

Inflation in Turkey surged due to the devaluation of the Turkish lira that came on top of globally increased food and energy prices. 36.1% at year-end 2021, CPI reached 64.3% by end-2022. Central Bank of the Republic of Türkiye decreased the policy rate by 500 bps during 2022 with the added effect of exports that contracted in connection with decelerated global economic activity in the second half of the year.

In 2022, our annual exports and imports increased by 12.9% and 34.0% respectively. The rise in global energy prices negatively affected the current account balance despite the strong tourism and transportation revenues. The current deficit, which was USD 7.2 billion and accounted for 0.9% of the gross domestic product in 2021, went up to USD 48.8 billion in 2022, corresponding to 5.4% of the gross domestic product.

In 2023, the tight monetary policies of central banks in developed economies and the slowdown in global economic activity could likely influence Turkey's growth performance adversely.

In the second part of my message, I would like to share my opinions about TEB's strategic stance and gains in 2022.

**In 2022, TEB proudly celebrated the 95<sup>th</sup> anniversary of its foundation.**

TEB was born on 6 June 1927 under the name Kocaeli Halk Bankası from the visionary and courageous initiative of 83 tradesmen and local business owners. Having represented a successful model of regional banking in our country in the first several years that followed its establishment despite the Great Depression, the Bank was converted into a national bank under the name TEB by the Çolakoğlu Group that enjoyed exceptional financial strength and prestige, and carried on with its healthy development and growth over the years.

With an immaculate track record of 95 years behind it today, TEB boasts being one of the most prestigious and deep-rooted members in the sector.

TEB confers on our country the benefits deriving from its partnership with the BNP Paribas Group, Europe's largest and one of the world's leading banking groups.

**Our Bank crowned its 95th year as well with a successful performance.**

Continuously building on its value propositions to customers, TEB performed successfully amid the challenging and volatile circumstances of 2022 that I have briefly summarized above. Our Bank registered 42% expansion in total assets in 2022, and reached TL 275 billion in total assets and TL 149 billion in total loans. Our Bank's shareholders' equity amounted to TL 25.3 billion, producing a capital adequacy ratio of 18.60.

While our total loans constituted 54.27% of our total assets, the NPL ratio at 1.76% was the outcome of our sound lending policies and prudent approach to all risks.

All our subsidiaries ended 2022 successfully. Each one has been a significant contributor to the further enriched product and service array offered to TEB customers, upgraded cross and complementary service and support, and strengthened added-value generation power in their respective business lines.

**TEB makes a difference also on the social axis and contributes value to people and the society.**

TEB touches the human life and produces a positive impact through the social responsibility projects it carries out.

TEB espoused it as a mission to reach all productive segments with a particular focus on women entrepreneurs and SMEs and to support them by incorporating them in the banking

cycle. At the same time, our Bank considers it a social duty to help improve financial literacy, build the knowledge that will enable the construction of the financial future with a healthy approach and extend staunch support to the startup universe.

Moving forward as it edges closer to completing a century in operation, TEB will continue to generate and share value within the scope of its mission that will reach broader groups over the years. I would like to thank all our stakeholders that we are collaborating with, principally our customers who chose us and our employees.

**We are focused on the future**

TEB is the address of trust and stability for its customers. No matter what the market conditions may be, TEB is the sheltering harbor and sustainable supporter of the business world. TEB is a sought-after business partner in national and international markets by virtue of its prestige, durability and competencies.

Successfully representing the Turkish banking sector on all platforms, our Bank is committed to keep working, producing and giving back to the society in the future just like it did over the past 95 years with the sense of responsibility etched in its genes.

We will continue to better the value-generating services and products offered to our customers with our innovative banking approach while we remain adhered to our conventional and unchanging ways of doing business.

Before I conclude my message, I wish God's mercy upon those who lost their lives in the earthquake disaster of February 6th as we were preparing our report for publication, express my condolences to all those who lost loved ones, and wish speedy recovery and resilience to the injured. Please allow me to add that our Bank will keep standing by and supporting the people in the afflicted areas, making use of every source at its disposal.

On behalf of our Board of Directors and myself, I extend my respects to our shareholders, customers and employees.



**Dr. AKIN AKBAYGİL**  
Chairman

## CEO'S ASSESSMENT

Esteemed Stakeholders,

Across the world, 2022 has been a year characterized by the fight against inflation and decelerated growth, whereas the Turkish economy exhibited strong growth. Our economy demonstrated the solid foundations it rises upon to the whole world with the steady growth it has achieved despite the pandemic, geopolitical risks and the war.

The Turkish banking sector, on the other hand, was among the top contributors to the new economic model with its positive outlook in liquidity, profitability and capital adequacy indicators. The sector kept funding the real sector and primarily the SMEs, and prioritized the manufacturing industry and trade sectors. Loans were directed to areas that will support the new economic model and the share in export credits was raised with the aim of supporting growth.

In 2022 during which we successfully achieved our targets at TEB, we kept offering products and services directed towards our customers' needs and expectations besides contributing to sustainable economic growth of our country. While we supported the national economy through our banking activities on the one hand, we bolstered practices that help create sustainable economy, society and environment drawing on our "good and exemplary bank" notion and worked towards carrying the society to a better future on the other hand.

According to our financial results for the year ended 31 December 2022, our Bank registered TL 275.1 billion in total assets and booked TL 11,191 million in net profit. Loans, which represent the most important indicator of our support to the economy and our customers, accounted for 54% of our total assets. Giving priority to risk management and asset quality as always, our Bank's total lending amounted to TL 149.3 billion, with total deposits worth TL 200.4 billion. We maintained our consistent growth on the back of our solid capital structure in 2022, and increased our profitability sustainably. While our Bank's shareholders' equity was worth TL 25.3 billion, capital adequacy ratio was 18.60%, well above the target ratio of 12%.

As TEB, we continued to support the real sector with the funds we secured in 2022. We rolled over the sustainability-themed syndicated loan which comprised of two tranches in the amounts of EUR 200 million and USD 63.5 million, linked again to sustainability performance criteria as was the case in the previous year. Moreover, we assumed the "Green Loan Coordinator" role for the green loan tranche within the syndicated loan of a corporate firm participated by five banks.

Our commitment to fulfill sustainability-related financing needs and to increase the support we extend to sustainable finance remains steadfast. Along this line, we took part in the financing of numerous investments producing a sustainability impact primarily renewable energy and energy efficiency as well as those others such as clean transportation, circular economy and waste management. Our Group has become idea partners with multinational companies having investments in Turkey and acted as an advisor to these companies in major projects thanks to our Bank's broad client network.

In our 2022 activities, we placed our clients at the heart of our projects in every field and focused on continually improving customer experience by keeping pace with the evolving

technology and catering to customer needs. We achieved significant success in new customer acquisition thanks to deposit and credit offers, campaigns, current value propositions and systemic developments targeted at our customers' expectations. We also secured a remarkable growth and expansion in the use of services delivered through digital channels in the reporting period.

Throughout the year during which we placed emphasis on widening our customer portfolio and our efforts for achieving growth, we kept using the advancing technology in our operational processes drawing on our experience in digital banking, which is a strong muscle we have, and enhancing our business models and service channels with our customer-oriented approach. We fulfilled our customers' needs with a practical and solution-oriented approach through all our digital banking channels, primarily our mobile banking platform CEPTETEB, and CEPTETEB İŞTE, which we have positioned as a fundamental service channel to our SME customers.

Being a pioneering bank of the start-up ecosystem, we continued to work towards promoting entrepreneurship and increasing its recognition in our country. Through our Start-up Houses, we spent efforts to increase the number of our technology start-ups, lengthen average business lifetime, steer technology companies to exportation, and increase the share of high-tech products within total exports. As we backed innovative and value-added technology companies so that they can turn into solid and durable organizations, we launched new programs with the objective of strengthening the existence of women entrepreneurs and business owners in business to secure sustainable economic growth. We extended support to initiatives that contribute to sustainability for the sake of a better future.

During 2022, our efforts were targeted at delivering the best customer experience to SMEs based on our vision of automation and digital transformation of banking processes. To this end, we redesigned our products and services to offer faster and more customer-oriented service in the SME segment, and kept furnishing privileged opportunities to our customers in global competition. As we effectively intermediated our SME customers' access to EXIM and CBRT-funded loans, we sustained the support we provide to the SMEs uninterruptedly for CGF-supported projects in the reporting period.

At TEB, we attach importance to the positive impacts we provide for the society and the environment as well as our contribution to our country's sustainable growth through our products and services, and carry on with our projects and efforts with this consciousness. We are striving to carry our country to a better future with our efforts and initiatives that add value to all our stakeholders encompassing our employees, customers, shareholders and the society, and that bear a positive impact on the community.

In the coming period, we will continue to focus on projects that produce positive impacts for the society in various areas ranging from a higher extent of female inclusion in the economy and workforce to supporting the entrepreneurial ecosystem, from raising increased awareness of financial literacy within the society at large to proliferation of social entrepreneurship. Both in our banking activities and in the projects we will realize for a better future, we will continue to be guided by our notion of being a "good and exemplary bank" that we have embraced.

We were agonized by the disastrous earthquake that took place in our country and affected many provinces at the time we were drafting our annual report. I wish that those who lost their lives in this excruciatingly painful disaster will rest in peace, speedy recovery to the injured, and patience and resilience to those who lost loved ones.

From the first day of the earthquake disaster, we set all our units into action to support our employees, their families and fellow citizens in the earthquake-stricken provinces as the TEB Group and Subsidiaries. Believing that we will overcome these tough days with unity, solidarity and cooperation, we will carry on with the relief efforts we initiated to help fulfill the needs in the disaster-hit areas and we will continue to be by the side of our fellow citizens.

I am grateful to our employees who helped achieve our Bank's performance in 2022 and I thank all our stakeholders for their invaluable support.



**Ümit Leblebici**  
CEO



## AN OVERVIEW OF THE ECONOMY AND THE SECTOR IN 2022

**Having ended 2021 with 11.4% growth, the Turkish economy registered 5.6% growth in 2022.**

The rate hikes implemented by the US Federal Reserve System (the Fed) and the European Central Bank (ECB) because of increased global inflation caused a slowdown of global economy in 2022. In addition to that, the Russia-Ukraine war resulted in record rises in energy prices.

**2022 has been a challenging year for the financial markets.**

The tension between Russia and the European Union that followed the Russia-Ukraine war pushed natural gas prices up. While the US natural gas prices went up by 77%, Europe natural gas prices (TTF) soared by 180% on average.

The rise in inflation carried on in the last quarter of the year in the US, where consumer inflation was recorded in the order of 6.5%. The Fed increased benchmark interest rate by 425 bps to 4.5%. The ECB brought the benchmark interest rate up from 0% to 2.5%.

**The Central Bank of the Republic of Türkiye (CBRT) cut the rates by 500 points to curb the negative effects of decelerated global economic activity upon exports.**

Having kept the interest rate at 14% in the first half of the year, the CBRT implemented rate cut in response to the negative effects the global economy that lost pace in the wake of the Russia-Ukraine war had upon Turkey's exports and growth.

Amid an environment in which the Fed also became hawkish from the onset of the year, the Turkish lira lost value. The Turkish currency depreciated by 86% on average against the US dollar. Turkey's CDS premium was 260 points higher than its 2021 mean. Because of the globally increased food and energy prices, coupled with the depreciated Turkish lira, the CPI, which was 36.1% at year-end 2021, shot up to 64.3% at year-end 2022.

**The current deficit was adversely affected by energy prices.**

Turkey's annual exports and imports increased by 12.9% and 34.0% respectively. The rise in global energy prices negatively affected the current account balance despite the strong tourism and transportation revenues. The current deficit, which was USD 7.2 billion in 2021 (0.9% of the national product) went up to USD 48.8 billion (5.4% of the national product) in 2022.

**The Turkish economy is projected to grow by 2.8% in 2023.**

Global economic slowdown and the contribution of net exports that is reduced due to the central banks that maintain tight monetary policy could negatively affect Turkey's economic growth performance.

We are projecting that economic growth might be realized around 2.8% given the public expenditures and domestic consumption presumed to grow.

| Turkish Banking Sector Key Indicators |                   |                  |
|---------------------------------------|-------------------|------------------|
|                                       | December 2022     | December 2021    |
| Assets                                | TL 14.34 trillion | TL 9.21 trillion |
| Active Loans                          | TL 7.76 trillion  | TL 5.02 trillion |
| Marketable Securities                 | TL 2.37 trillion  | TL 1.48 trillion |
| Deposits                              | TL 9.32 trillion  | TL 5.54 trillion |

## TÜRK EKONOMİ BANK'S PERFORMANCE IN 2022

### IN GENERAL

Presented below is a summary of TEB's shares of the banking industry's basic indicators as of 31 December 2021 and 31 December 2022 together with information about changes in those shares.

Looking at the highlights of the Bank's performance in 2022 as compared with that of 2021 we observe that:

- Total assets increased by 41.79% in 2022.
- Shareholders' equity reached TL 25,341 million.
- Total deposits accounted for a 73% share of the Bank's balance-sheet.
- Total loans, which is the most significant indicator of the Bank's support for its customers and the economy, has been TL 149.3 billion in 2022 which represents 54.27% of total assets.
- Loan-to-deposit ratio has been realized as 74.52%, capital adequacy as 18.60% and return on equity as 58.72%.

### TEB'S POSITION IN THE INDUSTRY

| (TL million)           | 31.12.2022 |            |                 |
|------------------------|------------|------------|-----------------|
|                        | TEB        | Industry   | TEB's share (%) |
| Total Assets           | 275,147    | 14,344,402 | 1.92            |
| Total Performing Loans | 146,707    | 7,759,561  | 1.89            |
| Total Deposits         | 200,391    | 9,317,365  | 2.15            |
| Number of Branches     | 448        | 11,034     | 4.06            |
| Number of Employees    | 8,723      | 206,220    | 4.23            |

Source (for industry figures): BRSA's December 2022 monthly bulletin

## AWARDS

In 2022, TEB claimed numerous awards on the national and international arena for its projects and initiatives as it did in previous years.

| AWARD   | CATEGORY / RANKING   | PRODUCT / SERVICE   |
|---|--|---------------------|
| <b>RETAIL BANKING</b>   |  |                     |
| Contact Center World 2022   | Best in Customer Service                                   | TEB Call Center     |
| Contact Center World 2022   | Best Sales Campaign  | TEB Call Center     |
| Contact Center World 2022   | Best Quality Team  | TEB Call Center     |
| Contact Center World 2022   | Best Technology Innovation                                 | TEB Call Center     |
| Contact Center World 2022   | Best Crisis Management                                     | TEB Call Center     |
| Contact Center World 2022   | Best Use of Self-service Technology                        | TEB Turbo Pratik    |
| Global Finance/The World's Best Consumer Digital Banks in Western Europe 2022 | "Best User Experience (UX) Design" award                   | CEPTETEB            |
| The Digital Banker/Global Retail Banking Innovation Awards                    | "Best SME Mobile Banking App" award                        | CEPTETEB İŞTE       |
| <b>PRIVATE BANKING</b>  |  |                     |
| Euromoney Private Banking and Wealth Management Awards 2022                   | Best Capital Markets and Advisory in Turkey                | TEB Private Banking |
| World Finance Awards 2022   | Best Private Bank Turkey                                   | TEB Private Banking |
| International Finance Awards 2022   | Most Innovative Private Banking in Turkey                  | TEB Private Banking |
| Professional Wealth Management (PWM) Wealth Tech Awards 2022                  | Best Digital Innovator of the Year, CEE                    | TEB Private Banking |
| <b>CORPORATE BANKING</b>  |  |                     |
| Global Finance/Treasury and Cash Management Awards 2022                       | Best Treasury & Cash Management Bank in Turkey             | Cash Management     |
| Asian Banking & Finance Awards  | Turkey Cash Management Bank of the Year                    | Cash Management     |
| <b>HUMAN RESOURCES</b>  |  |                     |
| Top Employer Europe/Top Employer Turkey                                       | Top Employers Turkey and Top Employers Europe Certificates | TEB                 |

## CORPORATE AND CORPORATE INVESTMENT BANKING GROUP

### CORPORATE BANKING GROUP

**TEB Corporate Banking Group offers high value-added products and high-quality services to medium- and large-scale domestic and international companies, conglomerates and holding companies with an annual turnover of TL 300 million and above.**

The priority focus of TEB Corporate Banking Group for 2022 was shaped around the goal of digitalizing the services rendered to its clients.

#### **TEB Corporate Banking products and services**

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

TEB delivers its privileged and high-quality services tailored in line with its long-term customer relations approach through a total of 11 corporate branches, 5 of which are located in İstanbul.

The Bank provides its services through its sales, cash management, foreign trade centers staffed with experienced specialists and an organization specifically designed for multinational companies. In its Corporate Banking business line, TEB is backed also by the synergy created with the global network of its shareholder, BNP Paribas.

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

#### **Privileged services to multinationals**

TEB is the first bank in Turkey to set up a Multinationals Desk. Since 2006, the Bank has been offering service to resident subsidiaries of multinational companies.

For these services, TEB makes use of the cooperation it has developed with BNP Paribas under the slogan “One Bank for Corporates”, as well as its own extensive network of domestic branches in Turkey.

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

TEB seeks to be the main bank with which all multinationals with operations in Turkey prefer to work as almost 1,300 multinationals from 45 countries already do.

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

## GLOBAL TRADE SOLUTIONS

### **TEB is a differentiated and specialized bank in foreign trade.**

At over 100 locations, Trade Centers of BNP Paribas add to TEB's competitive strength in foreign trade and further strengthens its position as Turkey's international bank.

TEB not only offers solutions for rating needs of its clients required by their projects in foreign countries in cooperation with BNP for letters of guarantee but also furnishes consultancy during the process via its specialized teams.

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

### **Money transfer service via correspondents**

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

Possessing the capability to make money transfers in different currencies to numerous different countries in the world in line with customer needs, TEB offers competitive prices to customers carrying out bulk money transfer through its strong correspondent network.

### **TEB Foreign Trade Centers**

The first of its kind in foreign trade finance and foreign trade consultancy in the Turkish banking industry, TEB Trade Centers operate in Adana, İstanbul, Bursa and İzmir provinces.

The trade centers develop the foreign trade finance solutions best suited to customers' needs drawing on TEB's and BNP Paribas' trade finance expertise and extensive correspondent networks.

### **The first bank to offer structured commodity financing credit in Turkey**

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

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

### **Specialized consultancy services to foreign trade customers**

TEB provides its customers with specialized consultancy services related to their foreign trade and investment activities.

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

## SUSTAINABILITY MANAGEMENT

In 2022, TEB kept supporting its customers' sustainability transformation. The Bank held various events for customers to inspire them and contribute to their knowledge, as well as offering related financial solutions.

TEB steadfastly continues to provide the financing its corporate customers potentially need in relation to sustainability and to focus on awareness raising initiatives.

In this framework, a meeting under the name "Are you Ready for the Green Transformation?" was organized in 2022. Senior executives from corporate companies attended the event that highlighted the importance of sustainability transformation and the significance of the European Green Deal for the sectors.

Through such events addressing all its stakeholders, the Bank will continue to create the platforms for its stakeholders to consider their future needs associated with sustainability transformation.

In addition to all financing it makes available within the scope of sustainability, TEB assumed the "Green Loan Coordinator" role in the syndicated loan it has secured for a corporate company which was participated by 5 different banks in 2022. The facility will be used to finance green projects envisaged to make a positive environmental impact.

The Bank is determined to gradually increase its contribution to sustainable finance.

## CASH MANAGEMENT

### **Digital solutions focused on speed, efficiency and effectiveness**

TEB Cash Management continued to satisfy customer needs with digital solutions backed by its solid technology in 2022.

In the reporting period, the Bank improved and diversified its supplier finance models and provided the capability for integration with fintech platforms in addition to the two different versions that were already available.

As open banking applications and partnerships with fintechs gain increased importance in our day, TEB Cash Management places much emphasis on developing online system connections aligned with customer preferences and enabling accounting integration. In this framework, new capabilities were added to the system, which will provide the FC transfer infrastructure on real-time basis to corporate customers through SWIFT connection. This resulted in high value-added solutions which allow monitoring of incoming and outgoing SWIFT messages on a real-time basis.

IBAN verification service, which will further strengthen customers' payment security, will be among the digital developments that will be launched for use by TEB customers by early 2023.

Targeting to offer convenience for customers' short-term operating capital requirements that they require within their payment and collection cycles, TEB Cash Management expanded its product range with the addition of the Automotive Stock Finance product in 2022.

## **2 different awards in the Best Cash Management Bank of the Year Category**

In the World's Best Treasury and Cash Management Banks Survey 2022 conducted by Global Finance, one of the prestigious publications followed up closely by the finance community, TEB was named the "Best Treasury and Cash Management Bank in Turkey".

TEB Cash Management was named the "Best Cash Management Bank in Turkey" for the 9th time at the Asian Banking and Finance Wholesale Banking Awards, the panel of which comprises of independent audit firms such as Ernst and Young, KPMG, Deloitte and PwC as well.

## **PUBLIC BANKING**

### **Cooperation focused on value generation**

Since 2017, TEB has been carrying out its efforts to expand the scope of business with the public sector and to create new cooperation areas via its Public Banking Department.

The Bank fulfills the public institutions' needs in foreign trade, structured trade finance, cash management, and alternative funding facilities with longer term and lower-cost funding enabled by BNP Paribas' industry expertise and support.

The Public Banking Department offers other banking products to Public Economic Enterprises and local administrations besides providing them with low-cost and long-term funding.

In 2022, TEB Public Banking diversified its public institutions portfolio with new additions, and gave them access to alternative financing instruments such as bond issuances in accordance with their medium-and long-term strategies, primarily through capital markets.

Additionally, TEB provided medium- and long-term credit finance to "Green and Sustainable" investments of municipalities in particular.

## **MARKETING AND BUSINESS MANAGEMENT ACTIVITIES**

### **Transformation projects backing strategy and goals**

TEB Corporate Banking carries out marketing and business management activities in parallel with the sales and marketing strategies.

These activities include oversight of action plans devised, conducting transformation projects backing strategy and goals and detailed analyses in improvement areas, and management and reporting of improvement projects for identified processes.

In 2022, the processes were reviewed and "digitalization" was made the main focus in line with the principles of operational excellence and ensuring customer satisfaction by increasing the commercial time of employees.

## CUSTOMER SUPPORT THROUGH VARIOUS CHANNELS ENABLED BY STRONG SYNERGY

### **Strategy: “Creating value for all stakeholders”**

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

TEB continued to provide end-to-end solutions to corporates at all business lines, including their whole ecosystem with a holistic approach offering TEB Group’s range of financial and non-financial products and services in 2022 as well.

### **Backed by the synergy with BNP Paribas**

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

In this context, TEB provided the following high value-added services:

- support for commercial and investment activities
- local and international resources for the funding of foreign trade activities
- financial advisory
- M&A advisory
- project finance facilities
- intermediation of domestic and international borrowing instrument issuances or public offerings

### **Multiple synergy with business lines and subsidiaries**

TEB conducts synergy-based business development activities involving the Bank’s other business lines, in order to create value for corporates in all areas of activity they are engaged in such as agricultural banking, consumer finance, payment systems with card and POS services, solutions for dealers, corporate finance and salary agreements.

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

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



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

Amid the volatile market conditions of 2022, TEB carried on with product, service and solution developments for Corporate Banking customers through the Group companies.

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

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

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

## **CORPORATE INVESTMENT BANKING GROUP**

### **International debt and capital markets products**

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

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

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

In 2022, TEB Corporate Investment Banking Group successfully sustained its development despite the increasing competition and toughening market conditions. In borrowing and international market transactions realized by the targeted clients, BNP Paribas’ wide range of products and geographical network has been efficiently utilized.

### **A gateway to overseas markets**

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

Global Markets continued its operations in changing and developing global markets in a strong and sustainable growth trend in 2022.

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

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

### **Solutions tailored for large corporate clients**

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

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

Developing high-level relationship management with these corporate groups and companies, the Large Corporate Groups Department targets to provide the products and service with the highest added value available at TEB and BNP Paribas at the highest extent possible.

The Department also aims to produce diverse financing solutions and offer global trade solutions on the back of a broad product range to customers, and to strengthen its customers' cash flows. To this end, policies are established to become companies' priority choice for cash flow and foreign trade, and these policies are efficiently managed.

Under the "Innovative Organizations" structure launched in 2022, technology-oriented companies having an innovative business model, grow rapidly on the back of investment capital, and internationalize or have the potential to do so, are furnished with both local and global financial and strategic solutions.

### **A pioneer in sustainability as well**

TEB remains committed to overrating financing needs associated with sustainability.

In 2022, TEB Corporate Investment Banking participated in the financing of numerous investments producing a sustainability impact such as clean transportation, circular economy, waste management and so on with a particular focus on renewable energy and energy efficiency.

In the reporting period, the Department has become idea partners with multinational companies with investments in Turkey and acted as an advisor to these companies in major projects thanks to the Bank's broad client network.

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

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

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

#### **Sustainability-linked syndicated loan**

In 2022, TEB rolled over its sustainability-linked syndicated loan.

The Bank signed the sustainability-linked syndicated loan with a 367-day term on 31 October 2022.

The sustainability-linked syndicated loan comprises of two tranches in the amount of EUR 200 million and USD 63.5 million.

The all-in cost of the facility that will be used towards the general financing of foreign trade is set as Euribor+4.00% for the Euro tranche and as Sofr+4.25% for the USD tranche.

#### **Money transfer services at special costs**

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

### **TEB SECURITIES SERVICES AND TL CASH CLEARING**

#### **Significantly increased assets in custody services**

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

Having completed its 15th year in the industry in 2022, TEB has been providing local custody and settlement services in cooperation with BNP Paribas Securities Services, which is Europe's largest custodian bank, as a continuation of services that were originally established by BNP Paribas in Turkey back in the 1990s.

The department also offers post-trade services for its customers' needs pertaining to capital market instruments, which may arise subsequent to their investment and financing decisions.

In addition, TEB Securities Services and TL Cash Clearing also provides TL correspondent account service to non-Group banks and financial institutions.

In 2022, Securities Services Department rose to second place among the banks offering interbank TL payment service.

Upon the win of the custody mandate of a large financial group and several corporate clients, the Department significantly augmented the assets in its custody and upped its market share in custody banking.

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

- Settlement and custody services for equities, debt instruments and other capital market instruments,
- Account operator services for International Central Securities Depositories' omnibus accounts in Turkish market,
- Collateral and cash management services for derivatives,
- Securities borrowing/ lending transactions,
- Outsourcing services for brokers,
- Escrow and collateral management services,
- Debt instrument, certificate and warrant issue-related operations and payment services,
- Account operating services for issuers' central registry agency accounts,
- Individual custody, collective portfolio custody and funding services for portfolio management companies.
- TL Cash Clearing services to non-resident foreign bank groups.

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

Securities Services and TL Cash Clearing Department reproduced its previous successful performance in existing products and services in 2022, winning new customers and successfully handling its customers' transactions.

The department consistently ranked first in the surveys conducted by the market's leading institutions in 2021, which polled customers' opinions and scores. This success has been awarded by various institutions:

- Global Finance Magazine - Transaction Banking Awards 2022
- Global Custodian Agent Banks in Emerging Markets 2022

TEB Securities Services and TL Cash Clearing monitors all the developments realized by regulatory bodies, namely Capital Markets Board of Türkiye (CMB), Takas İstanbul (İstanbul Clearing, Settlement and Custody Bank Inc.), Borsa İstanbul (BIST), Merkezi Kayıt İstanbul (MKK - Central Securities Depository of Türkiye) and the Banking Regulation and Supervision Agency (BRSA) from legal, technological and operational aspects. The department provides solutions to client needs on the securities services business with investments in new products and technology.

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

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

Within the scope of efforts to become a leading institution in the market and to develop capital markets, joint project development studies with BIST, Takas İstanbul, MKK and Turkish Capital Markets Association (TCMA) continued in 2022.

### **New product and cooperation development efforts**

New product and cooperation development efforts were carried on throughout 2022 that saw major developments take place in the Turkish capital markets.

The product approval for Issuance and Payment Services for Covered Warrants was received during 2022. The service is slated for introduction to customers in 2023.

In 2019, long-awaited omnibus account structure for International Central Securities Depositories (ICSD) was launched. With this change, omnibus account structure which allows beneficiaries abroad to monitor and manage all their capital market instruments in a collective manner has been added to account types held under MKK.

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

In 2022, the department further expanded its customer portfolio by improving the correspondent banking service it provides to financial institutions.

Contacts with Takasbank (İstanbul Settlement and Custody Bank Inc.) and communications with customers regarding the market's operation continued also in 2022. General clearing membership both on the equity market and on the derivatives market, European Securities and Markets Authority (ESMA) application within the scope of CCP (Central Counterparty) status and services that can be rendered in association therewith continued to be discussed.

### **Competent collaboration with TEB affiliates**

TEB Securities Services and TL Cash Clearing also works in close collaboration with other TEB affiliates active in capital markets.

In particular, the services related to BIST Futures and Options Market offered in partnership with TEB Investment has brought considerable success with increasing transaction volumes and number of customers in 2022.

Support was extended to flourishing of capital markets in our country by sponsoring the Capital Markets Summit together with TEB Investment and TEB Asset Management.

## SME BANKING GROUP

### **Efficient information, training and partnership support to customers**

TEB SME Banking Group operates in the areas of SME, Agricultural, Start-up, Gold and Municipal Banking segments and provides information, training and partnership support to customers.

In keeping with its vision of automation and digitalization of banking processes, the Group targets to offer the best customer experience to SMEs. Hence, the Group redesigned its products and processes to provide faster and solution-oriented service in the SME segment and kept offering privileged means to its customers for the global competitive arena.

Operating as part of BNP Paribas' global network, TEB SME Banking Group provides financing facilities at favorable terms and advantageous costs to its exporter customers thanks to its strong overseas correspondent network.

Need analyses were performed for exporters that have a strategic importance for the Turkish industry and customized product and service models were designed accordingly. Advisory needs of foreign trade customers continued to be fulfilled by expert teams. SMEs were provided with the chance to penetrate foreign countries through Global Trade Solutions, while foreign trade customers were offered alternative financing solutions.

Having actively intermediated its SME customers' access to EXIM and CBRT-sourced loans also in 2022, the Group uninterruptedly carried on with its support to the SMEs in CGF-backed projects in the reporting period.

With its advantageous "KOBİ Dört Dörtlük" package, the SME Banking Group helped its customers handle their everyday banking transactions at low cost.

Furthermore, the Group made it possible for the SMEs to perform their SWIFT and other transfers free-of-charge for up to six months in their exports and imports and perform their FX trading at advantageous rates on the TEB FX Platform under three different Foreign Trade Expense Packages differentiated according to scales of customers.

The SME Banking Group serviced customers also with ELUS (Electronic Product Certificate) loans, specialty products for the jewelry industry, as well as credits entailing grace periods.

The Group fulfills customers' insurance needs with the broad product ranges of Zürich Sigorta and Cardif Sigorta.

Strategic goals of the SME Banking Group for 2023 also cover increasing the share of sustainability-linked loans within total loans.

Aware of its environmental and social responsibilities, TEB SME Banking Group adopts a specific approach to sustainability activities and investments of SMEs, and supports projects that create "Positive Impact" for the society and the environment.

Within the scope of sustainability finance, the Group provides SME-scale businesses and municipalities with financing solutions for funding green projects such as renewable energy,

energy efficiency, circular economy, waste management and renovation projects for carbon reduction.

## START-UP BANKING

### **Uninterrupted support to start-ups**

Since 2013 to date, TEB has been the leading bank in Turkey with its special service model targeted at technology start-ups and companies. The Bank furnishes service to start-ups and technology companies with its 11 competent branch employees out of 8 branches.

Maintained in partnership with the Turkish Exporters Assembly (TİM), TİM-TEB Start-up Houses are currently active in seven cities, namely İstanbul, Ankara, İzmir, Bursa, Mersin, Denizli and Gaziantep. So far, 1,700 start-ups were supported at the Start-up Houses and the total investment amount received by start-ups reached TL 535 million.

Being the first bank to qualify as an implementation institution in TÜBİTAK's Young Enterprise (BiGG) Program, TEB is in leadership position in the program of which it has been a part for seven years. In addition to that, Start-up Banking offers special supports to TÜBİTAK-funded technology start-ups within the scope of the cooperation protocol signed with TÜBİTAK.

TEB has become the sole banking partner in the Turcorn 100 program launched by the Ministry of Industry and Technology as part of the National Technology Initiative. Accordingly, the Bank will work with tech companies with high added-value and growth potential accepted to the program.

Under the Academy for Women (AWE) program co-conducted with the US Embassy, advisory and mentoring were provided to women-led technology start-ups. On the Program's final demo day for entrepreneurs, over 120 investors and corporate executives from various cities in Turkey got together with entrepreneurs. 5 competent women entrepreneurs designated on the demo day participated in the Vivatech Technology fair in France within the scope of the program support.

## AGRICULTURAL BANKING

Since 2007, TEB Agricultural Banking has been making available its Agricultural Banking products based on the circumstances and dynamics of agricultural production for use by producers. TEB Agricultural Banking provides agricultural input financing to farmer and producer organizations (unions, cooperatives and chambers) and agricultural establishments of any scale.

In 2022, TEB signed cooperation agreements with a large number of farmer and producer organizations, and provided interest-free period and advantageous terms to association, cooperative and chamber-members at business places within Harman Card network. Customized solutions were offered for the agricultural loan and cash needs.

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

## MUNICIPALITY BANKING

TEB Municipality Banking Department kept taking place among the main banks of municipalities in 2022. Allowing municipalities to obtain financing more easily thanks to its custom-tailored business model, the department contributed to faster realization of substructure and superstructure investments of municipalities.

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

## DIGITAL SME

CEPTETEB İŞTE has been positioned as a fundamental service channel of TEB. CEPTETEB İŞTE lets SME customers easily and quickly access TEB and practically perform their everyday banking transactions.

The new features added to the app include borrowing and loan repayment, online company supplementary card creation, commercial virtual card generation and management, approval of insurance policies sold by branches on the mobile branch, digitally approve documents for private companies, observe and online payment of promissory notes for which the user is the debtor.

CEPTETEB İŞTE was granted the “Best SME Mobile Banking App” award at the Global Retail Banking Innovation Awards 2022 organized by The Digital Banker.



## RETAIL AND PRIVATE BANKING GROUP

### Customer-oriented banking concept

In 2022, TEB Retail and Private Banking Group continued to put the customers at the heart of its activities in every field.

TEB focuses on responding to customer needs, evolving technology and constantly improving customer experience.

During 2022, the Bank made significant progress on new customer acquisition front by strengthening its campaigns in all domains, including deposit and loan offers, current value propositions aimed at customer expectations and system upgrades. Furthermore, the Bank achieved considerable growth and expansion in the use of digital services.

### Priorities in 2022

TEB identified its priorities in the Retail Banking segment in 2022 as follows:

- Become the first choice of retirees,
- Achieve sustainable increase for digitalization of salary customers,
- Deepen in credit products by offering the consumer loan product to both existing and new customers,
- Offer alternative deposit products and Currency-Protected Lira Deposits that protect savings in Turkish lira against changes in exchange rates to customers,
- Support the relationships between the bank and customers with third party agreements,
- Grow the number of active customers in each segment.

### Target is to be the “most recommended bank”

Targeting to be the “most recommended bank”, TEB continued to listen to its customers through various channels and to measure experience.

In 2022, the quality of the customers’ experience with TEB, the degree of their satisfaction with products and services, and the level of their recommending the Bank were measured by independent research companies using the NPS (Net Promoter Score) methodology. TEB has been consistently ranking in the top spots for the past 4 years.

During the reporting period, the Bank has received feedback from more than 200 thousand customers from five different channels, namely CEPTETEB, Call Center, branches and Turbo device. Survey results were regularly analyzed together with business units and necessary enhancements were made in improvement areas in customer experience.

The highlights of TEB’s major developments and improvements through its digital channels and branches in 2022 are as follows:

- Digital onboarding and directing existing customers to digital channels,
- Increasing the number of turbo devices with video call features and upgrades on the devices
- Efforts to improve call prioritization at the call center
- Communications for directing customers to use digital channels

- Capability to transfer pensions from another bank through digital channels

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

### **147% rise in the number of retiree segment customers**

According to December 2022 results, the number of TEB's retiree segment (retirees customers whose pension accounts are hosted in TEB) customers grew by 147%.

The Bank enriched its offers targeted at customer needs with campaigns offered to clients transferring their pension accounts to TEB.

Engagement renewal process was developed for CEPTETEB Mobile and CEPTETEB Internet Branch so that pension account customers can take advantage of the latest promotional amount.

### **Digitalization of salary customers**

TEB intermediates the salary payments of numerous large corporate and public sector companies with the target of being "one of the most preferred banks" for salary payments.

As salary account customers remain one of the most important pillars of TEB's customer base, digital channel usage ratio of active salary account customers was in the order of 97% in 2022.

### **One of the most preferred banks in consumer loans**

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

### **Currency-Protected Lira Deposits that protect Turkish Lira savings against changes in exchange rates**

To protect its individual and commercial customers residing in and out of the country, TEB quickly introduced "Currency-Protected TL Term Deposit Account", "FC Deposit Converted into TL Term Deposit Account", "Gold Account Converted into TL Term Deposit Account" and "YUVAM Account" products, which let customers earn interest while being unaffected by potential changes in exchange differences.

Having made Currency-Protected Deposit Accounts available from its branches, CEPTETEBMobile and CEPTETEB Internet Branch, TEB has been one of the fast-moving banks in this respect. TEB was also among the banks that secured high market share increase in the related products as compared to the onset of 2022. Highlighting saving up, TEB encourages its customers with FC deposits to save up in Turkish currency, while protecting its savers against exchange rate risk.

### **Marifetli Account that promotes the habit of saving up**

“Marifetli Account”, TEB’s product that is set to modify the saving habits of customers, augments customers’ overnight deposits on a daily basis and allows cash withdrawal or deposit at any time and helps promote the habit of saving up among customers.

Marifetli Account offered advantageous interest rates to savers throughout the year with its attractive campaigns.

Global Youth (Genç) Account which is a sub-product of Marifetli Account offers a lower limit of 100 TL/EUR/USD/GBP for earning interest on their savings. By this account, youngsters earn income on savings of lower amounts and gain awareness of savings at an earlier age.

### **TEB AFFLUENT (YILDIZ) BANKING**

#### **28% increase in the number of Affluent (Yıldız) segment customers.**

In 2022, TEB aimed to differentiate its propositions to customers in the middle-upper income group. To this end, Affluent Banking threshold was raised to TL 300 thousand and focus was placed on potential customer groups.

With the target of being the customers’ main bank, TEB Affluent Banking set a more investment-focused strategy in view of customers’ risk and return understanding. Accordingly, the Bank concentrated on servicing Affluent Banking customers via Affluent (Yıldız) Portfolio managers, with the aim of delivering a better experience for each customer. While Affluent (Yıldız) Portfolio managers were provided with training along this line, a central Portfolio team was formed at the Head Office and customer needs started to be fulfilled by a specialized team that offered remote support.

Furnishing renewed financial and non-financial privileges with a holistic banking concept, TEB reinforced customer loyalty. As TEB intended to provide more investment-focused service to Affluent Banking customers in this framework, Investment Consultancy placed products and services such as funds created according to diverse risk and expectations and the FX platform in its focal point. This development secured 28% increase in the number of TEB Affluent Banking customers in 2022.

On another front, services and privileges offered under CEPTETEB played a leading part in bringing the percentage of digitally active Affluent Banking segment customers to 80%.

#### **Products and services tailored to the needs of customers from diverse professional groups**

##### **Lawyers**

TEB enhanced the “Lawyer Package” launched in 2021 and enabled depositing of contributions to Private Pension accounts lawyers have at TEB based on their cash flow in April 2022. Contribution advantage up to TL 400 per month was provided conditional upon topping of Bar Association cards of lawyer customers and/or receipt of the related amounts by TEB via the UYAP system (National Judiciary Informatics System).

The package was intended for development of demand deposit volume of lawyers and increase in customer revenues. Furthermore, with the aim of being the main bank of lawyers,

TEB made agreements with 54 bar associations in Turkey and secured referral of lawyers by bar associations to TEB.

The Bank targets to keep further enhancing the packages customized for lawyers and maintain its market leadership in 2023.

### **Pharmacists**

TEB preserved its market share leadership in the pharmacists segment with 46% share in 2022.

Under the special campaign devised for pharmacists, the Bank deposits TL 300 per month to private pension plans of pharmacists conditional upon depositing of Social Security Premium payments to TEB and active use of the Bank's POS device.

The privileges offered by the special services package designed for pharmacists include free EFT and intrabank money transfers via internet and mobile banking, free cheque book and POS device exemption and advantageous POS pricings.

All pharmacists performing their legal collections via TEB can benefit from these advantages the Bank offers.

### **TEB Accessible Banking**

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

TEB offers service to its visually-impaired customers out of 368 branches, via all the TEB ATMs and 49,005 POS devices, and to its orthopedically-handicapped customers out of 325 branches and via 867 ATMs. The Bank offers prioritized service to its customers with disabilities through its other channels as well.

### **Solutions for customers' insurance and private pension needs**

In bancassurance field, TEB continues to work in strategic collaboration with BNP Paribas Cardif in life insurance and private pension branches and with Zurich Sigorta in non-life insurance, providing solutions for customers' insurance and private pension needs.

Within the scope of the existing product range, the Bank started offering new products such as Kazançlı Yarımlar, Hayatım Yolunda, Gelir Koruma and Fatura Koruma life insurance in the life insurance branch, and Hesaplı Evim, Süper KOBİ Insurance in non-life branch so as to help with the growth and development of the insurance industry as well.

Fast-changing customer needs drove TEB to present new services and solutions for existing products. Accordingly, free-of-charge assistance services offered with products were enriched, lifelong renewal assurance cover was added to the Complementary Health Insurance product, and customer value propositions tailored for lawyers, pharmacists and veterinarians were increased.

Global and corporate solution proposals started to be furnished under a special service model to corporate/commercial segment customers in non-life and group insurance needs.

During 2022, TEB also focused on improving its bancassurance work processes and enhancing its service level on the back of infrastructural and systemic upgrades. New features added in this framework include Private Pension Fund Bulletin service within the Investment Strategies Reporting menu available in the Mobile Banking app, as well as viewing contract information for Private Pension products via the app.

Insurance products started to be sold also via the Call Center as part of the efforts for promoting stand-alone insurance products and delivering them to customers through all channels.

In the period ahead, TEB targets to achieve enhanced customer experience and satisfaction through digital transformation initiatives, diversification of alternative sales channels and integration of products in all sales channels.

### **TEB Family Academy**

Launched in 2012, TEB Family Academy continued in 2022 in cooperation with Boğaziçi University Center for Analytics and Insights. The Family Academy disclosed the results from a survey administered for its tenth year in an event organized, and published Financial Literacy and Financial Access Indices. During the event, TEB Family Academy announced a new project to be co-launched with UNICEF, with which it had collaborated in the past, as an additional initiative to financial literacy.

During 2022, the Family Academy provided digital training to more than 30 thousand employees of over 50 organizations from more than 10 different sectors.

TEB added a new link to its partnerships from November 2022, and prepared and introduced the digital financial literacy training in cooperation with the Ministry of National Education for more than one million teachers.

## **PRIVATE BANKING**

### **Broad product portfolio in private banking and wealth management services**

TEB has been offering private banking and wealth management services since 1989. TEB Private Banking operates out of 13 Private Banking Centers and 4 in-branch corners located in Turkey and the Turkish Republic of Northern Cyprus. The first to introduce Private Banking in Turkey, TEB Private Banking blends the knowledge and experiences of its global partner BNP Paribas Wealth Management with its innovative service concept and offers service to its customers with a broad product portfolio.

### **Product and service developments**

Developed in line with the needs of Private Banking customers, CEPTETEB Mobile was enriched with campaigns adding privileges to every moment of customers' lives in 2022. The new content made available on the mobile app kept TEB Private Banking customers informed of discounts and campaigns in various fields such as lifestyle, supermarkets, travel, restaurants and well-being, and let them easily take advantage of these benefits.

The new reports added in 2022 to Investment Strategy Reports offered to customers via CEPTETEB gave them easy access to "Company Reports", "Pair Trading Suggestions", "Technical Analysis Reports", "Model Portfolio" and "Equity Strategy Report".

In 2022, TEB Private Banking successfully carried on with the investment consultancy service offered via TEB Investment. TEB Investment experts offered portfolio management model options aligned with respective investor profiles and structured according to various risk rates to their customers. During 2022, the synergy with TEB Investment and TEB Asset Management was increased, and the product range was expanded with new funds, alternative products and services.

### **TEB Private Angel Investment Platform**

Launched in 2013 by TEB Private Banking with the goal of presenting its customers with alternative investment areas, TEB Private Angel Investment Platform carried on with events bringing entrepreneurs and investors together in 2022. Intending to support the “Impact Investments” that will affect the future, all activities carried out to date were merged under the same roof and “TEB Private Angel Investment Platform” was renewed.

2022 meetings with the themes of “Social Initiatives Targeted at Ecological Sustainability” and “Innovative Agricultural Technologies” brought together startups and investors targeting to make a difference for our country and our planet. TEB Private Angel Investment Platform project is positioned as one of TEB’s initiatives to create value for all its stakeholders and make positive impact for the society in keeping with its notion of being a “good and exemplary bank”.

In order to introduce its customers wishing to invest in the startup universe to the “equity crowdfunding” scheme, TEB Private Banking made a cooperation with Fongogo Kitle Fonlama Platformu A.Ş. company, a platform authorized by the CMB to engage in crowdfunding activity, in 2022.

## **DIGITAL BANKING**

### **During 2022, 89% of TEB customers used non-branch channels.**

Presenting practical and easy-to-use financial solutions through its digital channels, TEB revamped the Fund Menu available on CEPTETEB Mobile and introduced richer information and portfolio to users. In addition to that, the Bank started offering Fon Danışmanım (Funds Advisor) service also on CEPTETEB Mobile and allowed its customers to manage their savings and investments in varying amounts on the basis of model portfolios created according to current markets and personalized risk categories.

57% of those wishing to become TEB customers via CEPTETEB were acquired for the Bank with the end-to-end digital onboarding process.

While 9 out of every 10 loans were disbursed via CEPTETEB channels, the shopping loan product that can be quickly approved and utilized at the time of the need was put into life with Trendyol, a strategic business partner.

In 2022, 89% of TEB customers used non-branch channels. Priority was given to making available all developments made in alignment with customer needs and market developments throughout the year on digital channels with advantages attached to them. As the share of customers that actively used these channels came close to 79%, the share of the number of accounts opened digitally was registered as 66%. This ratio was as high as 81% for Currency-Protected TL Deposit products.

### **High added-value technology investments**

Bringing advantageous and easy shopping to its customers on CEPTETEB Super platform, CEPTETEB established cooperation with otelz.com and yolcu360 after turna.com and Genpa. Customers enjoyed special discounts for their car rentals, hotel bookings, electronics, bus ticket and air ticket purchases in the advantage-packed CEPTETEB Super ecosystem.

### **Wide variety and growth trend on the digital**

TEB Digital Banking offered the advantages of credits cards for use by its customers with the Card World added to the Campaigns menu on CEPTETEB Mobile.

CEPTETEB Digital Banking was granted the “Best User Experience (UX) Design” award in “The World’s Best Consumer Digital Banks in Western Europe 2022” category by Global Finance Magazine, one of the world’s prestigious finance magazines.

Furthermore, CEPTETEB İŞTE was named the “Best SME Mobile Banking Application” at the Global Retail Banking Innovation Awards survey by The Digital Banker in 2022.

The new features added include borrowing and repaying revolving loans and spot loans, defining installment commercial credit card limit and company credit card limit for business segment customers, online commercial supplementary card creation, commercial virtual card generation and management, approval of insurance policies sold by branches on Mobile Banking, digitally approving documents for private companies, tracking and online payment of promissory notes for which the user is the debtor.

### **Developments in innovation**

Innovation efforts continued also in 2022. One of the main manifestations of innovation efforts outside the Bank in the present era when sustainability is the pivotal topic, TEB Open Innovation Competition that celebrated its 16<sup>th</sup> year in the reporting period invited university students, new graduates, customers and technology start-ups to “Invent for a Better World” and collected their ideas that will make a positive impact.

The competition’s finalists bring their ideas to maturity and present their projects to a jury panel formed of the leading people in their respective sectors in a special innovation and entrepreneurship camp. Winners receive an MBA scholarship and priority admission to TEB Start-up House, as well as monetary prizes. Collaboration was established with the 2022 champion start-up named *Köstebek* founded by three young women entrepreneurs.

TEB employees leave their electronic waste in the electronic waste collection boxes placed in the Head Office buildings which are collected and sent for recycling by *Köstebek*.

Through the Intrapreneurship Program launched in 2014 for creating an entrepreneurial culture within the organization and cultivating the intrapreneurs who come up with innovative projects, TEB employees’ ideas with the potential to make a positive impact are developed into projects, a setting for collaboration is made available, and the necessary training programs, mentorship and coaching support are provided.

## PAYMENT SYSTEMS

TEB continued its efforts in 2022 to facilitate payments by individual and corporate customers, develop new payment alternatives and integrate into the digital world. TEB carried out activities to help customers perform their shopping transactions more easily, quickly and securely.

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

### **Yıldız Priority Signature Card**

A new prestigious credit card riveting with its black color and upright design and also offering privileges to its holders in and out of the country, “TEB Yıldız Priority Signature Card” was launched for Affluent (Yıldız) Banking customers in December 2022 with various benefits in business, travel, culture and arts, hotel accommodation, dining and many other areas of daily life.

As TEB’s affluent segment customers feel privileged in the world’s leading hotels thanks to the card’s benefits, they earn 10% bonus on their domestic hotel and restaurant expenses. Yıldız Priority Signature Card also comes with additional benefits that include Zubizu Black membership, discounted parking at the airport, Gastroclub and 24/7 Assistance services.

### **Increased efforts for enriching card functions**

As part of TEB’s efforts for enhancing customer experience, functional enrichments that will enable customers to digitally perform all card-related transactions they may need increase day by day.

Broad campaign options and card privileges are offered to customers via CEPTETEB Mobile, which they can also use for participating in the campaigns. Particularly after the pandemic, new generation analytical solutions were developed within the frame of advancing and evolving digital technologies, which allowed customized proposition structure to be run on customer data.

TEB determines instant needs using real-time marketing system on customer touchpoints and offers the best value propositions. In 2022, the Bank continued to pursue activities successfully in the main headings of identification of customer needs, formulation of marketing activities accordingly and management of customer portfolio, effective management of the sales force, and advanced analytical business solutions focused on corporate strategies.

### **One agreement, 5 cards**

TEB develops POS solutions and packages specific for each segment.

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



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

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

### **Self-developed solution for Android POS**

TEB is one of the several banks that developed its proprietary POS application in the area of Android POS with its internal IT resources.

Configuration efforts continue for the system that currently runs on two devices to support the devices of different suppliers, with further deployment planned to be increased in the first quarter of 2023.

Developments have been substantially completed for pioneering applications such as the TR 2DCode (QR Payment) in the payments universe. Efforts are underway for increasing the field coverage so that payments can be collected both from the credit card and the account using TR 2DCode (QR Payment).

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

In 2022, the number of banks with joint POS deals reached 7 and the number of brands & models collaborated for cash registers reached 18.

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

As part of its digitalization efforts, TEB kept working towards making life easier for its POS customers and, further enhanced POS capabilities available on CEPTETEB İŞTE. Additionally, the Bank made it possible to receive all documents through alternative channels with digital approval.

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

### **New customer acquisition and products sales through third parties enabled by open banking**

Open Banking and Service Banking Department was set up to carry out TEB's activities under the regulatory framework setting out the operation of Open Banking and Service Model Banking published in December 2021.

The Department primarily devised the Open Banking Services for account information sharing and payment initiation to allow customers to access banking services through third parties and readied them for delivery upon the Interbank Card Center (BKM).

Sector dynamics and customer demands were evaluated within the scope of Service Model Banking and APIs were created for products that can quickly start running through in-network third parties. In addition, developments were made which will enable digital onboarding from out of the Bank aimed at winning non-customers for the Bank through these companies.

As of 2022 year-end;

- TEB keeps offering service to 1.8 million customers with 2.4 million credit cards.
- TEB was offering service at 125,250 locations on the basis of direct POS agreements.
- The Bank offers member merchants shopping opportunities with installment and Bonus point redemption capability with 40,000 POS devices incorporating Bonus feature,
- TEB supports payment organizations, the new players in the sector. Carrying on with virtual POS efforts with a number of payment institutions, the Bank possesses a comprehensive and reliable infrastructure regarding the recognition and management of sub-businesses. Approximately 359,760 additional businesses are being served within the scope of this working model.
- With nearly 64,500 agreements in the PRD (Payment Recorder Device) market, TEB has 3.5% share in the PRD-cash register POS market.
- With 92,240 contactless POS/PRDs, the Bank strongly supports contactless payments particularly through solutions and communication campaigns at chain stores.
- POS agreements were made with large corporate customers and global chain stores.

## MICROBUSINESS BANKING

### **Staunch support to microbusinesses**

Throughout 2022, TEB continued to offer products and services that will allow microbusinesses and tradesmen access the necessary financing and make their collections.

### **Approximately 110,000 customers**

Approximately 110,000 Microbusiness Banking customers continued to securely use CEPTETEB İŞTE in 2022, the award-winning digital platform that lets them view their instant turnovers and past transactions for POS, the key product; allows them to apply for and take out loans; enables them to perform all their daily transactions effortlessly, and lets them control and monitor all their cash flows. Many additional capabilities such as promissory note payment, digital approval of documents and so on were developed in the app and put into use for customers.

Through Digital Loan that enables digital approval of the necessary legal documents and responds to credit demands within seconds via CEPTETEB İŞTE, Microbusiness Banking customers were given the possibility to easily access the financing that they need.

In addition, non-customer SMEs and tradesmen that are in sole proprietorship status were able to become the Bank's customer thanks to the video chat feature available on CEPTETEB İŞTE and start benefiting from all products and services.

### **Solutions focused on sectors**

In line with the Bank's strategies, TEB Microbusiness Banking increased both the number of its customers and market share on the back of products and services devised according to specific working formats of qualified professionals such as pharmacists, veterinarians, opticians and so on.

### **CGF support**

TEB Microbusiness Banking helped SMEs and microbusinesses access financing, which were unable to borrow loans due to insufficient collateralization, by way of CGF credits in 2022, as it did in previous years.

CGF-guaranteed loans disbursed in medium and long-term topped TL 2.5 billion, with TL 400 million of the said amount channeled to Microbusiness Banking customers.

## **WOMEN BANKING**

### **Support extended for increased participation of women in economy**

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

TurWIB II deal for EUR 25 million, which will be made available to women-owned businesses in the new year, was made for the second tranche of the Tur WIB package for the amount of EUR 50 million that TEB extended from EBRD funds in 2015 as one of its initial participants.

As a result of the efforts designed in line with this goal, TEB's cash lending to women-owned businesses in 2022 increased by nearly 30%, and total exposure reached approximately TL 3 billion.

### **Branch Service Model**

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

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

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

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

## **Turbo®**

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

Located in TEB branches, Turbo® devices allow performance of not only transactions involving a physical exchange such as cash withdrawal/deposit, payments, credit card delivery, etc. but also those requiring a wet signature, such as taking out a loan.

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

As of 2022 year-end, 245 Turbo® devices are being used actively at 172 TEB branches. Functionally, Turbo® devices are able to execute 85% of transactions performed at counters and are able to lift 40% of the counter workload. TEB is targeting to increase the total number of Turbo® devices to 339 in 2023.

## **Call Center**

TEB initiated outsourcing of Call Center internal operations in April 2022. 30% of the call traffic of internal operations were handled by outsourced teams.

## **Central Sales Department**

Comprised of two units, namely Affluent (Yıldız) and Microbusiness Banking, the Central Sales Department was set up in August 2022.

The Department furnishes remote customer representative service allocated to customers with 12 Microbusiness Banking Central Sales Operatives and 5 Affluent (Yıldız) Banking Central Sales Operatives.

In this scope, customers can directly reach the customer representatives who provide service under a fast and proactive sales format.

## ASSET AND LIABILITY MANAGEMENT AND TREASURY GROUP

### **Management style based on sound, long-term strategies**

TEB Asset and Liability Management and Treasury Group has managed interest rate, liquidity and structural exchange rate risks with the aim of maintaining a sustainable profit for the Bank. The Group has adopted a management style based on sound, prudent and long-term strategies with its competent and experienced staff and the know-how developed in cooperation with the BNP Paribas Group.

In 2022, the Asset-Liability Management and Treasury Group contributed to its subsidiaries to work efficiently in within the boundaries set by compliance.

### **Accurately Built Securities Portfolio**

During 2022 that was characterized by high economic and political risks, proactive hedging strategies implemented in interest rate and exchange rate risk management by the Asset and Liability Management and Treasury Group and the accurately built marketable securities portfolio mostly including CPI-linkers contributed significantly to the Bank's profitability.

Asset and Liability Management and Treasury Group very rapidly adapted to regulatory framework requiring long-term, fixed-return security purchases employing proactive strategies and incorporated the relevant assets with maximum returns in the portfolio.

The Group also carried out the necessary coordination with business lines for conversion from FC deposits to Turkish lira deposits in line with the liraization strategy.

Asset and Liability Management and Treasury Group quickly adjusted to macroprudential policies enforced in 2022 and regulations extending therefrom, and closely worked with business lines, which made it one of the top teams that helped the Bank avoid extra costs set out in the regulations and achieve all its targets.

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

### **Important role in decision-making processes**

The Asset-Liability Management and Treasury Group monitors the local and international markets closely to foresee the potential volatility in the market and so as to mitigate the structural risks in interest rate, FX and liquidity positions in the Bank's balance sheet.

The expertise that is required to be able effectively manage those risks is another strength of the Group.

The Asset-Liability Management and Treasury Group is in close communication with all the business lines to ensure that the balance sheet is composed of assets and liabilities with the right cost structure and in line with the competition faced from the market.

The Group plays an important role in modeling interest and liquidity risks accurately, measuring the realizations and the decision-making processes of the Bank through reports prepared for matters under the Group's responsibility.

### **Cost of Deposits Management**

Asset and Liability Management and Treasury Group successfully shifted a substantial portion of deposits to relatively lower-cost new products focusing on FX protected deposits in 2022. Furthermore, growing on core customer deposits helped secure stable and solid liquidity for the Bank.

In line with TEB's targets in digital banking, the Asset-Liability Management and Treasury Group maintained its supportive stance for the pricing made through the CEPTETEB channel.

### **Information flow to BNP Paribas**

Information flow between specialist teams to adapt BNP Paribas' know-how in modeling analyses to the requirements of Turkey by the Asset-Liability Management and Treasury Group continued efficiently in 2022.

Additionally, work was carried out to adapt the liquidity and risk management policies implemented by the BNP Paribas Group to the Bank, and experiences were shared for a more efficient liquidity and risk management. The Group continued to work on more effective liquidity and risk management, particularly on intraday liquidity management, and experiences were shared regarding effective liquidity management under stressful situations.

## NEW PRODUCTS AND SERVICES

### CORPORATE BANKING GROUP

During 2022, TEB Cash Management kept improving and diversifying supplier finance models, and made integration with Fintech platforms available in addition to the two existing different versions.

Moreover, new capabilities were developed which will deliver the FC transfer infrastructure over secure SWIFT connection in real-time to corporate customers.

Targeting to provide ease for its customers' short-term operating capital needs that they will need within their payment and collection cycle, TEB Cash Management expanded its product range with Automotive Stock Finance product in 2022.

### RETAIL AND PRIVATE BANKING GROUP

In 2022, TEB enriched its product and service range with new options in the light of changing customer expectations, market trends and the fast-moving developments particularly in digitalization. On another note, the Bank kept improving its existing services with new modules.

Highlights from the Bank's activities by business lines are summarized in this section.

On the occasion of the 10<sup>th</sup> anniversary of the TEB Family Academy the Bank launched in keeping with its "Responsible Banking" notion, TEB organized a special gathering during which the Bank announced the point the project reached thanks to the efforts and initiatives carried out since 2012, alongside future plans. With the aim of expanding on financial literacy training, TEB co-initiated a new project with UNICEF, with which the Bank had partnered in earlier projects, within the scope of TEB Family Academy.

Adding a new one to its collaborative projects, TEB devised and started offering digital financial literacy training for more than one million teachers in cooperation with the Ministry of National Education.

Intended to equip our teachers who are the assurance of our future with the necessary knowledge and skills to educate our children with the required financial awareness, the training program provides information under various Basic Financial Literacy headings such as budget management, saving up, correct use of credits and credit cards, and making investments.

Delivering banking services to its customers through its digital channels with CEPTETEB, TEB won 55% of those wishing to become customers for the Bank by way of remote onboarding via CEPTETEB. After opening an account using CEPTETEB Mobile any time, anywhere, customers started verifying their ID information with NFC and renewing their digital banking passwords easily.

### **A year filled with awards**

In Private Banking and Wealth Management Survey 2022 administered by Euromoney, one of the world's leading financial publications, TEB Private Banking was voted the best in Turkey in the Capital Markets & Advisory category.

At the World Finance Banking Awards 2022 organized by the World Finance, a prestigious publication closely watched by the international financial community, to recognize best-in-class banking services, TEB Private Banking won the "Best Private Bank Turkey" award, thus claiming this award for four years in a row.

At the International Finance Awards 2022 organized by the International Finance Magazine that is a leading finance and business analysis publication in the UK, the "Most Innovative Private Banking in Turkey" award was granted to TEB Private Banking. As a result of its successful performance, TEB Private Banking received this meaningful award for the fifth consecutive year.

Furthermore, TEB Private Banking was named the "Best Digital Innovator of the Year, CEE" at the Wealth Tech Awards 2022 of the Professional Wealth Management (PWM) published by the Financial Times Group.

TEB Call Center won 6 gold medals in 6 different categories at the Contact Center World 2022 contest organized by the Contact Center World, a global organization in call center and customer loyalty practices:

- Best Contact Center
- Best Use of Self Service Technology (TURBO)
- Best Sales Campaign
- Best Quality Team
- Best Technology Innovation (Baykuş)
- Best Crisis Management Campaign

TEB received the Best User Experience Design award in The World's Best Consumer Digital Banks in Western Europe 2022 category from Global Finance, one of the most reputed financial magazines in the world, with CEPTETEB Digital Banking.

CEPTETEB İŞTE earned the Best SME Mobile Banking Application award at The Digital Banker's Global Retail Banking Innovation Awards 2022.



## TEB FINANCIAL AND NON-FINANCIAL SERVICES GROUP COMPANIES

### TEB FAKTORİNG A.Ş.

#### **One of the most active players in its industry**

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

In 2022, rising energy prices, supply chain issues, rate hikes by the Fed and the ECB, escalated raw material and input costs that pushed inflation rates up globally also affected the Turkish economy negatively. Notwithstanding, the business volume of the factoring sector increased by 109% in parallel with the growth trend in 2022. In the same period, TEB Faktoring's business volume also augmented by 86% to reach TL 29.1 billion. The Company's assets, on the other hand, rose by 56% to TL 7.4 billion.

#### **269% growth in net profit**

Paralleling the rise in our country's exports and domestic market volume, TEB Faktoring increased domestic and international factoring business and realized 58% expansion in its factoring receivables in 2022.

TEB Faktoring has booked a net profit of 208.6 million TL as of the end of 2021 with 269% increase.

In 2022, the company's return on equity (ROE) was 58.5% which has been significantly above the sector ROE of 38.4%.

In 2022, the factoring industry's non-performing loan ratio (NPL) and cost of risk ratio were 1.6% and 1.0%, respectively. Managing its risks successfully, TEB Faktoring's NPL ratio and cost of risk ratio were 0.8% and 0.5%, respectively, which are well below the industry average.

As of 2022 year-end, the Company had 15 branches and 109 employees.

#### **Market leader in Turkey, ranked third in the world**

The market's leader in Turkey according to 2022 year-end data released by the Factors Chain International (FCI), TEB Faktoring ranked third in the world, and maintained its support to exports.

The only Turkish factoring company to be placed in the top three, TEB Faktoring is the one and the only company in the world to be named the "Best Export Factor" seven times.

#### **Priority assigned to SMEs**

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

### **Growing importance of the digital**

Sustainable digital transformation and services get increasingly more important for the real economy and competitiveness in parallel with the needs of our age and the changes in customer habits resulting from the fast-developing technology.

As TEB Faktoring kept improving its digital channels in 2022 in line with its customer-oriented and innovative vision, the Company intensified its efforts focused on customer experience and digital transformation. The digital transformation program is backed by several themes that include customer experience, operational efficiency, people and culture, data and Artificial Intelligence (AI) and projects aligned with the periodic goals of the themes; the program is led by working groups which receive support from all Company directors and employees.

Besides investing in digital channels, TEB Faktoring targeted to offer a good customer experience by continuing to stand by its customers at all times who prefer conventional methods.

Placing customer needs and feedbacks in its focal point, TEB Faktoring focused on Hızlı Başvur (Fast Apply) and TEB Faktoring mobile application, which will let customers send their applications anywhere, anytime they may need with an invoice-backed cheque, and aimed to increase the use of its online factoring branch that existing customers can use to follow up on their factoring transactions.

TEB Faktoring targets to establish a system enabling remote performance of transactions by its customers, to the extent permissible under the legislation. The Company carries on with its prioritized actions, research and activities in this matter. Having presently digitalized its application process, TEB Faktoring will further reinforce its digital channel infrastructure in 2023 by closely watching trends and developments for an enhanced and lean customer experience and will diversify its associated functions.

For the sake of enriching its delivery channels for reaching its customers and potential improvements in its processes, TEB Faktoring continues to evaluate potential partnerships with fintechs and digital platforms that make up an important part of digital business models.

TEB Faktoring will carry on with its digital transformation and process improvement projects enabling effective risk management, and increased productivity, automation and service speed in 2023, and will add value to its customers and remain one of the players leading the market in the future, as it has been before.

TEB Faktoring plans to take its customer integration launched in 2022 even further in 2023 and to introduce potential new integrations. The Company targets to launch solutions that will contribute especially to the supplier finance product and potential new business models in 2023 and to give customers easy reach to the factoring service they need and to let them obtain results quickly with a better user experience.

### **Support for healthy growth of SMEs**

Today, proper management of risks in the domestic market has become more critical. In today's economic environment, for healthy growth, SMEs will need to focus on exports with more favorable conditions. Their most significant motivation will be to open up to new

markets, realize trade with companies in unfamiliar countries where they cannot measure their risk while protecting their cash flow and equity.

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

Besides the support it extends to the SMEs, TEB Faktoring offers boutique solutions generating value also to corporate companies. The Company offers products that are advantageous for all parties concerned, mainly supplier finance, to corporate companies.

Through Multi-Local, an authentic approach, the company offers service to multinationals with the added contribution of BNP Paribas's global network and synergy.

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

## TEB PORTFÖY YÖNETİMİ A.Ş.

### **8<sup>th</sup> largest company in the asset management sector**

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

As of year-end 2022, it is the 8th largest asset management company in Turkey, with TL 46.6 billion and 2.91% market share in the sector.

### **The Best Asset Management Company in Turkey**

Named the “Best Asset Management Company in Turkey” for the second consecutive year at the International Finance Awards 2022 organized by the International Finance Magazine, one of the leading finance and business analysis publications of the U.K., TEB Asset Management was selected the “Best Asset Management Company in Turkey” also by Global Economics, another reputable finance and business analysis publication from the U.K.

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

### **A comprehensive field of activity**

Authorized by the Capital Markets Board of Türkiye (CMB) to engage in asset management and investment advisory activities on 15 June 2015, TEB Asset Management has an authorization certificate numbered PYS/PY.22-YD.11/524.

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

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

### **Steps for increased diversity of assets**

On 16 August 2019, TEB Asset Management reached a deal with ING and acquired all shares of ING Portföy Yönetimi. Thanks to the strategic collaboration with ING for the distribution of mutual funds launched by TEB Asset Management and with NN Hayat Emeklilik for the management of pension funds launched by NN Hayat Emeklilik, the company further increased its existing strength in the sector in 2022.

In the reporting period, TEB Asset Management signed an agreement for the management of three pension funds of MetLife Emeklilik ve Hayat A.Ş. and kept increasing the diversity of assets under its management.

### **As of 2022 year-end**

TEB Asset Management possesses a broad external distribution channel. The Company’s key performance indicators as of 2022 year-end are summarized below:

- a 2.64% market share in the mutual funds market, with a total of TL 19.8 billion of assets,
- a 2.35% market share in the money market mutual funds,
- a 2.70% market share in the actively-managed mutual funds,
- a total of TL 2.4 billion assets under management in its institutional wealth management and discretionary portfolio management business lines,
- a 5.30% market share in the pension funds market, with a total of TL 23.0 billion assets
- a total of TL 1.5 billion assets under management in international investment funds.

### **One of Turkey's largest asset managers**

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

TEB Asset Management manages Parvest Turkey Fund, a leading Turkish equities based fund whose assets of TL 1.3 billion are invested in the stocks of companies established in Turkey.

TEB Asset Management also manages Japan-based Turkey Equity Mother Fund, whose assets amount to about TL 140 million.

TEB Asset Management provides investment advisory to other international funds which invest in Turkish equities with asset size of TL 25 million.

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

In 2022, 12 new mutual funds were offered to the public which included thematic funds that indicated the importance TEB Asset Management attached to environmental, social and technology matters such as TEB Asset Management Agricultural and Food Technologies Fund, TEB Asset Management Health and Biotechnology Variable Fund, and TEB Asset Management Metaverse and Digital Technologies Variable Fund.

### **Digitalization projects**

Targeting to become Turkey's leading digital asset management company, TEB Asset Management put into life a number of projects into life in 2022, the foundations of which it had laid as part of its digitalization efforts.

The company set up social network accounts and initiated communication through digital channels. In an effort to diversify digital materials and to give a better account of our mutual funds to the target investor audience, fund videos were created and posted on digital channels. Agreements were made with various fintechns and the automation process was maximized.

"Mutual Fund" pages on "teb.com.tr" were updated and push notifications publicizing TEB Asset Management mutual funds were sent to clients via CEPTETEB Mobile App. CEPTETEB mutual funds pages were revised.

A project was initiated for making the existing website more user-friendly and for linking the manual data flow to the web service.

Within the scope of digitalization, consultancy was obtained in relation to content and technical infrastructure work for making TEB Asset Management brand name and products more visible in search engines.

Training programs continued to be given on distance learning platforms to the personnel taking place in TEB Retail Banking sales network about capital markets with a special emphasis on TEB Asset Management mutual funds through TEB Fund Academy.

### **2023 targets**

TEB Asset Management will carry on with its activities geared towards achieving a more active presence in digital and social network media; optimizing content management, media planning, agency management, event management and media/press relations, and revamping its website also in 2023.

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

## TEB YATIRIM MENKUL DEĞERLER A.Ş.

### **26 years of experience in the capital markets**

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

Backed by 26 years of experience, TEB Investment provides the following investment services:

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

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

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

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

### **Research infrastructure backing the marketing network**

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

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

### **Synergetic cooperation with BNP Paribas**

TEB Investment carries out a number of activities with various business lines of TEB and BNP Paribas that increase the synergy within the group.

In conducting its activities, TEB Investment also capitalizes on the international experience of, and collaborates with the BNP Paribas Group.

A central example of this collaboration has been the research conducted in the area of financing resources entailing different products, addressing clients in the field of corporate finance. In addition to that, there is intense collaboration in institutional intermediary services, access to international markets, investment advisory in Retail and Private Banking business lines, digitalization and new customer acquisition.

Corporate finance activities including company acquisitions, with special emphasis on convertible bonds issue marketing and public offering activities, are carried out in cooperation with BNP Paribas. While TEB Investment handles a substantial portion of debt issues for TEB's subsidiaries and TEB itself, debt issue and corporate finance services are offered to TEB's corporate customers, and commodity hedging transactions are intermediated in selected products.

Similarly, joint marketing activities are carried out with the Bank's custody department with the purpose of offering brokerage services to foreign institutional investors.

The company collaborates with BNP Paribas in customer acquisition and creation of marketing strategies in the futures and equity markets. TEB Investment began intermediating the equity investments of global investors through the recently structured equity brokerage activities platform of BNP Paribas.

In this framework, work is undertaken to offer certain global markets' products covered in the services portfolio of BNP Paribas jointly with TEB Investment to clients.

On another front, for investing retail customers' assets in Borsa İstanbul, customer acquisition is carried out together with the Retail Banking Group digitally and through the branch network.

### **Digitalization that accelerates with technological trends**

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

As the first step of achieving these targets, digital transformation initiatives were continued in order to create a customer experience that puts effective employment of technology and research in the forefront, and to rebuild TEB Investment into a more efficient company with a higher level of digitalization.

Continuing to work towards offering innovative platforms to its clients in the area of digitalization, TEB Investment launched its new digital transaction channels, investment applications and websites.

Likewise, the company co-developed and put into use a new order transmission algorithm platform with suppliers which can also work in integration with the organization's systems



with the aim of increasing transaction efficiency and order transmission speeds and improving pricing performance in institutional brokerage activities.

In 2022, TEB Investment launched PRIME GO, an application that enables its customers to trade on overseas equity markets, in addition to its brokerage services in domestic markets.

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

#### **Continually investing in the IT infrastructure**

On the basis of domestic markets, on the other hand, recent global and local developments fueled household interest in the capital markets from the first quarter of 2022, and hence the number and composition of investors changed significantly.

To be able to respond to these developments, TEB Investment continually invested in its IT infrastructure and spent significant efforts to upgrade its systems.

#### **Significant achievements in terms of a number of criteria**

As a result of all these developments, TEB Investment successfully attained its budgeted targets for 2022 and authored significant achievements in terms of a number of criteria.

During 2022, the Company successfully increased the number of its own customers and market share in keeping with the growth in customers and trading volume that took place particularly on Borsa İstanbul.

At 2022 year-end, TEB Investment ranked 19th with a 1.69% share of the market for its trading volume worth TL 597,771 million. TEB Investment ranks 10th in Borsa İstanbul Derivatives Market with a 3.46% market share secured with a trading volume of TL 545,341 million.

TEB Investment revamped its website into a mobile-compatible touchpoint with enriched technological infrastructure for its visitors on the digital environment.

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

## TEB ARF TEKNOLOJİ A.Ş.

### The top software supplier

Pursuing operations for two years, TEB ARF Teknoloji is TEB's top software supplier developing R&D and innovation projects in financial technology. During 2022, the company started offering software project development service to TEB Sh. A. as well.

Business models that altered with the Covid-19 pandemic period increased the need for software developers in Turkey and in the world. Therefore, there was a high turnover of the human resource engaged in software technology in 2022.

With a team that grew by 42% annually to reach 163 employees thanks to its attitude that values its people and its commitment to create value for them, TEB ARF Teknoloji carries out its activities out of the Technology Development Zones in İstanbul and İzmir.

### R&D Activities in 2022

- AI models have been developed which smarten TEB's credit pricing, credit scoring and anti-fraud processes. Three Turkish language processing virtual assistant solutions were produced.
- TEB acquired almost 30% of its new customers with the remote onboarding solution.
- CEPTETEB Super created a platform for companies to integrate with TEB.

### TL 97 million sales volume

TEB ARF reached almost TL 97 million in sales volume and TL 7.6 million in net profit at the end of 2022, during which it concentrated on R&D activities on digital technologies, advanced data analytics and artificial intelligence (AI). In 2023, the company intends to augment its sales volume to TL 279 million and to grow its net profit by 2.5 folds of the previous year's value.

### 2023 target

In 2023, TEB ARF will sustain its operations with the mission of offering service in relation to digital technologies, machine learning and AI solutions primarily to TEB Group, to be followed by a large number of organizations awaiting fintech-based solutions.

The Company will continue to develop machine learning and AI solutions that will support risk, efficiency and penetration optimization targets in 2023. In particular, solutions targeted at more effective credit risk assessment and fraud detection, pricing optimization, increased efficiency of sales processes and enhancement of customer experience will be the main focus areas of TEB ARF Teknoloji.

Within the scope of innovative improvements and developments on digital banking channels, the Company aims to restructure the digital channels linking the customers and the Bank with state-of-the-art technology and to expand their usage with additional new modules.

The corporate internet banking application that is heavily used by SME and corporate customers will be revamped to allow faster and easier execution of daily and specific financial transactions in line with customer needs.

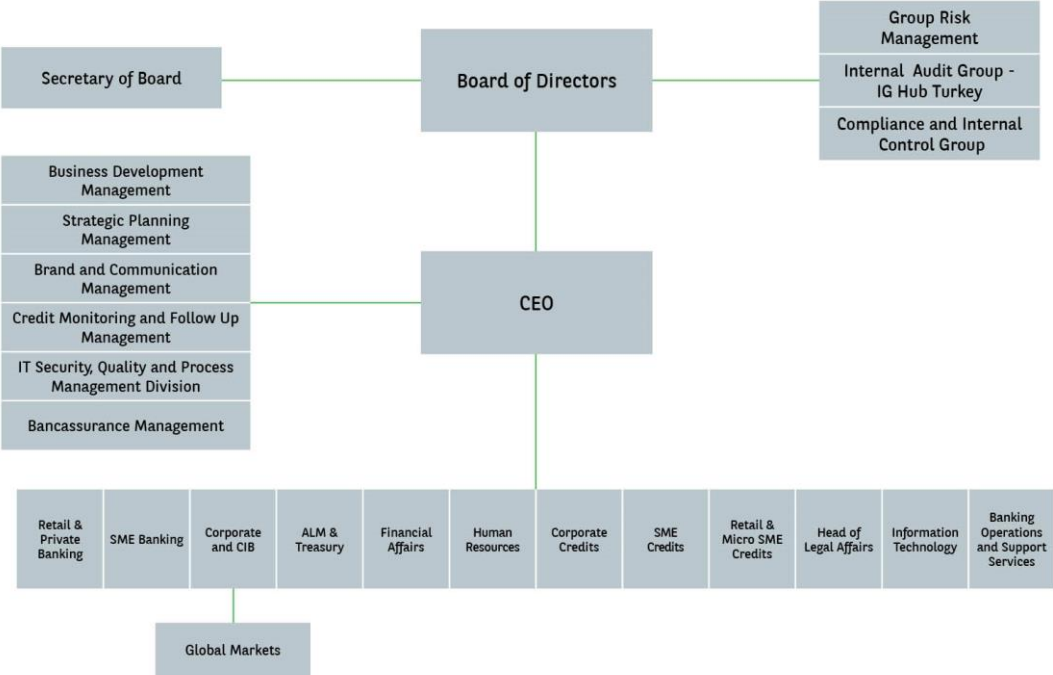
Foreign trade transactions will be digitized so that TEB, which has a solid track record in foreign trade coupled with a broad team of experts in this field, will be able to offer its experience and knowledge in this area to its customers on a medium where they will be able to perform and follow up their transactions digitally and conveniently in accordance with the requirements of the new age.

The addition of remote customer acquisition ability to Cepteteb İste, which is heavily used by real person commercial customers, will simplify and accelerate the onboarding of such customers. Developments and improvements to be made on card and payment systems will allow fast and easy execution of customer transactions on retail and corporate channels.

# SECTION 2 - INFORMATION ABOUT MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

## HEAD OFFICE ORGANIZATION CHART

Head Office Organization Chart



## BOARD OF DIRECTORS

### Chairman and Members of the Board of Directors

| Name-Surname                      | Title   |
|-----------------------------------|---|
| Dr. Akın Akbaygil (*)             | Chairman  |
| François Andre Jesualdo Benaroya  | Deputy Chairman   |
| Nicolas de Baudinet de Courcelles | Board Member and Chairman of the Audit Committee        |
| Ayşe Aşardağ                      | Board Member and Deputy Chairman of the Audit Committee |
| Yavuz Canevi (*)                  | Board Member  |
| Hans Wilfried J. Broucke          | Board Member  |
| Özden Odabaşı                     | Board Member  |
| Sandrine Ferdane (*)              | Board Member  |
| Ayşe Meral Çimenbiçer (*)         | Board Member and Member of the Audit Committee          |
| Metin Toğay (*)                   | Board Member  |
| Didier Albert N. Van Hecke (*)    | Board Member and Member of the Audit Committee          |
| Ümit Leblebici                    | Executive Member and CEO                                |

(\*) Based on the resolutions adopted at our Bank's Ordinary General Assembly convened on 28 March 2022, effective the said date;

- Term of office of Yavuz Canevi as the Chairman of the Board of Directors expired and he has been appointed as a Board Member;
- Term of office of Dr. Akın Akbaygil as Deputy Chairman expired and he has been appointed as Chairman of the Board;
- Term of office of Sabri Davaz as Board member expired. In addition, his membership on the Audit Committee also ended on 21 February 2022 which is the expiration date of the 9-year term of office;
- Term of office of Xavier Henri Jean Guilmineau as Board member expired;
- Ayşe Meral Çimenbiçer, Metin Toğay and Didier Albert N. Van Hecke have been appointed as Board members to succeed our Bank's Board members Sabri Davaz, Xavier Henri Jean Guilmineau and Yvan L.A.M De Cock, whose terms of office expired.

| Dr. Akın Akbaygil, Chairman |   |
|-----------------------------|---|
| March 2022-present          | TEB A.Ş. Chairman                           |
| January 2022 - March -2022  | TEB Faktoring A.Ş. Board Member             |
| February 1988 - March -2022 | TEB A.Ş. Deputy Chairman                    |
| 1986-present                | TEB A.Ş., Credit Committee Chairman         |
| 2017 -2019                  | Ekonomi Yatırımlar Ltd. Board Member        |
| March 2011-present          | TEB Holding A.Ş., CEO                       |
| April 2005-January 2022     | TEB Faktoring A.Ş., Chairman                |
| March 2011-March 2017       | TEB Holding A.Ş. Board Member - CEO         |
| February 2005- March 2017   | TEB Mali Yatırımlar A.Ş. Board Member - CEO |
| April 2008 - March 2017     | TEB A.Ş., Audit Committee Deputy Chairman   |
| March 2013 - March 2016     | TEB A.Ş., Independent Board Member          |

|                             |  |
|-----------------------------|--|
| 2011-April 2014             | TEB N.V., Chairman   |
| 1999-2013                   | Ekonomi Bank IBU Ltd., Deputy Chairman                       |
| 2011-2012                   | TEB Yatırım Menkul Değerler A.Ş., Chairman                   |
| 2011-2011                   | Fortis Yatırım Menkul Değerler A.Ş., Board Member            |
| 1998-2011                   | TEB N.V., Deputy Chairman                                    |
| October 2003- March 2011    | TEB Mali Yatırımlar A.Ş. General Manager                     |
| 2005-2010                   | TEB Finansal Kiralama A.Ş., Chairman                         |
| July 1998- February 2005    | TEB Mali Yatırımlar A.Ş. Deputy Chairman                     |
| 2004-2007                   | TEB Portföy Yönetimi A.Ş., Chairman                          |
| 1997-2005                   | TEB Sigorta A.Ş., Chairman<br>TEB Faktoring, Board Member    |
| 1996-2005                   | TEB Finansal Kiralama A.Ş., Board Member                     |
| February 1988- October 2003 | TEB A.Ş. Deputy Chairman - CEO                               |
| 2001-2002                   | Banks Association of Turkey, Deputy Chairman                 |
| 1994-2001                   | Banks Association of Turkey, Board Member                    |
| April 1988- July 1988       | İlkesan Yat. ve Gel. A.Ş., Deputy Chairman                   |
| March 1986- April 1988      | İlkesan Yat. ve Gel. A.Ş., Board Member                      |
| June 1983- February 1988    | TEB A.Ş., Board Member, CEO                                  |
| May 1982- June 1983         | TEB A.Ş., Board Member                                       |
| 1965-1982                   | Akbank T.A.Ş. Director of Foreign Affairs                    |
| 1969-1973                   | Istanbul University, Faculty of Economics, Ph.D.             |
| 1967-1968                   | Istanbul University, Faculty of Economics, MBA               |
| 1962-1967                   | Istanbul University, Faculty of Economics, Bachelor's Degree |

| <b>François Andre Jesualdo Benaroya, Deputy Chairman</b> |  |
|--|--|
| July 2021-present  | TEB Holding A.Ş., Board Member   |
| September 2021-present                                   | TEB A.Ş. Deputy Chairman   |
| January 2018-September 2021                              | TEB A.Ş., Board Member   |
| January 2018 - present                                   | BNPP BANK Polska Deputy Chairman   |
| October 2021-present                                     | BNP Paribas –IRB Vice President  |
| October 2017-September 2021                              | BNP Paribas -IRB, Head of Central & Eastern Europe/Turkey  |
| July 2014-September 2017                                 | BGZ BNP Paribas (Poland), Deputy Chairman of the Board   |
| November 2011-June 2014                                  | BNP Paribas -IRB, Head of Retail   |
| November 2007-October 2011                               | UKRSIBBANK BNP Paribas Ukraine, Deputy Chairman of the Board   |
| September 2004 – November 2007                           | BNP Paribas, Senior Advisor to Corporate Development CEO   |
| April 2002 – August 2004                                 | French Ministry for Foreign Affairs, Deputy Director of the Cabinet of the Minister for European Affairs |
| October 1999 – April 2002                                | French Ministry of Economy, Department Director  |
| September 1997 – September 1999                          | French Embassy in Moscow, Economic Advisor on the Commonwealth of Independent States                     |

|                                 |  |
|---------------------------------|--|
| September 1994 – September 1997 | French Ministry of Finance, Deputy Head of Department  |
| August 1992-January 1994        | Republic of France National Institute of Statistics and Economic Studies / National School of Statistics and Economic Administration |
| September 1989-July 1992        | Republic of France Ecole Polytechnique/ Engineering  |

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

|                        |   |
|------------------------|---|
| July 2019-present      | TEB A.Ş., Chairman of the Audit Committee and Chairman of the Compliance Committee        |
| February 2019 -present | BNPP Yatırımlar Holding A.Ş., Board Member  |
| February 2019 -present | BNPP Fortis Yatırımlar Holding A.Ş., Board Member   |
| January 2019 -present  | TEB A.Ş., Board Member  |
| 2018 - 2019            | TEB ARVAL Araç Filo Kiralama A.Ş., Deputy Chairman  |
| December 2018 -present | TEB Faktoring A.Ş., Board Member and Chairman of the Audit Committee                      |
| December 2018 -present | TEB Yatırım Menkul Değerler A.Ş., Board Member and Chairman of the Audit Committee        |
| 2013- 2019             | BNP PARIBAS Compliance Group Corporate and Investment Banking Financial Security Chairman |
| 1986 - 2012            | BNP PARIBAS Corporate and Investment Banking  |
| 1981-1984              | Sciences Po Paris / Economics and Finance   |

#### **Ayşe Aşardağ, Member and Deputy Chairman of the Audit Committee**

|                         |   |
|-------------------------|---|
| May 2021-present        | TEB Faktoring A.Ş., Board Member  |
| January 2021 - present  | TEB Sh. A. (Kosovo), Chairman   |
| March 2020-January 2021 | TEB Sh.A (Kosovo), Deputy Chairman  |
| March 2017-present      | TEB A.Ş., Deputy Chairman of the Audit Committee  |
| March 2016-2021         | TEB Faktoring A.Ş., Deputy Chairman   |
| 2016-2017               | TEB ARVAL Araç Filo Kiralama A.Ş., Board Member   |
| 2012-2017               | Ekonomi Yatırımlar Ltd., Board Member   |
| 2012-present            | TEB Yatırım Menkul Değerler A.Ş., Deputy Chairman<br>TEB Finansman A.Ş., Deputy Chairman    |
| 2011-2016               | TEB Faktoring A.Ş., Board Member<br>The Economy Bank N.V., Board Member                     |
| 2011-December 2014      | TEB Portföy Yönetimi A.Ş., Board Member   |
| 2010-present            | TEB A.Ş., Board Member  |
| 2009-2020               | TEB Sh.A (Kosovo), Board Member   |
| 2003-2013               | Ekonomi Bank Offshore Ltd. Board Member   |
| 2001-present            | TEB Holding A.Ş., Budget and Financial Control Coordinator                                  |
| 2010-2011               | Fortis Bank A.Ş., Board Member  |
| 2009-2010               | TEB ARVAL Araç Filo Kiralama A.Ş., Board Member   |
| 2008-2009               | TEB ARVAL Araç Filo Kiralama A.Ş., Deputy Chairman, Etkin Temizlik Hizmetleri A.Ş. Chairman |

|           |  |
|-----------|--|
| 2007-2010 | TEB Tüketici Finansman A.Ş., Deputy Chairman   |
| 2007-2009 | TEB Sh.A (Kosovo), Deputy Chairman   |
| 2007-2008 | TEB Sigorta A.Ş. Chairman<br>TEB İletişim ve Yayıncılık Hizmetleri A.Ş. Chairman<br>Etkin Personel Taşımacılık Hizmetleri A.Ş. Chairman<br>Etkin Temizlik Hizmetleri A.Ş. Chairman<br>TEB Tüketici Finansman A.Ş. Board Member<br>TEB ARVAL Araç Filo Kiralama A.Ş. Board Member |
| 2007-2010 | TEB UCB Konut Danışmanlık A.Ş., Chairman   |
| 2004-2010 | Ege Turizm ve İnşaat A.Ş., Deputy Chairman   |
| 2001-2009 | TEB Finansal Kiralama A.Ş. Auditor<br>TEB Faktoring A.Ş. Auditor<br>TEB Yatırım Menkul Değerler A.Ş. Auditor   |
| 2001-2010 | TEB A.Ş., Auditor  |
| 2001-2007 | TEB Sigorta A.Ş., Board Member<br>TEB Portföy Yönetimi A.Ş., Auditor   |
| 1995-2001 | TEB A.Ş., Budget and Financial Control Director  |
| 1994-1995 | University of Glamorgan, Lecturer in Accounting  |
| 1987-1994 | Price Waterhouse, Istanbul, London, Audit Unit   |
| 1992      | Institute of Chartered Accountants in England and Wales,<br>ACA  |
| 1982-1987 | Boğaziçi University, Faculty of Administrative Sciences,<br>Business Administration Department, BA   |

| <b>Yavuz Canevi, Board Member</b> |   |
|-----------------------------------|---|
| March 2022 - present              | TEB A.Ş. Board Member                                     |
| 2015-2021                         | TSKB, Board Member  |
| 2012-2015                         | FERB Turkish - French Business Forum, Vice President      |
| 2010-2015                         | FERB Turkish - Holland Business Forum, Board Member       |
| 2009-present                      | Global Relations Forum / Auditor                          |
| 2004-2010                         | NETAŞ, Board Member                                       |
| July 1996-March 2022              | TEB A.Ş., Chairman of the Board of Directors              |
| 1995-2019                         | İKV, Board Member   |
| 2001-2013                         | TEB Holding A.Ş., Board Member                            |
| 2001-2010                         | Hedef Alliance A.Ş., Board Member                         |
| 1993-2012                         | TSKB, Board Member  |
| 1989-present                      | FNSS Savunma Sistemleri A.Ş., Chairman of the Board       |
| 1991-1994                         | TÜSİAD, Board Member                                      |
| 1989-present                      | TÜSİAD, Member of High Advisory Council                   |
| 1998-2011                         | TEB N.V. Holland, Chairman of the Board of Directors      |
| 1993-2005                         | Istanbul Stock Exchange, Deputy Chairman and Board Member |
| 1989-2005                         | EUROTURK BANK Board Member                                |
| 1987-1989                         | Turk Eximbank Chairman of the Board of Directors          |



|           |  |
|-----------|--|
| 1986-1989 | Undersecretary of Treasury and Foreign Trade, Republic of Turkey<br>Prime Ministry                                 |
| 1984-1986 | Central Bank of Turkey, Governor   |
| 1980-1984 | Central Bank of Turkey, Vice Governor  |
| 1979-1980 | T. Garanti Bankası, Assistant General Manager in Charge of<br>International Relations                              |
| 1976-1979 | Central Bank of Turkey, CEO of Foreign Exchange  |
| 1960-1975 | Auditor, Ministry of Finance<br>Georgia State University, USA, Faculty Member                                      |
| 1966-1969 | University of Southern California (USC), USA, MA Economics   |
| 1956-1960 | Ankara University, Faculty of Political Science, Department of Public<br>Finance and Economics (Bachelor's Degree) |

#### **Hans Wilfried J. Broucke, Member**

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

#### **Özden Odabaşı, Member**

|                    |   |
|--------------------|---|
| March 2021-present | TEB Faktoring A.Ş., Deputy Chairman   |
| March 2017-present | TEB A.Ş., Board Member  |
| 1998-2016          | The Economy Bank N.V., CEO  |
| 1997-1998          | FB Finansbank Suisse S.A., CEO  |
| 1994-1997          | Finansbank Holland N.V.   |
| 1987-1993          | Finansbank A.Ş., Marketing Director/Assistant General Manager   |
| 1986-1987          | BNP-Akbank A.Ş., Marketing Manager  |
| 1984-1986          | Citibank N.A. İstanbul, Customer Representative/Marketing Manager   |
| 1983-1984          | Mobil Oil Türk A.Ş., Internal Control Assistant Manager   |
| 1981-1982          | Northern Illinois University, MBA   |
| 1980-1981          | Boğaziçi University, Faculty of Economics and Administrative<br>Sciences, Department of Business Administration, Master's Degree  |
| 1976-1980          | Middle East Technical University, Faculty of Administrative Sciences,<br>Department of Business Administration, Bachelor's Degree |

| <b>Sandrine Ferdane, Member</b> |   |
|---------------------------------|---|
| September 2021 - present        | TEB A.Ş. Board Member   |
| 2020-present                    | BNP Paribas Global Head of Financial Institutions Coverage, Paris |
| 2015-2020                       | CEO, BNPP Brazil  |
| 2007-2015                       | Head of Corporate Coverage Brazil                                 |
| 2003-2007                       | Head of Export Finance Latin America, BNPP Paris                  |
| 1998-2003                       | Head of Export Finance Brazil, BNPP Brazil                        |
| 1992-1998                       | Corporate Banking, BNPP Paris                                     |

| <b>Ayşe Meral Çimenbiçer, Board Member and Member of the Audit Committee</b> |  |
|--|--|
| April 2022 - present   | TEB A.Ş., Member of the Audit Committee                                      |
| March 2022 - present   | TEB A.Ş., Board Member   |
| January 2021 – April 2022  | TEB ARF Teknoloji A.Ş., Board Member   |
| January 2020 – January 2022  | TEB Sh. A., Board Member   |
| 2013-2022  | BANTAŞ Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. Board Member |
| 2005-2013  | Ege Turizm ve İnşaat A.Ş., Board Member                                      |
| April 2004 - present   | TEB Holding A.Ş., Coordinator  |
| 2003-2005  | Porttakal TEB İletişim A.Ş., Board Member                                    |
| 2000-2022  | Biltem Bilgisayar Hizmetleri A.Ş., Board Member                              |
| July 1997 – March 2004   | TEB A.Ş., Assistant General Manager  |
| September 1972 - August 1978   | Middle East Technical University, Faculty of Business Administration         |

| <b>Metin Toğay, Board Member</b> |  |
|----------------------------------|--|
| March 2022- present              | TEB A.Ş., Board Member                                   |
| March 2022 –present              | TEB Arval A.Ş., Deputy Chairman                          |
| August 2020 – March 2022         | TEB Arval A.Ş., Board Member                             |
| August 2020 – March 2022         | TEB Portföy Yönetimi A.Ş., Board Member                  |
| March 2020 – March 2022          | TEB A.Ş., Advisor to the CEO                             |
| January 2020 – present           | BNP Paribas Fortis Yatırımlar Holding A.Ş., Board Member |
| January 2020 - present           | BNPP Yatırımlar Holding A.Ş.                             |
| July 2019 – March 2021           | TEB Faktoring A.Ş., Board Member                         |

|                            |   |
|----------------------------|---|
| February 2005 – June 2011  | TEB A.Ş., Board Member  |
| 1997-2020                  | BNP Paribas, Head of Representative Office Turkey   |
| September 1980 - May 1982  | University of Wisconsin, MBA  |
| January 1976 – August 1980 | Middle East Technical University, Faculty of Administrative Sciences, Department of Business Administration |

| <b>Didier Albert Nicole Van Hecke, Board Member and Member of the Audit Committee</b> |   |
|---|---|
| March 2022 - present  | TEB A.Ş., Board Member  |
| April 2022 – present  | TEB A.Ş., Member of the Audit Committee   |
| February 2019 – January 2022  | Bpost Bank, Director  |
| August 2016 – present   | BNP Paribas Fortis - Belgium, Head of Retail Banking Risk Management              |
| September 2014 – July 2016  | BNP Paribas, Head of Retail Banking Risk Management                               |
| February 2011 – August 2014   | TEB A.Ş., Head of Group Risk Management   |
| October 2008 – February 2011  | Fortis Bank Turkey, Assistant General Manager                                     |
| January 2005 – August 2008  | Fortis Asia, Hong Kong, Head of Credit Risk                                       |
| March 2003 – December 2004  | Fortis Bank, Brussels, Head of Credit Derivatives Trading                         |
| October 2000 – February 2003  | Fortis Bank, Brussels, Commercial Loans   |
| July 1999 – September 2000  | Fortis Bank, Brussels, Deputy Head of Credit Analysis in Central Loans Department |
| October 1996 – June 1999  | General Bank, Brussels, Head of Credit Analysis in Corporate Loans Department     |
| November 1993 - September 1996  | General Bank, Brussels, Corporate Loans Credit Analyst                            |
| November 1992 - October 1993  | General Bank, Brussels, Management Trainee Program                                |
| August 1991 – October 1991  | ICI Teesside (Middlesbrough, UK)  |
| September 1989 – July 1991  | Catholic University of Leuven, Master of Business Economics                       |
| September 1987 - July 1989  | Catholic University of Leuven, Bachelor of Business Engineering                   |

| <b>Ümit Leblebici, Executive Member and CEO</b> |  |
|---|--|
| July 2020-present                               | TEB ARF Teknoloji A.Ş., Chairman                           |
| July 2017-present                               | FERB Board Member  |
| May 2014-present                                | Banks Association of Turkey, Board Member                  |
| September 2013-present                          | TEB A.Ş., Executive Board Member and CEO                   |
| February 2013-September 2013                    | TEB A.Ş., Deputy CEO                                       |
| 2002-2013                                       | TEB A.Ş. Assistant General Manager, ALM and Treasury Group |
| April 2013-September 2013                       | TEB Yatırım Menkul Değerler A.Ş., Chairman                 |
| 2012-December 2014                              | TEB Portföy Yönetimi A.Ş., Chairman                        |
| 2011-2012                                       | TEB Portföy Yönetimi A.Ş., Board Member                    |
| 1999-2002                                       | TEB A.Ş. Director, Treasury Group                          |
| 1997-1999                                       | Osmanlı Bank, Treasury Manager                             |
| March 1997 -July 1997                           | Ulusal Bank, Treasury Manager                              |
| 1991-1997                                       | Midland Bank, Treasury Manager                             |
| 1988-1994                                       | Istanbul University, Finance Master's degree               |
| 1984-1988                                       | Istanbul University, Faculty of Business Administration    |

## EXECUTIVE MANAGEMENT

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

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

(\*) Effective 1 January 2022;

- Corporate Banking and Corporate Investment Banking groups of the Bank were merged under the name "Corporate and Corporate Investment Banking".
- The title of Ömer Abidin Yenidoğan was changed from Head of Corporate Investment Banking (Assistant General Manager) to Head of Corporate and Corporate Investment Banking (Assistant General Manager).

(\*\*) Bade Sipahioğlu Işık, Assistant General Manager, Human Resources resigned from her position effective 30 September 2022. Çiğdem Ünsal was appointed as Assistant General Manager, Human Resources effective 7 October 2022.

### Managers of Internal Systems

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

| <b>Ümit Leblebici, Executive Member and CEO</b> |  |
|---|--|
| July 2020-present                               | TEB ARF Teknoloji A.Ş., Chairman                           |
| July 2017-present                               | FERB Board Member  |
| May 2014-present                                | Banks Association of Turkey, Board Member                  |
| September 2013-present                          | TEB A.Ş., Executive Board Member and CEO                   |
| February 2013-September 2013                    | TEB A.Ş., Deputy CEO                                       |
| 2002-2013                                       | TEB A.Ş. Assistant General Manager, ALM and Treasury Group |
| April 2013-September 2013                       | TEB Yatırım Menkul Değerler A.Ş., Chairman                 |
| 2012-December 2014                              | TEB Portföy Yönetimi A.Ş., Chairman                        |
| 2011-2012                                       | TEB Portföy Yönetimi A.Ş., Board Member                    |
| 1999-2002                                       | TEB A.Ş. Director, Treasury Group                          |
| 1997-1999                                       | Osmanlı Bank, Treasury Manager                             |
| March 1997 -July 1997                           | Ulusal Bank, Treasury Manager                              |
| 1991-1997                                       | Midland Bank, Treasury Manager                             |
| 1988-1994                                       | Istanbul University, MBA at Finance Major                  |
| 1984-1988                                       | Istanbul University, Faculty of Business Administration    |

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

|           |  |
|-----------|--|
| 2000-2002 | London Business School, Executive MBA            |
| 1989-1990 | Georgia Institute of Technology Atlanta, USA     |
| 1987-1988 | Istanbul University, MBA                         |
| 1983-1987 | Istanbul Technical University, Civil Engineering |

| <b>Mustafa Aşkın Dolaştır, Assistant General Manager, Financial Control Group</b> |  |
|---|--|
| March 2022-present  | Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. Board Member         |
| December 2020-present   | TEB ARF Teknoloji A.Ş., Board Member   |
| March 2019-present  | Ekonomi Yatırımlar Ltd., Board Member  |
| March 2018-March 2022   | TEB ARVAL Araç Filo Kiralama A.Ş., Board Member                                      |
| December 2021 - present   | BNP Paribas Cardif Sigorta A.Ş. Deputy Chairman                                      |
| December 2021 - present   | BNP Paribas Cardif Hayat Sigorta A.Ş. Deputy Chairman                                |
| December 2021 - present   | BNP Paribas Cardif Emeklilik A.Ş., Deputy Chairman                                   |
| April 2016-December 2021  | BNP Paribas Cardif Emeklilik A.Ş., Board Member                                      |
| April 2016-December 2021  | BNP Paribas Cardif Sigorta A.Ş., Board Member  |
| April 2016-December 2021  | BNP Paribas Cardif Hayat Sigorta A.Ş., Board Member                                  |
| 2008-present  | TEB A.Ş., CFO  |
| February- November 2007   | TEB Arval/Faktoring/Leasing, CFO   |
| 1998-2007   | The Economy Bank N.V. Amsterdam, Deputy CEO and Member of the Execution Committee    |
| 1994-1998   | Finansbank (Holland) N.V., CFO   |
| 1992-1994   | Commercial Union Hayat Sigorta A.Ş., CFO   |
| 1990-1992   | Finansbank A.Ş. Istanbul, Group Head, Subsidiaries                                   |
| 1986-1989   | Arthur Andersen & Co. Istanbul, Lisbon, London and Cambridge Offices, Senior Auditor |
| 1985-1986   | The Central Bank of the Republic of Turkey, Specialist                               |
| 1984-1985   | Istanbul Technical University, Management Engineering Lecturer, Operational Research |
| 1983-1986   | Istanbul Technical University, Master Degree in Management Engineering               |
| 1979-1983   | Istanbul Technical University, Management Engineering                                |

| <b>Gökhan Özdil, Assistant General Manager, Corporate Credits Group</b> |   |
|---|---|
| March 2022 - present  | BNP Paribas Finansal Kiralama A.Ş. Board Member   |
| September 2017- March 2022  | TEB Faktoring A.Ş., Board Member  |
| March 2016-March 2017   | TEB Faktoring A.Ş., Board Member  |
| February 2011-present   | TEB A.Ş., Assistant General Manager, Corporate Credits Group  |
| 2005-2011   | Fortis Bank A.Ş., Corporate and Commercial Banking Credits Assistant General Manager  |
| May 2008-present  | Fortis Bank A.Ş., Mensupları Emekli Sandığı Vakfı, Executive Vice President<br>Fortis Bank Personeli Güvenlik Vakfı, Executive Vice President |
| 2007-2008   | Fortis Bank A.Ş., Mensupları Emekli Sandığı Vakfı, Board Member; Fortis Bank Personeli Güvenlik Vakfı, Board Member                           |
| 2007-2008   | Fortis Bank A.Ş., Retail Banking Credits Assistant General Manager  |
| 2005-2007   | Fortis Bank A.Ş., Credits Group Assistant General Manager   |
| 2004-2005   | Türk Dış Ticaret Bankası A.Ş., Credits Group Assistant General Manager  |
| 1996-2004   | Türk Dış Ticaret Bankası A.Ş., Branch Manager   |
| 1992-1996   | Türk Dış Ticaret Bankası A.Ş., Assistant Branch Manager   |
| 1989-1992   | Türk Dış Ticaret Bankası A.Ş., Internal Audit Group, Inspector  |
| 1987-1989   | Türkiye İş Bankası A.Ş., Head Office  |
| 1981-1986   | Middle East Technical University, Economics   |

| <b>Ali İhsan Arıdaşır, Assistant General Manager - SME Credits Group</b> |  |
|--|--|
| March 2022 - present   | TEB Arval Araç Filo Kiralama A.Ş. Board Member   |
| March 2019-March 2022  | BNP Paribas Finansal Kiralama A.Ş., Board Member   |
| December 2018-present  | TEB A.Ş., Assistant General Manager - SME Credits Group                                    |
| October 2018 - December 2018   | TEB A.Ş., Credits Advisor  |
| November 2016 - October 2018   | Anadolu Bank A.Ş., Assistant General Manager, Credits Allocation                           |
| January 2008 - November 2016   | TEB A.Ş., Credits Monitoring Director / Credits Director / SME Credits Allocation Director |
| August 2003- December 2007   | TEB A.Ş., South Anatolia Commercial Credits and Credits Allocation Supervisor              |
| August 2002- August 2003   | TEB A.Ş. Gazipaşa Bulvarı Branch Corporate Banking Branch Manager                          |
| June 2002- August 2002   | TEB A.Ş., Commercial Banking Marketing and Product Development Manager                     |
| June 1996 - June 2002  | TEB A.Ş. Adana Branch Commercial Marketing Manager   |
| August 1993- May 1996  | Pamukbank A.Ş. Corporate Marketing Manager   |
| 1987 - 1992  | Boğaziçi University Economics and Administrative Sciences Faculty, Department of Economics |



| <b>Osman Durmuş, Assistant General Manager - Retail and Micro SME Credits Group</b> |   |
|---|---|
| March 2018 - present  | TEB Yatırım Menkul Değerler A.Ş., Board Member  |
| August 2017-present   | TEB Sh. A. Board Member   |
| 2008-present  | TEB A.Ş., Assistant General Manager, Retail and Small Business Credit Group                                   |
| 1998-2008   | HSBC Bank A.Ş./Demirbank T.A.Ş., Head of Retail and Small Business Credit and Risk Group                      |
| 1997-1998   | Yapı Kredi Kart Hizmetleri A.Ş., Head of Credit Cards and Risk  |
| 1994-1996   | Yapı Kredi Bankası A.Ş., Unit Manager, Retail Banking Accounting Department                                   |
| 1990-1993   | Yapı Kredi Bankası A.Ş., Specialist, Retail Banking Accounting Department                                     |
| 1988-1990   | Yapı Kredi Bankası A.Ş., Chief Assistant, Accounting Department   |
| 1986-1987   | Yapı Kredi Bankası A.Ş., Rıhtım Branch, Clerk   |
| 1982-1986   | Marmara University, Faculty of Press and Media, Journalism and Public Relations Department, Bachelor's Degree |

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

| <b>Mehmet Ali Cer, Assistant General Manager, Information Technologies Group</b> |   |
|--|---|
| July 2020-present  | TEB ARF Teknoloji A.Ş., Deputy Chairman   |
| May 2012-present   | Fortis Bank A.Ş., Mensupları Emekli Sandığı Vakfı, Board Member<br>Fortis Bank Personeli Güvenlik Vakfı, Board Member |
| November 2011-present  | TEB A.Ş., Assistant General Manager, Information Technologies Group   |
| February 2011-November 2011  | TEB A.Ş., Infrastructure Management, Group Director   |
| 2010-2011  | Fortis Bank A.Ş., Information Technologies, Director  |
| 2000-2010  | TEB A.Ş., Infrastructure Management, Director   |
| 1997-2000  | Demirbank A.Ş., Software Development, Manager   |
| 1995-1997  | Metters Industries, Senior Software Engineer  |

|           |  |
|-----------|--|
| 1993-1995 | Southern Illinois University, Graduate Assistant                   |
| 1990-1992 | Türkiye Kalkınma Bankası A.Ş., System Analyst                      |
| 1993-1996 | Southern Illinois University, Computer Engineering (Master Degree) |
| 1985-1990 | Hacettepe University, Department of Computer Engineering           |

### **Ömer Abidin Yenidoğan, Assistant General Manager, Corporate and Corporate Investment Banking**

|                           |  |
|---------------------------|--|
| March 2021-present        | TEB Yatırım Menkul Değerler A.Ş., Chairman                                       |
| December 2020-March 2021  | TEB Yatırım Menkul Değerler A.Ş., Board Member                                   |
| January 2022 - present    | TEB A.Ş. Assistant General Manager, Corporate and Corporate Investment Banking   |
| October 2014-January 2022 | TEB A.Ş., Assistant General Manager, Corporate Investment Banking                |
| 2014-2021                 | TEB Portföy Yönetimi A.Ş., Advisor to the Board                                  |
| 2003-2014                 | TEB Portföy Yönetimi, CEO  |
| March 2011 - March 2018   | TEB Yatırım Menkul Değerler A.Ş., Board Member                                   |
| 2013-2015                 | TKB BNPP IP JSC & LLC (Saint Petersburg - Russian Federation), Board Member      |
| 2010-2014                 | Corporate Governance Association of Turkey, Board Member                         |
| 2001-2003                 | TEB Retail Banking, Marketing Director   |
| 2000-2001                 | TEB Portföy Yönetimi A.Ş., Marketing Assistant General Manager                   |
| 1997-1999                 | TEB Yatırım Menkul Değerler A.Ş., International Capital Market Assistant Manager |
| 1995-1996                 | Citibank Turkey, GCB   |
| 1994-1995                 | University of Nottingham, Business Management, Master's Degree                   |
| 1989-1994                 | Marmara University, BA in Political Sciences (French)                            |

### **Akil Özçay, Assistant General Manager, Global Markets**

|                       |   |
|-----------------------|---|
| March 2022-present    | TEB Yatırım Menkul Değerler A.Ş. Board Member           |
| 2015-2020             | TEB Yatırım Menkul Değerler A.Ş., Board Member          |
| 2012-2013             | TEB Yatırım Menkul Değerler A.Ş., Chairman of the Board |
| 2012-2013             | TEB Portföy Yönetimi A.Ş., Board Member                 |
| November 2011-present | TEB A.Ş., Assistant General Manager, Global Markets     |
| 2011-2012             | TEB Portföy Yönetimi A.Ş., Chairman of the Board        |
| 2011-2012             | TEB Yatırım Menkul Değerler A.Ş., Deputy Chairman       |
| 2011-2011             | Fortis Portföy Yönetimi A.Ş., Chairman of the Board     |
| 2009-2013             | TEB Sh.A., Board Member                                 |
| 2008-2011             | TEB A.Ş., Chief Advisor to the CEO                      |
| 2007-2008             | CBRT Internal Audit, Chief Audit Executive              |
| 2005-2007             | Rutgers, The State University of New Jersey, Master     |

|           |   |
|-----------|---|
| 2004-2007 | CBRT New York Representative Office, Chief Representative           |
| 2001-2004 | CBRT Markets Department, General Director                           |
| 1998-2001 | CBRT Markets Department, Assistant General Director                 |
| 1996-1998 | CBRT Open Markets Operations, Manager                               |
| 1995-1996 | CBRT Banking Supervision, Manager                                   |
| 1994-1995 | CBRT Markets Department, Foreign Exchange Transactions, Manager     |
| 1977-1981 | Ankara University, Faculty of Political Sciences, Bachelor's Degree |

#### **Tuğrul Özbakan, Assistant General Manager, ALM & Treasury**

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

#### **Ali Gökhan Cengiz, Assistant General Manager, SME Banking**

|                       |  |
|-----------------------|--|
| March 2022 - present  | TEB Faktoring A.Ş. Board Member                              |
| March 2021-March 2022 | BNPP Finansal Kiralama A.Ş. Board Member                     |
| March 2019-present    | TEB A.Ş., Assistant General Manager, SME Banking             |
| 2016 - 2019           | TEB A.Ş., Group Director, Corporate Banking Sales Management |
| 2004 - 2016           | Akbank T.A.Ş. Division Head                                  |
| 2003 - 2004           | Dışbank TA.Ş. Branch Manager                                 |
| 2001 - 2003           | Citibank A.Ş. Branch Manager                                 |
| 1995 - 2001           | Interbank Branch Deputy Manager                              |
| 1993                  | Oklahoma City University MBA                                 |
| 1986 - 1989           | Hacettepe University, Department of Economics                |

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

|                    |  |
|--------------------|--|
| April 2022-present | TEB ARF Teknoloji A.Ş. Board Member  |
| July 2021-present  | TEB A.Ş. Assistant General Manager - Banking Operations and Support Services |
| May 2021-present   | Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. Board Member |

|                            |  |
|----------------------------|--|
| 2020-2021                  | TEB A.Ş. Core Banking, ADC and Payment Systems Operations Management, Group Director |
| 2017-2019                  | Fibabanka A.Ş., Assistant General Manager  |
| 2012-2016                  | TEB A.Ş. Core Banking, ADC and Payment Systems Operations Management, Director       |
| February 2012-October 2012 | Akbank A.Ş., Director  |
| October 2010-January 2012  | Credit Europe Bank Ukraine Kiev, Chief Operating Officer                             |
| 1988-1992                  | Boğaziçi University Faculty of Engineering / Computer Engineering                    |

#### **Çiğdem Ünsal, Assistant General Manager – Human Resources**

|                                |   |
|--------------------------------|---|
| October 2022 - present         | TEB A.Ş., Assistant General Manager, Human Resources  |
| February 2021 – September 2022 | Şekerbank T.A.Ş., Executive Vice President, Human Resources   |
| 2020-2021                      | TEB Holding, Human Resources Coordinator  |
| 2015-2020                      | TEB, HR Strategy, Organizational Development and Compensation Management Executive Director                 |
| 2007-2015                      | TEB, HR Strategy, Organizational Development and Compensation Management Director                           |
| August 1998 - 2007             | TEB, HR Compensation, Performance and Communication Senior Manager  |
| January 1995 – August 1998     | Yapı ve Kredi Bankası A.Ş., Human Resources   |
| 1990-1995                      | Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Economics |

#### **Hakan Tıraşın, Head of Internal Audit**

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

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

|                        |   |
|------------------------|---|
| March 2022-present     | BNP Paribas Finansal Kiralama A.Ş. Board Member               |
| May 2021-present       | TEB A.Ş. and TEB Financial Group Compliance Officer           |
| March 2016-present     | TEB Sh.A., Board Member                                       |
| April 2015-present     | Banks Association of Turkey-Risk Center, Board Member         |
| September 2013-present | TEB A.Ş., Consumer Relations Coordination Officer             |
| 2012-present           | TEB A.Ş., Head of Compliance Group and Internal Control Group |
| 2011-April 2013        | TEB Portföy Yönetimi A.Ş., Auditor                            |

|                 |   |
|-----------------|---|
| 2010-2012       | TEB A.Ş., Compliance and Regulation Director  |
| 2008-2012       | TEB A.Ş., Banking Regulation Director   |
| 2007-April 2013 | TEB Cetelem Tüketici Finansmanı A.Ş., Auditor   |
| 2006-2008       | TEB A.Ş., Banking Regulation Manager  |
| 2001-2006       | Banking Regulation and Supervision Agency, Certified Bank Auditor                       |
| 2007-2010       | Galatasaray University Institute of Political Sciences-MBA                              |
| 1996-2000       | Ankara University, Faculty of Political Sciences, Department of Business Administration |

#### **Nimet Elif Kocaayan, Head of Group Risk Management**

|                   |  |
|-------------------|--|
| July 2021-present | TEB Sh.A., Board Member  |
| July 2017-present | TEB A.Ş. Head of Group Risk Management   |
| July 2017-present | TEB Yatırım Menkul Değerler A.Ş., Board Member                                     |
| 2010-2017         | TEB A.Ş., Credit Risk Director   |
| 2003-2010         | TEB A.Ş. Operational Risk-BASEL II and Credit Risk Supervisor/ Credit Risk Manager |
| 2000-2003         | TEB A.Ş. Credit Allocation Supervisor  |
| 1995-2000         | TEB A.Ş. Internal Audit, Inspector /Assistant Inspector                            |
| 1991-1995         | İstanbul University, Faculty of Economics, Department of Economics                 |

## COMMITTEES OF TÜRK EKONOMİ BANKASI A.Ş.

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

As of 31 December 2022 the Board of Directors has accepted 213 resolutions. The Board Members and Committee Members have participated into respective meetings at sufficient levels.

### SENIOR EXECUTIVE COMMITTEE

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

#### Chairman

François Andre Jesualdo BENAROYA, Deputy Chairman of the Board of Directors

#### Deputy Chairman

Dr. Akin AKBAYGİL, Chairman of the Board of Directors

#### Members

General Manager

Committee meets as required.

### CREDIT COMMITTEE

**Responsibilities of the Committee:** To evaluate and approve loans within its authorization limits.

#### Chairman

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

#### Members

Özden ODABAŞI, Board Member

Hans Wilfried J. BROUCKE, Board Member

Ümit LEBLEBİCİ, General Manager

Metin TOĞAY, Board Member

#### Alternate Members

Ayşe Aşardağ, Board Member

Nicolas de BAUDINET de COURCELLES, Board Member

Committee meets as required.

### RISK COMMITTEE

**Responsibilities of the Committee:** To audit and assess risk policies

#### Chairman

Hans Wilfried J. BROUCKE, Board Member

#### Deputy Chairman

Dr. Akin AKBAYGİL, Chairman of the Board of Directors

Committee meets as required.

## AUDIT COMMITTEE

### Responsibilities of the Committee:

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

#### **Chairman**

Nicolas de BAUDINET de COURCELLES, Board Member

#### **Deputy Chairman**

Ayşe AŞARDAĞ, Board Member

#### **Members**

Didier Albert N. VAN HECKE, Board Member

Ayşe Meral ÇİMENBİÇER, Board Member

Committee meets at least every three months.

## OPERATIONAL RISK COMMITTEE

### Responsibilities of the Committee:

- To make recommendations regarding the Operational Risk Management Policy approved by Board of Directors,
- Based on the outcomes of the measurement and management practices in accordance with the Operational Risk Management Policy;
  - To review processes and to make decisions whenever necessary by making general assessments on historical incidents or residual risks through management tools to measure and mitigate the operational risks,
  - To monitor the status and trend of the audit recommendations,
  - To monitor the progress of the key risk indicators determined by Group Risk Management, to evaluate risk mitigating actions and new indicators by considering the risk profile and trends,
  - To review and evaluate the risk assessment results of service providers within the scope of the Regulation on Procurement of Support Services by Banks and the Regulation on Information Systems of Banks and Electronic Banking Services.

**Chairman**

Assistant General Manager, Banking Operations and Support Services

**Deputy Chairman**

Assistant General Manager, Financial Control Group

**Members**

Senior Assistant General Manager, Retail and Private Banking Group

Assistant General Manager, Corporate and Corporate Investment Banking

Assistant General Manager, Information Technologies Group

Assistant General Manager, Human Resources Group

Chief Legal Advisor, Secretary of the Board of Directors

Committee meets as monthly.

## SELECTION AND COMPENSATION COMMITTEE

**Responsibilities of the Committee:**

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

**Chairman**

François Andre Jesualdo BENAROYA, Deputy Chairman of the Board of Directors

**Deputy Chairman**

Dr. Akin AKBAYGİL, Chairman of the Board of Directors

**Regular Attendant**

General Manager

Committee meets as required.



## COMPLIANCE COMMITTEE

### Responsibilities of the Committee:

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

#### Chairman

Nicolas de BAUDINET de COURCELLES, Board Member

#### Deputy Chairman

Ayşe AŞARDAĞ, Board Member

#### Members

Ayşe Meral ÇİMENBİÇER, Board Member

Didier Albert N. VAN HECKE, Board Member

Committee meets as required.

## CORPORATE GOVERNANCE COMMITTEE

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

#### Chairman

Yavuz CANEVi, Board Member

#### Deputy Chairman

Dr. Akin AKBAYGİL, Chairman of the Board of Directors

#### Members

Hans Wilfried J. BROUCKE, Board Member

Nicolas de BAUDINET de COURCELLES, Board Member

Didier Albert N. VAN HECKE, Board Member

Ayşe AŞARDAĞ, Board Member

Committee meets as required.

## ASSETS AND LIABILITIES COMMITTEE

### Responsibilities of the Committee:

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

**Chairman**

General Manager

**Deputy Chairman**

Assistant General Manager, Assets and Liabilities Management and Treasury

**Members**

Deputy Head of Corporate and Corporate Investment Banking

Senior Assistant General Manager, Retail and Private Banking Group

Senior Assistant General Manager, SME Banking Group and Deputy General Manager

Assistant General Manager, Financial Control Group

Assistant General Manager, Global Markets

Assets and Liabilities Management Director

Chief Economist

Chief Investment Advisor

Committee meets bi-weekly or as required.

**NEW PRODUCT COMMITTEE**

**Responsibilities of the Committee:** Within the scope of the Regulation of New Product, Activity and Organization to make decisions about products, activities and organizations which are defined as “newly”.

**Chairman**

Head of Compliance Group and Internal Control Group

**Deputy Chairman**

Assistant General Manager of Product Owner Segment

**Members**

Data Management Director

Core Banking Operations Director

Information Security and Quality Director

Business Process Director

Business Solutions Director

Head of Legal Affairs, Secretary of the Board

Contracts, Legal Counseling and Projects Director

General Accounting Director

Group Chief Risk Officer (and/or manager delegated according to the role)

Executive Tax Director

Customer and Product Safety Director

Representative of Compliance Division

Customer Rights Coordination Manager

Legislation Manager

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

## MARKET AND LIQUIDITY RISK COMMITTEE

### Responsibilities of the Committee:

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

#### **Chairman**

General Manager

#### **Deputy Chairman**

Group Chief Risk Officer

#### **Members**

ALM & Treasury Assistant General Manager

Financial Affairs Assistant General Manager

Global Markets Assistant General Manager

Global Markets Trading Director

ALM Strategies Execution Director

Treasury Director

Market Risk and Operational Risk Director

Committee that meets on a monthly basis or as required.

## INFORMATION DISCLOSURE COMMITTEE

### Responsibilities of the Committee:

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

**Chairman**

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

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

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

**Deputy Chairman**

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

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

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

**Members**

Group Chief Risk Officer

Financial Affairs Assistant General Manager

Banking Operations and Support Services Assistant General Manager

Information Technologies Assistant General Manager

Information Security and Quality Director

The committee meets monthly or as required.

## INFORMATION ON TRANSACTIONS CONDUCTED WITH RELATED PARTIES

The Bank is involved in various transactions with the risk group to which TEB is included (related parties) and these are carried out for commercial purposes and at market prices. Loan transactions with related-parties and their share in the Bank's total credit risk as of 31 December 2022 and 31 December 2021 were as follows:

| <b>%</b>                               | <b>31.12.2022</b> | <b>31.12.2021</b> |
|--|-------------------|-------------------|
| Share in total cash loans              | 1.09%             | 1.22%             |
| Share in total non-cash loans          | 2.20%             | 1.35%             |
| Share in total cash and non-cash loans | 1.40%             | 1.25%             |

Detailed information about the risk group to which TEB is included has been prepared in accordance with the "Communiqué on Financial Statements and Related Explanations and Footnotes Announced to the Public by Banks" and published in Section 3, of the "Annual Report" and was also included in the financial statements as of 31 December 2022 and Section 5, Article VII.1 of the Independent Audit Report.

## ACTIVITIES FOR WHICH SUPPORT SERVICES ARE RECEIVED AND SUPPLIERS

| COMPANY TITLE   | SCOPE OF SUPPORT SERVICES TAKEN | EXPLANATION OF THE SERVICE  |
|---|---------------------------------|---|
| FU GAYRİMENKUL YATIRIM DANIŞMANLIK ANONİM ŞİRKETİ   | OPERATIONAL SERVICES            | SERVICE AGREEMENT FOR FULFILLMENT OF MORTGAGE TRANSACTIONS          |
| PRONET GÜVENLİK HİZMETLERİ ANONİM ŞİRKETİ   | SECURITY                        | OFF SITE ATM ALARM SYSTEMS LEASING AND SERVICE AGREEMENT            |
| E-KART ELEKTRONİK KART SİSTEMLERİ SANAYİ VE TİCARET A.Ş.                                    | CREDIT CARD PURCHASES           | PURCHASING CREDIT CARD PLASTIC AND CHIP AGREEMENT                   |
| GENOM BİLİŞİM TEKNOLOJİLERİ DAN. VE TİC. A.Ş.   | SOFTWARE (OTHER)                | HUMAN RESOURCES UPDATE AND TELEPHONE SUPPORT SERVICE                |
| ECZACIBAŞI BİLİŞİM SANAYİ VE TİCARET ANONİM ŞİRKETİ   | SOFTWARE (BANKING)              | ELECTRONIC FORECLOSURE MANAGEMENT SYSTEM SOFTWARE LICENCE AGREEMENT |
| ERETİM BİLGİSAYAR HİZMETLERİ VE DANIŞMANLIK LTD.ŞTİ.  | SOFTWARE (BANKING)              | CAMPAIGN MANAGEMENT TOOL LICENSE AND IMPLEMENTATION AGREEMENT       |
| RİSK YAZILIM TEKNOLOJİLERİ DANIŞMANLIK EĞİT.TİC.LTD.ŞTİ                                     | SOFTWARE                        | RISKTURK SOFTWARE, PROCUREMENT, WARRANTY AND MAINTENANCE AGREEMENT  |
| ECZACIBAŞI BİLİŞİM SANAYİ VE TİCARET ANONİM ŞİRKETİ   | SOFTWARE (BANKING)              | EBIFLOW PAYMENT ORDER SYSTEM LICENCE AND SERVICE AGREEMENT          |
| VERİFONE ELEKTRONİK VE DANIŞMANLIK LTD.ŞTİ.   | OPERATIONAL SERVICES            | POS REMOTE INSTALLATION AGREEMENT                                   |
| PAYTEN TEKNOLOJİ ANONİM ŞİRKETİ   | OPERATIONAL SERVICES            | CYBER POS SERVICES  |
| IRON MOUNTAIN ARŞİVLEME HİZMETLERİ ANONİM ŞİRKETİ   | ARCHIVING                       | ARCHIVES SERVICE AGREEMENT  |
| GÜZEL SANATLAR ÇEK BASIM LTD.ŞTİ.   | OPERATIONAL SERVICES            | CHEQUE PRINTING SERVICES AGREEMENT                                  |
| DİEBOLD NİXDORF TEKNOLOJİ ANONİM ŞİRKETİ  | SOFTWARE (OTHER)                | SOFTWARE MAINTENANCE AGREEMENT                                      |
| ECZACIBAŞI BİLİŞİM SAN.VE TİC.A.Ş.  | SOFTWARE (BANKING)              | MOBILINK MAINTENANCE AGREEMENT                                      |
| KYNDRYL GLOBAL SERVICES İŞ VE TEKNOLOJİ HİZMETLERİ VE TİCARET LİMİTED ŞİRKETİ               | INFORMATION SYSTEMS             | EMERGENCY SERVICES  |
| SUPERONLINE İLETİŞİM HİZMETLERİ ANONİM ŞİRKETİ  | INFORMATION SYSTEMS             | ELECTRONIC COMMUNICATION SERVICE FRAMEWORK AGREEMENT                |
| SİSTAŞ SAYISAL İLETİŞİM SAN TİC A.Ş.  | SOFTWARE (SYSTEM)               | GVP MAINTENANCE AGREEMENT   |
| FİNEKSUS BİLİŞİM ÇÖZÜMLERİ TİCARET A.Ş.   | SOFTWARE (BANKING)              | SWIFT ALLIANCE SYSTEM   |
| PRONET GÜVENLİK HİZMETLERİ A.Ş.   | SECURITY                        | ALARM MONITORING CENTER SUBSCRIPTION AGREEMENT                      |
| İPOTEKA GAYRİMENKUL YATIRIM DANIŞMANLIK ANONİM ŞİRKETİ                                      | OPERATIONAL SERVICES            | OPERATIONAL SERVICE RELATED TO MORTGAGE TRANSACTIONS                |
| KEY YAZILIM ÇÖZÜMLERİ ANONİM ŞİRKETİ  | SOFTWARE                        | APPRAISAL SOFTWARE AGREEMENT  |
| NETAS TELEKOMUNİKASYON A.S.   | OPERATIONAL SERVICES            | NETWORK MAINTENANCE AGREEMENT                                       |
| PAYCORE ÖDEME HİZMETLERİ TAKAS VE MUTABAKAT SİSTEMLERİ A.Ş.                                 | OPERATIONAL SERVICES            | PRINTING AND ENVELOPING AGREEMENT                                   |
| FOREKS BİLGİ İLETİŞİM HİZ.A.Ş.  | SOFTWARE                        | SERVICE FACILITATION AGREEMENT                                      |
| İNNOVA BİLİŞİM ÇÖZÜMLERİ A.Ş.   | OPERATIONAL SERVICES            | COMPANY OPERATION CENTER SERVICE AGREEMENT                          |
| RİSK YAZILIM TEKNOLOJİLERİ DANIŞMANLIK EĞİT.TİC.LTD.ŞTİ                                     | SOFTWARE                        | SOFTWARE, MARKET RISK REPORTING MODULE AGREEMENT                    |
| TEPE SAVUNMA VE GÜVENLİK SİSTEMLERİ SAN.A.Ş.  | SECURITY                        | PRIVATE SAFETY AGREEMENT  |
| SECURITAS GÜVENLİK HİZMETLERİ ANONİM ŞİRKETİ  | SECURITY                        | PRIVATE SAFETY AGREEMENT  |
| NCR BİLİŞİM SİSTEMLERİ LTD.ŞTİ.   | OPERATIONAL SERVICES            | ATM HARDWARE-SOFTWARE MAINTENANCE AND REPAIRING SERVICES AGREEMENT  |
| MT BİLGİ TEKNOLOJİLERİ VE DIŞ TİCARET A.Ş. KARBİL YAZILIM VE BİLİŞİM TEKNOLOJİLERİ TİC.A.Ş. | OPERATIONAL SERVICES            | CASH REGISTER POS AGREEMENT   |
| BNP PARIBAS S.A./FRANCE   | SOFTWARE (OTHER)                | SOFTWARE DEVELOPMENT, MAINTENANCE AND SUPPORT SERVICE               |

|   |                      |   |
|---|----------------------|---|
| KARTNET BİLGİSAYAR SANAYİ VE TİCARET ANONİM ŞİRKETİ   | OPERATIONAL SERVICES | CAPV 2.1 MAINTENANCE AND REPAIRING SERVICES AGREEMENT   |
| VERİSOFT BİLGİ İŞLEM TİCARET VE SANAYİ ANONİM ŞİRKETİ   | SOFTWARE             | TEB POS APPLICATION ON CASH REGISTER MACHINES SOFTWARE AGREEMENT                                  |
| HUGIN YAZILIM TEKNOLOJİLERİ ANONİM ŞİRKETİ  | OPERATIONAL SERVICES | CASH REGISTER EQUIPMENT SERVICE AGREEMENT   |
| R2 SERVİS ELEKTRİK ELEKTRONİK VE BİLGİSAYAR TEKNOLOJİLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ                      | OPERATIONAL SERVICES | CASH REGISTER EQUIPMENT SERVICE AGREEMENT   |
| POSTA VE TELGRAF TEŞKİLATI ANONİM ŞİRKETİ.  | OPERATIONAL SERVICES | CREDIT APPLICATIONS AND REPAYMENTS FROM PTT BRANCHES  |
| TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ  | OPERATIONAL SERVICES | CASH REGISTER POS SLA FIELD SERVICES  |
| D.T.P.BİLGİ İŞLEM İLETİŞİM VE TİCARET A.Ş.  | SOFTWARE             | E-INVOICE PROJECT   |
| HOBİM ARŞİVLEME VE BASIM HİZMETLERİ ANONİM ŞİRKETİ  | OPERATIONAL SERVICES | PURCHASING CREDIT CARD STATEMENT PRINTING AND ENVELOPING SERVICE                                  |
| KEYTORC TEKNOLOJİ HİZMETLERİ VE DANIŞMANLIK ANONİM ŞİRKETİ  | OPERATIONAL SERVICES | TEST CONSULTANCY SERVICE AGREEMENT  |
| ONUSS ORTAK NOKTA ULUSLARARASI HABERLEŞME SİSTEM SERVİS BİLGİSAYAR YAZILIM DANIŞ.VE DIŞ TİC.LTD.ŞTİ.            | SOFTWARE             | SOFTWARE  |
| İŞ ZEKASI YAZILIM DANIŞMANLIK HİZMETLERİ TİCARET ANONİM ŞİRKETİ   | SOFTWARE             | REAL TIME CAMPAIGN MANAGEMENT PROGRAM AGREEMENT   |
| TÜRKKEP KAYITLI ELEKTRONİK POSTA HİZM.SAN.VE TİC.A.Ş.   | SOFTWARE             | REGISTERED E-MAIL LICENSING SERVICES  |
| KURYE NET MOTORLU KURyecİLİK VE DAĞITIM HİZMETLERİ A.Ş.   | OPERATIONAL SERVICES | COMMODITY DELIVERY AGREEMENT  |
| AGT HIZLI KURYE HİZMETLERİ ANONİM ŞİRKETİ   | OPERATIONAL SERVICES | COMMODITY DELIVERY AGREEMENT  |
| AUSTRIA CARD TURKEY KART OPERASYONLARI A.Ş.   | OPERATIONAL SERVICES | PERSONALIZATION OF CARDS WITH CHIP AND MAGNETIC STRIPES   |
| PLASTİK KART AKILLI KART İLETİŞİM SİSTEMLERİ SAN.VE TİC.A.Ş.  | OPERATIONAL SERVICES | PERSONALIZATION OF CARDS WITH CHIP AND MAGNETIC STRIPES AND RAW CARD SUPPLY OUTSOURCING AGREEMENT |
| WORDLINE ÖDEME SİSTEM ÇÖZÜMLERİ A.Ş.  | OPERATIONAL SERVICES | PRACTICE DEVELOPMENT, TECHNICAL SUPPORT, UPDATE AND MAINTENANCE AGREEMENT                         |
| VERİFONE ELEKTRONİK VE DANIŞMANLIK LTD.ŞTİ.   | OPERATIONAL SERVICES | PRACTICE DEVELOPMENT, TECHNICAL SUPPORT, UPDATE AND MAINTENANCE AGREEMENT                         |
| BNP PARIBAS SA / HEAD OFFICE  | SOFTWARE (OTHER)     | CORTEX  |
| AGT HIZLI KURYE HİZMETLERİ ANONİM ŞİRKETİ   | OPERATIONAL SERVICES | COURIER SERVICES UNDER ROBIN PROJECT  |
| 3-D BİLİŞİM TEKNOLOJİLERİ DANIŞMANLIK VE TEKNİK SERVİS ANONİM ŞİRKETİ   | SOFTWARE             | NICE SOUND RECORDING MAINTENANCE AGREEMENT  |
| SİSTAŞ SAYISAL İLETİŞİM SAN. TİC. A.Ş. SESTEK SES VE İLETİŞİM BİLGİSAYAR TEK.SAN.TİC.A.Ş.                       | SOFTWARE (SYSTEM)    | VOICE-SIGNATURE AND VOICE-GUIDE AGREEMENT FOR CALL CENTER   |
| 360 TRADING NETWORKS  | SOFTWARE             | EXCHANGE TRADING PLATFORM   |
| WORDLINE ÖDEME SİSTEM ÇÖZÜMLERİ A.Ş.  | OPERATIONAL SERVICES | CASH REGISTER MACHINES - FIELD SERVICES   |
| İNFİNA YAZILIM A.Ş.   | SOFTWARE (BANKING)   | FINBASE MAIL INFLEX MODULE - MAINTENANCE  |
| D.T.P.BİLGİ İŞLEM İLETİŞİM VE TİCARET A.Ş.  | SOFTWARE             | E-ARCHIVE INTEGRATION   |
| MARO ULUSLARARASI BİLGİ TEKNOLOJİLERİ DANIŞMANLIK GELİŞTİRME DESTEK HİZMETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ | SOFTWARE (OTHER)     | CONSULTANCY, APPRAISAL AND LABOR AGREEMENT  |
| DATA MARKET BİLGİ HİZMETLERİ ANONİM ŞİRKETİ   | OPERATIONAL SERVICES | HIRING STAFF FOR INFORMATION SYSTEMS  |

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|---|----------------------|--|
| SESTEK SES VE İLETİŞİM BİLGİSAYAR TEK.SAN.TİC.A.Ş.                        | SOFTWARE             | SPEECH ANALYTICS   |
| SİSTAŞ SAYISAL İLETİŞİM SAN. TİC. A.Ş.                                    | SOFTWARE             | CALL ME LICENSE & MAINTENANCE PURCHASE                                       |
| İNFINA YAZILIM A.Ş.   | SOFTWARE             | FUND OPERATIONS AND COLLECTIVE CUSTODY AGREEMENT                             |
| 32 BİT BİLG.HİZM.SAN.VE TİC.LTD.ŞTİ.                                      | SOFTWARE             | OTASS INTEGRATION SOFTWARE MAINTENANCE                                       |
| PANAROMA BİLİŞİM TEKNOLOJİLERİ SANAYİ VE TİCARET A.Ş.                     | OPERATIONAL SERVICES | CASH REGISTER MACHINES INSTALLATION AND SERVICE AGREEMENT                    |
| ARUTE SOLUTIONS YAZILIM ANONİM ŞİRKETİ                                    | SOFTWARE             | CASH MANAGEMENT COSTS OPTIMIZATION   |
| BANTAŞ NAKİT VE KIYMETLİ MAL TAŞIMA VE GÜVENLİK HİZMETLERİ ANONİM ŞİRKETİ | OPERATIONAL SERVICES | SERVICE PROCUREMENT AGREEMENT  |
| LİNK TERA BİLGİ TEKNOLOJİLERİ A.Ş.  | OPERATIONAL SERVICES | HIRING STAFF FOR INFORMATION SYSTEMS   |
| İŞ ZEKASI YAZILIM DANIŞMANLIK HİZMETLERİ TİCARET A.Ş.                     | OPERATIONAL SERVICES | HIRING STAFF FOR INFORMATION SYSTEMS   |
| PLANİST BİLİŞİM HİZMETLERİ VE DANIŞMANLIK TİC. LTD. ŞTİ.                  | OPERATIONAL SERVICES | HIRING STAFF FOR INFORMATION SYSTEMS   |
| OBSS TEKNOLOJİ ANONİM ŞİRKETİ   | SOFTWARE             | SOFTWARE   |
| BNP PARIBAS SECURITIES SERVICES   | SOFTWARE             | ACETP SOFTWARE AGREEMENT   |
| METAMORFOZ BİLİŞİM TEKNOLOJİLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ         | SOFTWARE             | SMART WATCH APPLICATION SOFTWARE AND MAINTENANCE (HCE PHONE AND SMART WATCH) |
| CREDE DANIŞMANLIK VE DIŞ TİC. A.Ş.  | OPERATIONAL SERVICES | LEGAL ENTITY INTELLIGENCE AUTOMATION   |
| WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.                          | CALL CENTER          | CALL CENTER OUTGOING CALL SERVICE  |
| MİKROSARAY MİKROBİLGİSAYAR PAZ. VE TİC. A.Ş.                              | OPERATIONAL SERVICES | CASH REGISTER MACHINES - FIELD SERVICES                                      |
| RİSK YAZILIM TEKNOLOJİLERİ DAN. EĞ. TİC. LTD. ŞTİ                         | OPERATIONAL SERVICES | RISKTURK SOFTWARE, PROCUREMENT, WARRANTY AND MAINTENANCE AGREEMENT           |
| WORDLINE ÖDEME SİSTEM ÇÖZÜMLERİ A.Ş.                                      | OPERATIONAL SERVICES | SERVICE FOR REMOTE INSTALLING TO POS DEVICES.                                |
| IRON MOUNTAIN ARŞİVLEME HİZMETLERİ ANONİM ŞİRKETİ                         | OPERATIONAL SERVICES | DATA INPUT SCANNING OUTSOURCING  |
| AMARIS TEKNOLOJİ İSTANBUL DANIŞMANLIK LTD. ŞTİ.                           | OPERATIONAL SERVICES | INFORMATION TECHNOLOGIES SERVICE AGREEMENT                                   |
| TEB ARF TEKNOLOJİ ANONİM ŞİRKETİ  | OPERATIONAL SERVICES | INFORMATION TECHNOLOGIES SERVICE AGREEMENT                                   |
| TTBOOM DİJİTAL İNTERAKTİF MEDYA REKL.AJANSI VE BİLİŞİM HİZMETLERİ A.Ş.    | OPERATIONAL SERVICES | SOCIAL MEDIA PAGE FOLLOW-UP AND MANAGEMENT                                   |
| ASSİSTT REHBERLİK VE MÜŞTERİ HİZMETLERİ A.Ş.                              | CALL CENTER          | CALL CENTER OUTGOING CALL SERVICE AGREEMENT                                  |
| SUPERONLINE İLETİŞİM HİZMETLERİ A.Ş.                                      | OPERATIONAL SERVICES | DATA FLOW ACCESS SERVICE AGREEMENT   |
| İNNOVA BİLİŞİM ÇÖZÜMLERİ A.Ş.   | OPERATIONAL SERVICES | LEGA LEGAL FOLLOW-UP SYSTEM  |
| SERİ BİLGİ TEKNOLOJİLERİ DESTEK HİZ. VE TİC. LTD.ŞTİ.                     | OPERATIONAL SERVICES | JOINT POS FIELD SERVICES AGREEMENT   |
| TEKNOSER BİLGİSAYAR TEKNİK HİZM.SAN.VE DIŞ TİC.A.Ş.                       | OPERATIONAL SERVICES | CASH REGISTER MACHINES - FIELD SERVICES                                      |
| AGRA FINTECH YAZILIM ÇÖZÜMLERİ A.Ş.                                       | SOFTWARE             | AGRA APPLICATION PURCHASE AGREEMENT  |
| WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.                          | CALL CENTER          | CALL CENTER SUPPORT SERVICE (INBOUND) AGREEMENT                              |
| ASSİSTT REHBERLİK VE MÜŞTERİ HİZMETLERİ A.Ş.                              | CALL CENTER          | CALL CENTER SUPPORT SERVICE (INBOUND) AGREEMENT                              |
| 6KARE BİLGİ TEKNOLOJİLERİ ANONİM ŞİRKETİ                                  | SOFTWARE             | SOFTWARE / LICENSE MAINTENANCE   |
| DSM GRUP DANIŞMANLIK İLET.VE SATIŞ TİC.A.Ş.                               | SOFTWARE (BANKING)   | PAYMENT SYSTEMS SUPPORT SERVICES AGREEMENT                                   |



## PERFORMANCE BONUSES AND SALES PREMIUMS

Annual bonus pool is set on the basis of the profitability of the Bank, the results generated by the activity and achievements and also the (local and/or professional) sector practices. Performance bonuses will only be paid if the 80% target actualization rate is achieved in a given year and subject to the decision made by SECOM (Selection and Compensation Committee) for that year.

TL 733.8 million in total has been set aside in the Bank's 2022 financial statements as provision for performance bonuses and sales premiums. Slated for payment in 2023, the amount splits as TL 720 million to be paid depending on the performances of the employees during the year and TL 13.8 million as sales premium in line with the sales realized by sales staff in 2022.

In addition, the deferred bonus amount, i.e. the bonus paid to employees in a later period than the period it is earned, is TL 64.4 million.

## FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR EXECUTIVES

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

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

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

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

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

- Formation of a written Remuneration Policy which is in compliance with the BRSA Regulation,
- Determination, monitoring and supervision of remuneration implementations (including salaries, performance bonuses, premiums, awards and fringe benefits),

- Approval of the remuneration principles and policy proposed by the Head Office for Material Risk Takers,
- Annual submission to the BoD the proposals with respect to the assessment of Remuneration Policy and implementations under the risk management,
- Determination of the criteria for the payments of performance bonuses to the employees based on the Bank's performance, business line's, and/or function's performance and their individual performances and announcement of such criteria to the employees and regular review of such criteria according to the determined standards and special duty and responsibilities,
- Review of remuneration criteria at least once a year to ensure that the Remuneration Policy does not encourage excessive risk taking nor create conflict of interest between management control systems,
- Preparation of SECOM organization chart, reporting levels, segregation of duties and remuneration policy in accordance with the risk policy and other policies of the Bank.

At the Ordinary General Assembly Meeting convened on 28 March 2022, a decision was taken not to pay an attendance fee to Board members in consideration of their roles.

During the period January-December 2022, any and all rights, interests and remunerations paid to our Board members and senior executives amounted to TL 124,281,847 and travel, accommodation and representation expenses amounted to TL 6,264,658.

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

## **REMARKS ON INDEPENDENT AND PUBLIC AUDITS**

In 2022 fiscal year, our Bank and its subsidiaries were externally audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. On the other hand, various audits were conducted at the Bank by regulatory public authorities such as the Banking Regulation and Supervision Agency (BRSA), the Ministry of Finance, the Competition Authority and the Central Bank of the Republic of Türkiye (CBRT).

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

651 lawsuits worth TL 9,622,625 in total were brought against the Bank during 2022. A total of 10,170 lawsuits brought in 2022 and previous years are currently in litigation. A provision of TL 133,257,226 had been set aside for these lawsuits as of December 31, 2022.

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

Administrative fines imposed against the Bank during the reporting period amounted to TL 2,554,796.

There are no administrative or judicial sanctions imposed against the Bank's Board members.

## **CHANGES IN EQUITY STAKE HELD IN SUBSIDIARIES**

There were no changes in 2022.

## **INFORMATION ABOUT DEALINGS WITH THE CONTROLLING COMPANY**

There were no legal transactions that would benefit the controlling companies, which were steered directly or indirectly by the controlling companies, during 2022. All legal transactions between controlling companies and TEB were carried out in accordance with market practices, the principles of commercial prudence and integrity and the arm's length principle. The Company did not incur any loss by reason of these transactions and therefore, no compensation was necessary.

In 2022 there were no legal transactions, which were carried out at the direction of the controlling companies so as to benefit the controlling companies' subsidiaries. All legal transactions between the controlling company's subsidiaries and our Company were carried out in accordance with market practices, the principles of commercial prudence and integrity and arm's length principle. The Company did not incur any loss by reason of these transactions and therefore no compensation was necessary.

No measures were taken or avoided to the benefit of our Company's direct or indirect controlling companies and therefore, no losses to the detriment of the Company arose.

No measures were taken or avoided to the benefit of the controlling company's subsidiaries and therefore, no losses to the detriment of the Company arose

## TEB HUMAN RESOURCES GROUP

TEB is a big family of 8,723 employees. Happiness of each member of this family is very valuable and important for TEB. Happy employees will bring happy customers and happy customers will bring sustainable success; hence, TEB positions its human resource at the heart of its strategy.

### TEB's Strategic Priorities

#### Management approach

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

### Key Principles

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

### Positive Management approach

#### **We are working hand in hand to build a “Great Place to Work”**

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

Top Employers Institute, one of the most prestigious worldwide institutes that rates the HR policies and implementations of companies, has chosen TEB as one of the Top Employers of Europe and Turkey in 2022 and, TEB has succeeded in receiving the “Top Employer Turkey” and “Top Employer Europe” Certificates for 10 years in a row.

### **Targeting organizational efficiency in performance management**

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

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

### **Local and international career opportunities offered to employees**

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

In line with TEB’s objectives and, transparent communication and equal opportunity principles, all open positions at BNP Paribas and TEB Group are announced in the Bank and Group Companies and all employees have the opportunity to apply for those positions.

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

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

In 2022, 86% of appointments to managerial positions were made from internal resources.

During the reporting period, a total of 575 employees were promoted, 149 of them senior managers and higher-level positions, whereas 500 employees were transferred to different functions within the scope of mobility.

### **Talent Management Programs aiming to develop the future leaders**

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

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

At TEB, the future leaders are provided with personalized learning and development opportunities which will guide their careers. In 2022, 250 talents took part in leadership programs. 184 senior manager candidates and 6 director candidates participated in the assessment program.

To its global talents, TEB offers the opportunity to take part in BNP Paribas Global Talent Development Programs. During 2022, online global development programs were made available to all global talents.

As part of the succession planning carried out regularly each year to ensure continuity in the Bank's management, succession plans for senior management positions and other critical roles were reviewed and revised in 2022 as well.

### **Effective support to employees' personal and professional development**

TEB recognizes that "qualified and educated workforce" is the most significant differentiating element in the finance industry. The Bank continued to support employees' personal and professional development in the most effective way in 2022 as well.

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

In 2022, regular webinars were added to digital training programs offered by TEB. Approximately 3,300 employees attended the webinar series held about topics for which employees sought information or support.

Starting in 2022, emphasis has been placed on in-person classroom training and nearly 9,000 TEB employees have participated in the post-pandemic classroom training programs organized.

As these employees participated in several training programs, the number of total participants was approximately 55,500 in classroom trainings, 500 in on-the job trainings, and nearly 270,000 in e-learning programs.

### **Career Development Programs**

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

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

### **Continuously updated training and development programs**

TEB constantly updates the training and development programs implemented while training the future leaders with support from the precious universities and training companies in our country in parallel with emerging needs.

In line with the changing dynamics of the era, the Bank continued to provide more personalized, agile and data-driven tailored training programs in 2022 as well.

### **TEB Future Leaders Program**

TEB offers the TEB Future Leaders Program to young talents just starting their careers in order to enable them to become the visionary banking professionals and leaders of the future by providing the initial base of their knowledge.

TEB Future Leaders Program entails vision-building topics such as Digitalization, Data Engineering, Innovation, Project Management, Data Visualization, Design-Thinking, Agility etc. besides technical training on finance. At the end of the programs conducted in collaboration with a university, participants receive their certificates and step into their banking careers.

### **TEB Positive Sales Culture Program**

TEB designed training programs centered on positive communication and customer-oriented approach to align its services with pandemic-altered customer expectations.

In the program that covers all our Head Office and field teams who are in contact with sales, executive teams are also supported with positive sales coaching.

### **TEB Sustainability Academy**

TEB continued to support employee development with Sustainable Finance training programs with the purpose of raising awareness of sustainability of employees and keeping them informed about sustainable banking approaches in 2022. The employees were given valuable information about the environmental, economic and social sustainability and the integration of sustainability concept within financial products and services.

### **Training and Development Bulletin**

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

### **TEB Leadership Academy**

Under the TEB Leadership Academy roof, leadership programs are designed as developmental journeys at various levels to cultivate leaders who will lead TEB into the future. In other words, developmental steps have been defined for young talents who start their career at TEB to acquire the leadership skills required to become top-level executives.

### **Awarded innovation and entrepreneurship activities**

With its continuous efforts on innovation since 2007, TEB has been cited as an exemplar of innovation by the world-famous research company Gartner in its report “Creating and Expanding a Culture of Innovation” in the finance industry.

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

TEB continued to regularly share the latest news and new trends in innovation, technology and entrepreneurship via various channels, to which new ones were added in 2022.

### **Intrapreneurship Program**

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

TEB Intrapreneurship Program entered its eighth year in 2022.

### **Partnerships with start-ups**

As a joint working platform with the objective of accelerating innovation, TEB HOME prioritizes innovative projects coming from different channels and builds teams to implement these projects.

Within the scope of the Home Program that employs innovative methods, TEB intrapreneurs are able to test and execute their ideas and projects with the help of start-ups using their competences and carry the agile world of financial technology start-ups into the Bank.

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

### **The ever-growing innovation ecosystem at TEB**

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

### **TEB Open Innovation Competition**

The process started for the fifteenth edition of the annual TEB Open Innovation Competition, which is one of the largest reflections of TEB's innovation practices outside the Bank.

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

### **"My TEB My World"**

TEB provides a work environment where young talents can show their potential, develop themselves continuously and create added value. With "My TEB My World" motto, TEB offers TEB employees and youngsters who want to join TEB family a successful, innovative, healthy, pleasant world which provides continuous development opportunities.

### **TEB University Internship Program**

In 2022, TEB carried out the University Internship Program for university students. Under the program, 27 university students were offered the chance to experience internship at



TEB Head Office and they were provided with e-learning opportunities on the digital environment.

### **Recruitment Practices**

In 2022, within the frame of Future Leaders programs, 86 new-graduate young talents in total joined the Bank, who will be employed at the Head Office and in the field. Furthermore, 33 new-graduate young talents were included in the Bank's IT teams. TEB aims to carry on with these programs every year and increase the number of young talents.

During 2022, a total of 1,301 candidates joined the TEB Family by using various selection and placement tools in line with the Bank's goals and strategies.

### **TEB Young Engineers Summit**

TEB Young Engineers Summit, which has by now become a traditional event, was held for the third time online in 2022. The Bank gathered with more than 100 engineering new graduates and students. At the event, participating young engineer participants were given an introduction to the banking sector and the engineering positions in the finance sector.

### **TEB Innovation and Youth Summit**

Innovation gatherings where TEB talents are being brought together around a new theme each year since 2007 was held online in 2021 and 2022. University students attending the event were provided with the chance to listen to inspirational presentations and engage in career conversations with TEB managers throughout the event.

### **TEB Agile Studio**

IT Agile Studio was established in 2020 to increase agility at TEB and launch projects more rapidly. In 2022, development journeys in this area were designed and implemented in cooperation with the TEB Agile Studio and TEB Academy.

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

"First Level Control" project, aiming to enable employees at all levels to effectively manage risks related to their own tasks and responsibilities, has been launched.

### **TEB Volunteering Programs**

#### **TEGV – Educational Volunteers Program**

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

#### **TEV - Mentoring Program**

TEB Volunteers meet monthly to offer career mentoring to TEV scholar students attending a high school or university under the TEV - Mentoring Program. The aim of the program is to support university students to start their business life one step ahead.

#### **Run for Kindness**

TEB Volunteers ran for a charitable cause at the 2022 İstanbul Marathon. With the donations collected in the name of TEGV (Educational Volunteers Foundation of Turkey) and TEV (Turkish Education Foundation), volunteers raised funds to cover the educational

costs and expenses of a large number of underprivileged students having difficulty in accessing education.

### **A more joyous family when together**

TEB employees get together at events like “Leaders’ Cafe” where they can listen to senior managers’ knowledge and experiences, “TEB Talks” where experts share their inspiring career and success stories and “Innovation Talks” where most recent technological developments and trends are shared. Organized digitally in 2021, the meetings continued both digitally and physically in 2022.

Employees can participate in various activities in their areas of interest and get together with colleagues outside work at TEB Band, Turkish Music Choir, TEB Photography Club, TEB Chess Club, TEB Theater and TEB Scuba Diving Club. Organized digitally in 2021, the meetings continued both digitally and physically in 2022.

Employees can participate in various activities in their areas of interest and get together with colleagues outside work at TEB Band, Turkish Music Choir, TEB Photography Club, TEB Chess Club, TEB Theater and TEB Scuba Diving Club. The activities continued on online platforms in 2022.

### **TEB Sports Academy**

Under the roof of TEB Sports Academy, in-house sports events are organized to keep employees healthy, to enhance team spirit and “we” awareness, to increase the sense of belonging of employees and to create social value within the scope of social responsibility. In the same context, employees are encouraged to participate in outside sports activities and represent the Bank in these organizations.

### **One of a kind village in the industry: SAKLIKÖY**

At Saklıköy where TEB conducts its training and development activities, employees can also get together with each other and their families to socialize.

## SUMMARY OF THE BOARD OF DIRECTORS' REPORT

### **Distinguished shareholders, customers and employees,**

The rate hikes implemented by the US Federal Reserve System (the Fed) and the European Central Bank (ECB) because of increased global inflation caused a slowdown of global economy in 2022. Food and energy prices hiked due to supply issues sustained by the economies that were in the process of recovering in the aftermath of the Covid-19 pandemic. The rise in energy prices accelerated with the geopolitical risks that were aggravated in conjunction with the Russia-Ukraine war.

Throughout 2022, TEB kept supporting sustainable finance for the sake of “a better future” while helping the national economy thrive with its banking activities. TEB rolled over the sustainability-linked syndicated loan which comprised of two tranches in the amounts of EUR 200 million and USD 63.5 million, linked again to sustainability performance criteria as was the case in the previous year.

Alongside its sustainable finance support, TEB kept working to contribute value to all its stakeholders and create a positive impact for the society based on its “good and exemplary bank” notion. In a bid to fulfill its environmental responsibility, TEB launched projects aimed at reducing consumption and carbon footprint across the Bank and initiated exemplary practices in various matters including waste management, energy efficiency, water saving and so on. In addition to the financing support it extends for helping its stakeholders’ sustainability transformation, TEB conducted sustainability awareness projects. TEB further broadened its sphere of influence thanks to the Family Academy project that reached its tenth year. Having provided digital financial literacy training to more than 30 thousand employees of over 50 organizations engaged in more than 10 sectors in 2022, the TEB Family Academy added yet another collaboration to the existing ones and launched a project in cooperation with the Ministry of National Education. The project is intended to deliver digital financial literacy training to more than one million teachers.

Having carried on with its growth also in 2022, TEB registered TL 275.1 billion in total assets and booked TL 11.2 billion in net profit as of 31 December 2022. Loans, which represent the most important indicator of TEB’s support to the economy and its customers, accounted for 54.3% of its total assets. Giving priority to risk management and asset quality as always, TEB’s total lending amounted to TL 146.7 billion, with total deposits worth TL 200.4 billion. Having maintained its consistent growth on the back of its solid capital structure and having preserved its profitability sustainably in 2022, the Bank’s shareholders’ equity was worth TL 25.3 billion, and its capital adequacy ratio was 18.60%, well above the target ratio of 12%.

In 2022, TEB left its 95<sup>th</sup> year behind as one of the most prestigious and deep-rooted members in the sector. We hereby present the operating results and financial statements of TEB for 2022 for your comments and review. We, as the Board of Directors, would like to thank you, our valued shareholders, our team, our customers and our business partners for your continued support and confidence.

Sincerely,

**Board of Directors**

## PROFIT DISTRIBUTION PROPOSAL (\*)

| TÜRK EKONOMİ BANKASI A.Ş. PROFIT DISTRIBUTION TABLE FOR THE YEAR 2022 (TL)  |  |                    |
|---|--|--------------------|
| 1   | Paid-in / Issued Capital   | 2,204,390,000.00   |
| 2   | Total legal reserves (According to Legal Records)                  | 606,596,149.20     |
| Information regarding the privilege, if any privilege with respect to distribution of profit is stated in the articles of association |  |                    |
| 3   | Profit for the period  | 14,880,958,214.48  |
| 4   | Taxes to be paid (-)   | (3,690,354,322.85) |
| 5   | Net profit for the period ( = )                                    | 11,190,603,891.63  |
| 6   | Losses related to the Previous Years (-)                           | 0.00               |
| 7   | Primary Legal Reserve (-)  | 0.00               |
| 8   | NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)                        | 11,190,603,891.63  |
| 9   | Donations made within the year ( + )                               |                    |
| 10  | Net distributable profit (including donations)                     |                    |
| 11  | First Dividend to Shareholders                                     | 0.00               |
|   | - Cash   | 0.00               |
|   | - Share Dividend   | 0.00               |
|   | - Total  | 0.00               |
| 12  | Dividend distributed to the holders of the privileged share        | 0.00               |
| 13  | Dividend distributed to  |                    |
|   | - The Members of Board of Directors                                |                    |
|   | - Employees  | 0.00               |
|   | - Other than Shareholders  |                    |
| 14  | Dividend distributed to the holders of redeemed share certificates | 0.00               |
| 15  | Second dividend for the shareholders                               | 0.00               |
| 16  | Secondary Legal Reserves   | 0.00               |
| 17  | Statutory Reserves   | 0.00               |
| 18  | Special Reserves   | 0.00               |
| 19  | EXTRAORDINARY RESERVES   | 0.00               |
| 20  | Other resources planned to be distributed                          | 0.00               |

| DIVIDEND DISTRIBUTION TABLE |       |                 |            |   |  |           |
|-----------------------------|-------|-----------------|------------|---|--|-----------|
|                             | GROUP | TOTAL DIVIDENDS |            | TOTAL DIVIDENDS /<br>NET PROFIT FOR<br>THE PERIOD | DIVIDEND TO THE SHARE<br>WITH A NOMINAL VALUE<br>OF TL 1 |           |
|                             |       | CASH (TL)       | BONUS (TL) | RATIO (%)   | AMOUNT (TL)  | RATIO (%) |
|                             | A     | 0.00            | 0.00       | 0.00  | 0.00   | 0.00      |
|                             | B     | 0.00            | 0.00       | 0.00  | 0.00   | 0.00      |
| NET                         | TOTAL | 0.00            | 0.00       | 0.00  | 0.00   | 0.00      |

(\*) The General Assembly is authorized with respect to dividend distribution; however, the annual General Assembly meeting had not been convened as of the date of this writing. Since the dividend distribution proposal for 2022 has not been prepared by the Board of Directors, the dividend distribution table shows only the distributable profit amount.

## **SECTION 3 - ASSESSMENT OF FINANCIAL POSITION AND RISK MANAGEMENT**

### **THE AUDIT COMMITTEE'S ASSESSMENT OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND ACTIVITIES DURING THE REPORTING PERIOD**

The organization set up for the operation of internal control, internal audit and risk management systems at TEB was structured in accordance with the provisions of the "Regulation on Banks' Internal Systems and Internal Capital Adequacy Evaluation" published in the Official Gazette dated 11 July 2014.

The mentioned structure is aligned with the scope and nature of the Bank's operations and possesses the quality and efficiency to respond to changing conditions.

Risk Management, Compliance and Internal Control and the Internal Audit Group report to the Board of Directors; independent of one another, these units worked in coordination and successfully completed their activities in 2022.

The Board of Directors has taken necessary action to approve important strategies and policies regarding control activities and to maintain an efficient internal audit system and risk management system.

The Audit System created encompasses all operations and units of the Bank and its subsidiaries. As of year-end, the Internal Audit Group was formed of 1 Group Head, 4 Assistant Group Heads, 6 Audit Managers, 3 Supervisor Auditors, 5 Senior Auditors, 1 Senior IT Auditor, 18 Auditors, 2 IT Auditors, 30 Assistant Auditors, 4 IT Assistant Auditors, 1 Data Analysis Manager, 1 Internal Audit Group Support and Coordination Assistant Manager and 1 Executive Assistant.

The Board of Directors has taken all necessary action to make sure that the Internal Audit Group is able to audit all operations and units of the Bank and its consolidated subsidiaries without any restrictions.

In 2022 audits, 114 branches in total were audited within the scope of solo branch, 4 field processes and related head office audits.

In addition to branch audits, inspections were conducted in a total of 34 different areas: 21 at the Head Office, 7 at subsidiaries, 6 in IT. Besides these audits, Management Assessment was carried out, which covered banking and information technology processes.

The Compliance and Internal Control Group covers the Internal Control Division, Legislation Division, Compliance Division and IT Control Division, Subsidiaries Coordination Division and TRNC Compliance Division.

Internal control activities are arranged so as to cover basic control areas. According to the internal control organization, the Branches Control Department, Head Office Control Department, Finance and Treasury Transactions Control Department, Control Design and Support Department and IT and Support Department conduct the controls at branches and head office departments, respectively.

In accordance with Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks and MASAK regulations, regulatory and compliance functions are being conducted by Regulation and Compliance units under Compliance and Internal Control Group.

The activities of the Legislation Division are carried out in accordance with the requirements of applicable legislation and the Group's guidelines.

The aim of Risk Management system is to define, measure and monitor the Bank's risk exposure stemming from its operations and to make sure that these risks are controlled through the policies, guidelines and limits established.

Risk Management functions of the Bank and all subsidiaries are gathered under the Group Risk Management. Group Risk Management reports to TEB Group Boards of Directors via the Risk Committee and the Audit Committee at TEB A.Ş. and is responsible for carrying out the general monitoring, warning and recommendation functions on behalf of the Boards of Directors in line with the principles stipulated in this regulation.

The Bank's Group Risk Management is organized as:

- Credit Risk Management Division,
- Rating Models Development Division,
- Market Risk and Operational Risk Division and,
- Environmental and Social Credit Policies Department and Group Risk Analysis Department

At the Bank's Board of Directors meeting held on 08 November 2005, a decision was passed to set up an Audit Committee responsible for the entire TEB Group companies in view of the provisions of Article 24 of the Banking Law no. 5411.

During 2022, the Audit Committee passed 52 decisions. The Committee works committedly to monitor the risks on a consolidated basis across the entire Group, to create control points, to review documented procedures on the basis of activities, to provide the coordination among the Internal Audit Group, Risk Management, Compliance and Internal Control groups, to set up the internal control system of the same scope between the Bank and Group companies and to fulfil other liabilities in accordance with the Banking Regulation.

The Bank closely monitors and implements international best practices, as well as the new regulatory requirements regarding internal audit and risk management systems.

## EVALUATION OF FINANCIAL STATUS, PROFITABILITY AND SOLVENCY

A review of TEB's financial statements that are drawn up in accordance with the regulations of the Banking Regulation and Supervision Agency (BRSA) reveals as follows:

TEB's after-tax profit for 2022 reached TL 11.2 billion and the Bank posted a RoE of 58.72% in line with its strategies focused on profitability and productivity. Sustaining a consistent growth with its strong capital structure, TEB's equity was TL 25.3 billion and its capital adequacy ratio was realized as 18.60%, considerably higher than target ratio of 12%.

The Bank increased its total assets by 41.8% to reach TL 275,147 million in 2022 while credits which are the most important indicator of TEB's contribution to the economy and its customers became TL 149.3 billion constituting 54% of total assets.

While time deposits volume which meets a great portion of the Bank's funding requirement, total deposits as a percentage of liabilities became 73%. On the other hand, demand deposits also increased to reach TL 73.4 billion and had a great contribution to the Bank in terms of funding costs.

In 2022, TEB rolled over its sustainability-linked syndicated loan. The Bank signed the sustainability-linked syndicated loan with a term of 367 days on 31 October 2022. The facility comprises of two tranches for the amounts of EUR 200 million and USD 63.5 million. To be allocated for general financing of foreign trade, the all-in cost of the loan facility is Euribor+4.00% for the Euro tranche and Sofr+4.25% for the USD tranche.

## RISK MANAGEMENT POLICIES ACCORDING TO VARIOUS TYPES OF RISKS

### Credit Risk

Credit risk is the risk of a contracting party's defaulting in the performance of its contractual obligations and thus causing the other party to incur a financial loss. The TEB Group is exposed to credit risk basically through trading, trade finance, treasury and leasing activities but credit risk may also arise in other circumstances and due to other reasons.

One of the most prominent characteristics of the Bank is its conservative lending policy and solid asset structure that go hand in hand with a consistent growth strategy.

The authority to extend limits and allocate loans basically lies with the Board of Directors, which has delegated part of this authority to the Credit Committee and the General Manager in line with the principles and procedures set out by the BRSA. In turn, the General Manager has delegated part of his authority to Credit Groups and Business Lines jointly on the basis of rules approved by the Board of Directors.

Loans are extended within the limits defined for each debtor and each group of debtors. Every customer that performs a transaction on credit must have a credit limit allocated by the relevant authorities and customers are systematically prevented from exceeding those credit risk limits.

Credit decisions are taken after loan proposals are first approved by a credit analyst together with the credit department and the related business line.

Credit limits are allocated to borrowers identified as having the ability to generate cash flow, the ability to make repayments with the income generated on their business operations, reliable financial data, strong shareholder's equity and an administration and shareholding structure made up of people having high morality and business experience.

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

In general, the TEB Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, continually assessing the credibility and creditworthiness of counterparties, diversifying its lending activities to avoid undue concentrations of risks with individuals or groups of customers or industries and by obtaining necessary collateral when appropriate. The credit limits to be allocated are determined in accordance with the related counterparty's financial structure, certain qualitative criteria and the quality of any collateral to be provided.

Pursuant to the prudent policies the Bank adopts, the maximum credit limit that can be allocated to a customer is kept below legal limits, thus minimizing the risk of loan concentration.

Limits set by the Board of Directors are regularly monitored and reported.



After a loan facility is offered, the Credit Monitoring Department monitors the customer's repayment capability and the sufficiency and adequacy of the collateral. In this way, any problematic loan is identified at an early stage.

The Bank uses several in-house credit rating models for corporate and SME customers engaged in the production, service, factoring, construction, municipality and precious metal sectors.

The ratings are used for the purposes of credit allocation and delegation, assessing TFRS 9 (Turkish Financial Reporting Standards) collective provisions, credit reporting, portfolio management and stress testing.

The Group Risk Management reports to the Risk Committee, the Audit Committee, the Risk Policies Committee and the Board of Directors and on a regular basis presenting the Bank's risk concentrations, a breakdown of the Bank's loan portfolio by ratings, specific segments of the loan portfolio, large exposures, large non-performing accounts and impairment allowances as well as default and recovery rates.

The credit risks and limits related to financial institutions are determined by the Financial Institutions and Counterparty Risk Committee, which is a sub-committee of the Credit Committee. The limits and exposures set are monitored daily by the Group Risk Management.

Where a loan is granted subject to collateral being given, the Bank's policy is to require the collateral to be perfected before funds are advanced and to avoid currency and maturity mismatches. All collateral should be given in a legally valid manner and should be liquid in nature. In this context, real estate should be of a fast-moving nature.

The Bank classifies overdue (non-performing) loans in view of the current regulatory rules.

Both collective and specific provisions are made with methodologies that are compliant with both TFRS 9 standards and BNP Paribas methodologies.

### **Interest Rate Risk**

Interest rate risk involves possible losses that may be incurred due to fluctuations and volatilities in interest rates depending on maturity mismatches or the structures of interest rate-sensitive products in the balance sheet.

Protection against fluctuations in interest rates is the topmost priority for TEB. Interest rate risk is managed by the Assets and Liabilities Committee (ALCO). Decisions taken by ALCO are executed by the Assets and Liabilities Management Department under the Asset and Liability Management and Treasury Group.

Interest rate risk is determined by measuring the rate of sensitivity of assets, liabilities and off-balance sheet items to interest rates. The Board of Directors has set risk tolerance limits for the net interest income sensitivity and market value of equity sensitivity. TEB runs simulations of interest income according to estimated macroeconomic indicators. Duration, gap and sensitivity analyses are conducted and these calculations are conveyed to ALCO and to Market and Liquidity Risk Committee.

Possible negative effects of interest rate fluctuations on financial position and cash flow are minimized by means of prompt decisions. The management monitors the interest rate movements in the market on a daily basis and can make changes whenever necessary in deposit and loan rates.

When determining short, medium and long-term pricing strategies, TEB's Assets and Liabilities Committee manages maturity mismatch and adopts the principle of working with positive balance sheet margins as its pricing policy.

### **Market Risk**

Market risk involves possible losses a bank may incur as a result of the exposure of its balance sheet and off-balance sheet accounts to interest rate risk, exchange rate risk, commodity risk and equity position risk resulting from fluctuations in the financial markets, in interest rates, exchange rates, commodity or stock prices.

TEB's Board of Directors ensures that the Group Risk Management and senior management take the necessary steps to properly measure, control and manage the Bank's exposure to market risk.

The Board of Directors determines market risk limits and periodically revises these limits in accordance with market conditions and the strategies of TEB. All assessments regarding market risks are also evaluated by the Market and Liquidity Risk Committee that meets on a monthly basis. With regard to TEB's daily transactions, stop-loss and transaction limits, PV01 (base points sensitivity) and VaR limits are applied on the basis of each product. The Board of Directors assigns limits for positions in derivatives and similar contracts. Transactions are carried out within these limits and the limits are monitored and reported daily.

The market risk of the Bank is calculated using a standard method and reported to legal authorities.

The market risk can influence the Value-at-Risk (VaR) figure, which is also calculated using financial models. VaR figure is calculated using historical simulation method on the basis of a 250-business-day market data and a one-day holding period in a 99% confidence interval. Daily VaR figures are used for internal reporting and risk monitoring of the Bank. Back testing is periodically performed to validate the accuracy of calculations and the methods used.

The VaR figures calculated by internal models to predict losses in the event of a crisis are also verified by scenario analyses and stress tests and are then reported to senior management and the Board of Directors.

Scenario analyses and stress tests involve the reapplication of past crises to existing portfolios or the observation of likely losses due to interest and foreign exchange shocks.

### **Liquidity Risk**

Liquidity risk is defined as the risk resulting from lack of sufficient cash holdings or cash inflow to fully meet cash obligations in due time, because of imbalanced cash flow.

Liquidity risk also includes the risk of loss that may arise when it is not possible for a bank to adequately close positions at favorable prices and at sufficient amounts or as rapidly as

required, or when a bank is unable to exit the positions held, due to inability to enter the market as needed, to shallow market structure in certain products or to obstacles arising in the markets.

TEB's policies focus on maintaining the quality of its asset structure, so that liquid assets can meet all obligations. Striving to be one of the most liquid banks in the sector is of utmost importance to TEB. The Board of Directors regularly monitors and determines liquidity ratios and the relevant standards for maintaining high liquidity at all times.

TEB has in place an effective management reporting system for timely reporting of the liquidity position to the Board of Directors, senior management and all related units. Cash flow analyses are carried out for different maturity structures and currency units. Maturity mismatches are monitored and concentrations in funding sources are closely monitored. All related analyses are evaluated in detail by the Market and Liquidity Risk Committee that meets at least once a month.

As a matter of general policy, consistency in maturities and interest rates of assets and liabilities is maintained at all times in line with Assets and Liabilities Management strategies. The difference arising from the return and cost of TL and foreign currency asset-liability items in the balance sheet is constantly managed by targeting positive margin.

With regard to the sources of funding and liquidity, it is observed that while the greater part of the liquidity requirement of TEB is met by deposits bonds issue, syndicated loans and pre-financing products are also used at times to obtain funds in addition to deposits.

### **Operational Risk**

Operational risk refers the possibility of loss resulting from inadequate or failed internal processes, people, and systems or ordinary or extraordinary external incidents,

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

Advanced measurement approach tools are used to measure operational risk. It is targeted to measure operational risk through historical incident analyses, risk indicators, process analyses, scenario analyses, stress tests and risk self-assessment studies.

Risk exposure is constantly monitored to determine whether it is within the Bank's risk appetite and is overseen by the Board of Directors via the Audit Committee. Remedial actions for identified weaknesses are assessed and put into account by the Bank's related management committees.

### **Counterparty Credit Risk**

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

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

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

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

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

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

## CREDIT RATINGS ASSIGNED BY RATING AGENCIES AND INFORMATION ON THEIR CONTENTS

The current ratings of the Bank are as follows:

|   |          |
|---|----------|
| <b>Moody's Investor Services</b>          |          |
| Baseline Credit Assessment                | b3       |
| Adjusted Baseline Credit Assessment       | b1       |
| Long Term Foreign Currency Deposit Rate:  | B3       |
| Short Term Foreign Currency Deposit Rate: | NP       |
| Long Term Turkish Lira Deposit Rate       | B1       |
| Short Term Turkish Lira Deposit Rate:     | NP       |
| Outlook                                   | Stable   |
| <b>Fitch Ratings :</b>                    |          |
| <b>Foreign Currency Commitments</b>       |          |
| Long Term                                 | B-       |
| Short Term                                | B        |
| Outlook                                   | Negative |
| <b>Turkish Lira Commitments</b>           |          |
| Long Term                                 | B        |
| Short Term                                | B        |
| Outlook                                   | Negative |
| National                                  | AA (tur) |
| Outlook                                   | Stable   |
| Financial Capacity Rating                 | b-       |
| Shareholder Support Rating                | b-       |

## DONATIONS

| <b>Scope of Donations and Aids</b>                                    | <b>Amount (TL)</b> |
|---|--------------------|
| Donations to Foundations and Associations Working for Public Interest | 124,783            |
| Donations to Schools  | 460,000            |
| Donations in Kind to Public Institutions                              | 181,054            |
| Scholarships to Students  | 147,000            |
| <b>Total</b>  | <b>912,837</b>     |

## FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION INCLUDING THE REPORTING PERIOD

| (TL thousand)            | 31.12.2018        | 2018-<br>2017<br>change | 31.12.2019         | 2019-<br>2018<br>change | 31.12.2020         | 2020-<br>2019<br>change | 31.12.2021         | 2021-<br>2020<br>change | 31.12.2022         | 2022-<br>2021<br>change |
|--------------------------|-------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|
| Liquid Assets            | 19,852,854        | 47.18%                  | 21,336,601         | 7.47%                   | 30,973,934         | 45.17%                  | 47,341,927         | 52.84%                  | 60,371,384         | 27.52%                  |
| Securities               | 6,699,383         | 20.53%                  | 11,740,554         | 75.25%                  | 22,802,391         | 94.22%                  | 29,516,172         | 29.44%                  | 52,294,716         | 77.17%                  |
| Loans                    | 63,998,823        | 1.12%                   | 65,577,143         | 2.47%                   | 78,884,319         | 20.29%                  | 103,783,001        | 31.56%                  | 144,287,445        | 39.03%                  |
| Other Assets             | 6,446,104         | 88.48%                  | 8,695,870          | 34.90%                  | 7,387,398          | -15.05%                 | 13,415,922         | 81.61%                  | 18,193,871         | 35.61%                  |
| <b>Total Assets</b>      | <b>96,997,164</b> | <b>13.11%</b>           | <b>107,350,168</b> | <b>10.67%</b>           | <b>140,048,042</b> | <b>30.46%</b>           | <b>194,057,022</b> | <b>38.56%</b>           | <b>275,147,416</b> | <b>41.79%</b>           |
| Demand Deposits          | 11,644,855        | 22.52%                  | 16,786,665         | 44.16%                  | 32,754,131         | 95.12%                  | 58,517,838         | 78.66%                  | 73,413,270         | 25.45%                  |
| Time Deposits            | 52,572,309        | 14.11%                  | 55,407,662         | 5.39%                   | 61,019,347         | 10.13%                  | 73,321,412         | 20.16%                  | 126,977,781        | 73.18%                  |
| Funds Borrowed           | 14,671,854        | -3.39%                  | 13,412,150         | -8.59%                  | 20,490,810         | 52.78%                  | 31,678,510         | 54.60%                  | 27,672,292         | -12.65%                 |
| Other Liabilities        | 8,369,638         | 40.07%                  | 12,023,117         | 43.65%                  | 14,373,903         | 19.55%                  | 16,921,444         | 17.72%                  | 21,742,901         | 28.49%                  |
| Equity (excl. profit)    | 8,736,805         | 9.89%                   | 8,650,220          | -0.99%                  | 10,232,537         | 18.29%                  | 11,704,921         | 14.39%                  | 14,150,568         | 20.89%                  |
| Net Income               | 1,001,703         | -6.28%                  | 1,070,354          | 6.85%                   | 1,177,314          | 9.99%                   | 1,912,898          | 62.48%                  | 11,190,604         | 485.01%                 |
| <b>Total Liabilities</b> | <b>96,997,164</b> | <b>13.11%</b>           | <b>107,350,168</b> | <b>10.67%</b>           | <b>140,048,042</b> | <b>30.46%</b>           | <b>194,057,022</b> | <b>38.56%</b>           | <b>275,147,416</b> | <b>41.79%</b>           |
| Return on Equity         | 4.15%             | 1.13%                   | 5.99%              | 1.84%                   | 4.22%              | -1.77%                  | 3.08%              | -1.14%                  | 1.76%              | -1.33%                  |
| Return on Assets         | 11.18%            | -2.20%                  | 11.50%             | 0.32%                   | 11.61%             | 0.11%                   | 15.82%             | 4.21%                   | 58.72%             | 42.90%                  |
| Capital Adequacy Ratio   | 1.10%             | -0.20%                  | 1.05%              | -0.05%                  | 0.95%              | -0.10%                  | 1.15%              | 0.19%                   | 4.77%              | 3.62%                   |
| Return on Equity         | 16.93%            | 0.81%                   | 16.95%             | 0.02%                   | 18.51%             | 1.56%                   | 18.05%             | -0.46%                  | 18.60%             | 0.55%                   |

## BRANCHES

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



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

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|--------------------------------|---|--------------|-----------|--------------------|
| Aspendos Kurumsal Branch       | Etiler Mahallesi Adnan Menderes Bulvarı Birlik Apartmanı No:53/A-B Asma Kat Muratpaşa 07010 ANTALYA | MURATPAŞA    | ANTALYA   | + 90 850 204 02 82 |
| Atakum Branch                  | Mimar Sinan Mahallesi 162 Sok. No:17/E Atakum 55200 Samsun  | ATAKUM       | SAMSUN    | + 90 850 204 01 98 |
| Ataşehir Finans Merkezi Branch | Barbaros Mahallesi Halk Caddesi TEB Blok No:47 İç kapı No: 1 Ataşehir 34746 İstanbul                | ATAŞEHİR     | İSTANBUL  | + 90 850 204 07 88 |
| Ataşehir Branch                | Atatürk Mahallesi Ataşehir Bulvarı No:14/F Özel İşyeri:1 Ataşehir 34758 İstanbul                    | ATAŞEHİR     | İSTANBUL  | + 90 850 204 04 35 |
| Atatürk Caddesi Adana Branch   | Kurtuluş Mahallesi Atatürk Caddesi Meryem Gizer Apartmanı No:63/A Seyhan 01130 Adana                | SEYHAN       | ADANA     | + 90 850 204 01 17 |
| Atrium Branch                  | Ataköy 7-8-9-10. Kısım Mahallesi Karanfil Sk Atrium AVM Apt. No: 2/61 Bakırköy 34158 İstanbul       | BAKIRKÖY     | İSTANBUL  | + 90 850 204 04 72 |
| Avcılar Çarşı Branch           | Merkez Mahallesi, Reşitpaşa Caddesi, No:41 Avcılar 34310 İstanbul                                   | AVCILAR      | İSTANBUL  | + 90 850 204 02 41 |
| Avcılar Branch                 | Mustafa Kemal Paşa Mahallesi Firuzköy Bulvarı No:115A Avcılar 34320 İstanbul                        | AVCILAR      | İSTANBUL  | + 90 850 204 00 74 |
| Aydın Çarşı Branch             | Hasan Efendi - Ramazan Paşa Mah. Hükümet Bulvarı No: 17/1 Efeler 09110 AYDIN                        | EFELER       | AYDIN     | + 90 850 204 05 12 |
| Aydın Branch                   | Kurtuluş Mahallesi Adnan Menderes Bulvarı No:40B/B Efeler 09020 AYDIN                               | EFELER       | AYDIN     | + 90 850 204 00 75 |
| Ayvalık Branch                 | İsmetpaşa Mahallesi Atatürk Bulvarı Caddesi No:109 Ayvalık 10400 Balıkesir                          | AYVALIK      | BALIKESİR | +90 850 204 07 14  |
| Bafra Branch                   | Hacınabi Mahallesi, Tekel Caddesi, No:40 Bafra 55400 SAMSUN   | BAFRA        | SAMSUN    | + 90 850 204 03 33 |
| Bağcılar Branch                | İstanbul Cad. No:12/B   | BAĞCILAR     | İSTANBUL  | + 90 850 204 01 76 |
| Bahçelievler İstanbul Branch   | İzzettin Çalışlar Caddesi, No:40  | BAHÇELİEVLER | İSTANBUL  | + 90 850 204 02 34 |
| Bahçeşehir Branch              | Bahçeşehir 2. Kısım Mahallesi Süzer Bulvarı No:13 Başakşehir 34488 İstanbul                         | BAŞAKŞEHİR   | İSTANBUL  | + 90 850 204 00 76 |
| Bakırköy Meydan Branch         | Kartaltepe Mahallesi İncirli Caddesi No:12/14 Bakırköy 34145 İstanbul                               | BAKIRKÖY     | İSTANBUL  | + 90 850 204 03 93 |
| Bakırköy Branch                | Cevizlik Mah. İstanbul Cad, No:24 Bakırköy 34142 İstanbul   | BAKIRKÖY     | İSTANBUL  | + 90 850 204 00 14 |
| Balçova Branch                 | Onur Mah. Ata Cad. No:48/A Balçova 35330 İZMİR  | BALÇOVA      | İZMİR     | + 90 850 204 02 16 |
| Balgat Branch                  | Ceyhun Atıf Karsu Cad. No:80 Balgat   | ÇANKAYA      | ANKARA    | + 90 850 204 01 50 |
| Balıkesir Çarşı Branch         | Altıeylül Mahallesi, Anafartalar Caddesi No:25/B Altıeylül 10100 BALIKESİR                          | ALTİEYLÜL    | BALIKESİR | + 90 850 204 04 98 |
| Balıkesir Branch               | Hisariçi Mahallesi Örücüler Caddesi No:14B Karesi 10010 BALIKESİR                                   | KARESİ       | BALIKESİR | + 90 850 204 00 77 |
| Balmumcu Branch                | Gayrettepe Mah. Yener Sok. Türk Ekonomi Bankası Blok No:1A Beşiktaş 34349 İstanbul                  | BEŞİKTAŞ     | İSTANBUL  | + 90 850 204 07 89 |

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|-----------------------------|---|---------------|-----------|--------------------|
| Bandırma Branch             | İnönü Caddesi, No:68/A  | BANDIRMA      | BALIKESİR | + 90 850 204 03 51 |
| Bartın Branch               | Kırtepe Mahallesi Hamam Caddesi No: 5 Merkez 74100 BARTIN   | MERKEZ        | BARTIN    | + 90 850 204 06 77 |
| Başkent Kurumsal Branch     | Simon Bolivar Cad. No:17 Kat:1-2 ÇANKAYA 06680 ANKARA   | ÇANKAYA       | ANKARA    | + 90 850 204 04 56 |
| Batı Ataşehir Branch        | Barbaros Mahallesi Halk Caddesi No:47/1 Ataşehir 34746 İstanbul   | ATAŞEHİR      | İSTANBUL  | +90 850 204 06 74  |
| Batman Branch               | Gap Mahallesi, Turgut Özal Bulvarı Babil Plaza No: 90 C Merkez 72070 BATMAN                                   | MERKEZ        | BATMAN    | + 90 850 204 03 28 |
| Bayındır Branch             | Mithatpaşa Mah. Fevzi Paşa Cad. No:23A Bayındır 35840 İZMİR   | BAYINDIR      | İZMİR     | +90 850 204 07 25  |
| Bayramiç Branch             | Camicedit Mahallesi Atatürk Caddesi no:22 A Bayramiç 17700 ÇANAĞKALE  | BAYRAMIÇ      | ÇANAĞKALE | +90 850 204 07 27  |
| Bayrampaşa Branch           | Yenidoğan Mah. Abdi İpekçi Cad. No:4D Bayrampaşa 34030 İSTANBUL   | BAYRAMPAŞA    | İSTANBUL  | + 90 850 204 00 22 |
| Bayramyeri Branch           | Saraylar Mahallesi Enverpaşa Caddesi Katrancı İşh. No:26/1 Merkezefendi 20010 Denizli                         | MERKEZEFENDİ  | DENİZLİ   | + 90 850 204 00 98 |
| Bebek Branch                | Cevdet Paşa Caddesi, No:55 Bebek  | BEŞİKTAŞ      | İSTANBUL  | + 90 850 204 00 48 |
| Bekirpaşa Branch            | 28 Haziran Mahallesi Turan Güneş Caddesi No:301 A İzmit 41060 Kocaeli   | İZMİT         | KOCAELİ   | + 90 850 204 03 13 |
| Bergama Branch              | Ertuğrul Mahallesi Park Otel Sokak No:10 Bergama 35700 İZMİR  | BERGAMA       | İZMİR     | +90 850 204 06 97  |
| Beşevler Sanayi Branch      | Üçevler Mahallesi Nilüfer Cad 4 Nilüfer 16130 BURSA   | NİLÜFER       | BURSA     | + 90 850 204 01 20 |
| Beşiktaş Çarşısı Branch     | Cihannuma Mahallesi Salih Efendi Sok. No:7 Beşiktaş 34353 İstanbul  | BEŞİKTAŞ      | İSTANBUL  | + 90 850 204 05 42 |
| Beşiktaş Branch             | Ortabahçe Cad.No :2   | BEŞİKTAŞ      | İSTANBUL  | + 90 850 204 00 78 |
| Beşyüzevler Branch          | Barbaros Hayrettin Paşa Mah. Eski Edirne Asfaltı Cad. No:224B Gaziosmanpaşa 34520 İSTANBUL                    | GAZİOSMANPAŞA | İSTANBUL  | + 90 850 204 00 79 |
| Beyazıt Branch              | Mimar Hayrettin Mah. Yeniçeriler Caddesi No:29 Bayazıt Fatih 34126 İstanbul                                   | FATİH         | İSTANBUL  | + 90 850 204 01 23 |
| Beykent Branch              | Cumhuriyet Mah.Gürpınar Yolu Beylikdüzü San.Sitesi B2 Blok No:325-326-327-328-355-356 B.Çekmece 34500-İST     | BÜYÜKÇEKMECE  | İSTANBUL  | + 90 850 204 06 37 |
| Beykent Üniversitesi Branch | T.C Beykent Üniversitesi Ayazağa Kampüsü, Ayazağa Mahallesi, Hadımkoru Caddesi, No:19A Sarıyer 34485 İSTANBUL | SARIYER       | İSTANBUL  | +90 850 204 06 63  |
| Beylikdüzü E-5 Branch       | Barbaros Hayrettin Paşa Mah. Şehitler Cad. Beymahall Sit. No:5 B/1 Esenyurt 34522 İSTANBUL                    | ESENYURT      | İSTANBUL  | + 90 850 204 04 07 |
| Beylikdüzü Branch           | Beylikdüzü OSB Mah. Açelya Cad. No:1/8 Beylikdüzü 34524 İSTANBUL  | BEYLİKDÜZÜ    | İSTANBUL  | + 90 850 204 00 47 |
| Beyoğlu Branch              | Hüseyinağa Mahallesi Hamalbaşlı Caddesi No:6/A Beyoğlu 34435 İstanbul   | BEYOĞLU       | İSTANBUL  | + 90 850 204 04 51 |

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| Biga Branch                        | İstiklal Mahallesi İstiklar Caddesi<br>No:106-108 İç Kapı No:1 Biga 17200<br>Çanakkale                    | BİGA         | ÇANAKKALE | + 90 850 204 02 77 |
| Bodrum Bitez Branch                | Merkez Mahallesi, Atatürk Bulvarı No:<br>203/A1-A3 Konaklı - Bodrum 48480<br>MUĞLA                        | BODRUM       | MUĞLA     | + 90 850 204 03 14 |
| Bodrum Branch                      | Türk Kuyusu Mahallesi, Kıbrıs Şehitleri<br>Caddesi, No:65/A-65/B Bodrum 48400<br>Muğla                    | BODRUM       | MUĞLA     | + 90 850 204 01 06 |
| Boğazlıyan Branch                  | Çarşı Mahallesi Mescit Caddesi No:17<br>Boğazlıyan 66400 YOZGAT   | BOĞAZLIYAN   | YOZGAT    | +90 850 204 07 38  |
| Bolu Branch                        | Aktaş Mahallesi İzzet Baysal Caddesi<br>No:118 E Merkez 14200 BOLU  | MERKEZ       | BOLU      | + 90 850 204 01 42 |
| Bornova Çarşı Branch               | Mustafa Kemal Cad. No:11-A/B Bornova<br>35040 İzmir   | BORNOVA      | İZMİR     | + 90 850 204 03 98 |
| Bornova Branch                     | Manavkuyu Mahallesi Mustafa Kemal<br>Caddesi 132/1A Bayraklı 35535 İZMİR                                  | BAYRAKLI     | İZMİR     | + 90 850 204 01 00 |
| Bostancı E5 Branch                 | İçerenköy Mah. Değirmen Yolu Cad.<br>No:31/1A Ataşehir 34752 İstanbul                                     | ATAŞEHİR     | İSTANBUL  | + 90 850 204 04 31 |
| Bostanlı Branch                    | Bostanlı Mahallesi Cemal Gürsel Caddesi<br>No: 526/B Karşıyaka 35590 İZMİR                                | KARŞIYAKA    | İZMİR     | + 90 850 204 02 31 |
| Bozüyük Branch                     | Yeni Mahalle İsmet İnönü Caddesi No:67<br>Bozüyük 11300 BİLECİK   | BOZÜYÜK      | BİLECİK   | +90 850 204 06 86  |
| Buca Branch                        | Kozağaç Mahallesi Uğur Mumcu Caddesi<br>No:96 Buca 35390 İZMİR  | BUCA         | İZMİR     | +90 850 204 06 96  |
| Burdur Branch                      | Özgür Mahallesi, Gazi Caddesi,No:79A<br>Merkez 15200 Burdur   | MERKEZ       | BURDUR    | + 90 850 204 02 73 |
| Bursa Balat Branch                 | Ahmet Yesevi Mah. Sanayi Cad. Üründül<br>Plaza Sitesi Üründül Plaza Blok No: 517 A<br>Nilüfer 16225 Bursa | NİLÜFER      | BURSA     | + 90 850 204 04 65 |
| Bursa Cumhuriyet<br>Caddesi Branch | Tuzpazarı Mah. Cumhuriyet Caddesi<br>No:114 Osmangazi 16020 BURSA   | OSMANGAZİ    | BURSA     | + 90 850 204 05 87 |
| Bursa Organize Sanayi<br>Branch    | Organize San.Bölgesi, Ali Osman Sönmez<br>Bulv. Bankalar Cad. 16159<br>Nilüfer/BURSA                      | NİLÜFER      | BURSA     | + 90 850 204 03 84 |
| Bursa Serbest Bölge<br>Branch      | Ata Mah. Serbest Bölge Orkide Cad.<br>No:13/1 Gemlik 16600 BURSA  | GEMLİK       | BURSA     | + 90 850 204 00 65 |
| Bursa Branch                       | Doğanbey Mahallesi Fevzi Çakmak<br>Caddesi, No:52/B Osmangazi 16220<br>BURSA                              | OSMANGAZİ    | BURSA     | + 90 850 204 00 17 |
| Büsan Sanayi Sitesi<br>Branch      | Fevzi Çakmak Mah. KOSGEB Caddesi<br>No:1/1 Karatay 42050 Konya  | KARATAY      | KONYA     | + 90 850 204 01 18 |
| Büyükçekmece<br>Branch             | 19 Mayıs Mahallesi Nutuk Caddesi<br>No:48A/1 Büyükçekmece 34500<br>İSTANBUL                               | BÜYÜKÇEKMECE | İSTANBUL  | + 90 850 204 01 89 |
| Caddebostan Branch                 | Caddebostan Mahallesi Bağdat Caddesi<br>No:265A/1 Kadıköy 34728 İstanbul                                  | KADIKÖY      | İSTANBUL  | + 90 850 204 01 10 |
| Çağlayan Branch                    | Çağlayan Mahallesi Kağıthane Cad.<br>No:141 C Kağıthane 34403 İSTANBUL                                    | KAĞITHANE    | İSTANBUL  | + 90 850 204 01 57 |

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|-------------------------------------|--|-----------|-----------|--------------------|
| Çanakkale Branch                    | Kemalpaşa Mahallesi, Değirmenlik Sokak No:49 /1 Merkez 17010 Çanakkale                             | MERKEZ    | ÇANAKKALE | + 90 850 204 01 85 |
| Çankaya Ankara Branch               | Simon Bolivar Cad. No: 17 06680 Çankaya - ANKARA   | ÇANKAYA   | ANKARA    | + 90 850 204 03 82 |
| Çankırı Branch                      | Yunus AVM Buğday Pazarı Mahallesi Çarşamba Pazarı Caddesi No:4/B116-Z118-Z119 Merkez ÇANKIRI       | MERKEZ    | ÇANKIRI   | +90 850 204 06 73  |
| Çarşamba Branch                     | Dr.Tevfik Türker Caddesi No:13   | ÇARŞAMBA  | SAMSUN    | + 90 850 204 01 58 |
| Çarşı İzmir Branch                  | 1203/1 Sokak, No: 7 Yenişehir, Konak İzmir   | KONAK     | İZMİR     | + 90 850 204 00 66 |
| Çarşı İzmit Branch                  | Karabaş Mahallesi Leyla Atakan Cad. No: 27 A/0 İzmit 41040 KOCAELİ                                 | İZMİT     | KOCAELİ   | + 90 850 204 04 16 |
| Çayyolu Branch                      | Prof. Dr. Ahmet Taner Kışlalı Mah. S. Saltoğlu Bulvarı No:35/9 Çankaya 06810 Ankara                | ÇANKAYA   | ANKARA    | + 90 850 204 01 05 |
| Çekmeköy Branch                     | Madenler Mahallesi Serencebey Cad. No:58A Ümraniye 34776 İstanbul                                  | ÜMRANİYE  | İSTANBUL  | + 90 850 204 01 43 |
| Çengelköy Branch                    | Çengelköy Mah. Çengelköy Caddesi No:59 Çengelköy Üsküdar 34680 İstanbul                            | ÜSKÜDAR   | İSTANBUL  | + 90 850 204 03 41 |
| Çerkezköy Branch                    | Gazi Osman Paşa Mahallesi, Atatürk Caddesi, No:5   | ÇERKEZKÖY | TEKİRDAĞ  | + 90 850 204 02 84 |
| Çeşme Branch                        | İsmet İnönü Mahallesi 2001 Sokak No:74/A Çeşme 35930 İZMİR   | ÇEŞME     | İZMİR     | + 90 850 204 02 48 |
| Cevizli Branch                      | Orhantepe Mah. Üsküdar Cad. Breeze Tower Apt. No:155 A Kartal 34865 İSTANBUL                       | KARTAL    | İSTANBUL  | + 90 850 204 05 62 |
| Ceyhan Branch                       | Türlübaş Mahallesi Atatürk Caddesi No:260 Ceyhan 01960 Adana                                       | CEYHAN    | ADANA     | + 90 850 204 06 56 |
| Çifttehavuzlar Branch               | Bağdat Cad. Aziz Kaya İş Merkezi No: 193/A Zemin Kat A Kısım Çifttehavuzlar Kadıköy 34730 İstanbul | KADIKÖY   | İSTANBUL  | + 90 850 204 01 34 |
| Çiğli Branch                        | Şirintepe Mah. Anadolu Cad. No:778/3A Çiğli 35620 İzmir  | ÇİĞLİ     | İZMİR     | + 90 850 204 05 55 |
| Çınar Branch                        | 15 Mayıs Mahallesi Gazi Mustafa Kemal Bulvarı No:145/B Pamukkale 20150 DENİZLİ                     | PAMUKKALE | DENİZLİ   | + 90 850 204 01 99 |
| Çine Branch                         | Hamidabat Mahallesi Mehmet Yavaş Caddesi TN:20 No:111/A Çine 09500 AYDIN                           | ÇİNE      | AYDIN     | +90 850 204 07 35  |
| Çok Uluslu Firmalar Kurumsal Branch | Kozyatağı Mahallesi Değirmen Sokak Nida Kule A Blok No:18 İç Kapı No: 11 Kadıköy 34742 İstanbul    | KADIKÖY   | İSTANBUL  | + 90 850 204 00 18 |
| Çorlu Çarşı Branch                  | Cemaliye Mahallesi Saray Caddesi No:2 Çorlu 59860 Tekirdağ   | ÇORLU     | TEKİRDAĞ  | +90 850 204 02 89  |
| Çorlu Branch                        | Kazimiye Mahallesi, Salih Omurtak Caddesi, No:22/B   | ÇORLU     | TEKİRDAĞ  | + 90 850 204 01 09 |
| Çorum Branch                        | Çepni Mah. İnönü Cad. No:4 Merkez 19040 Çorum  | MERKEZ    | ÇORUM     | + 90 850 204 01 44 |

|                                 |  |              |            |                    |
|---------------------------------|--|--------------|------------|--------------------|
| Çubuk Branch                    | Yıldırım Beyazıt Mahallesi Ankara (1.Kısım) Bulvarı, B Blok Özdemirler Apartmanı No:29 G- H Çubuk 06760 ANKARA | ÇUBUK        | ANKARA     | +90 850 204 07 61  |
| Çukurambar Branch               | Kızılırmak Mah. Ufuk Üniversitesi Caddesi No: 1/A Çankaya 06530 ANKARA   | ÇANKAYA      | ANKARA     | + 90 850 204 05 17 |
| Çukurova Kurumsal Branch        | Çınarlı Mahallesi Atatürk Caddesi No: 15 Kat: 1 A Kısım 01120 Seyhan - ADANA                                   | SEYHAN       | ADANA      | + 90 850 204 03 59 |
| Çumra Branch                    | İzzetbey Mahalle 72444 Sokak No:3A Daire:1 Çumra 42500 KONYA   | ÇUMRA        | KONYA      | +90 850 204 07 28  |
| Darıca Branch                   | Kazımkarabekir Mahallesi, İstasyon Caddesi, No:467/A Darıca 41700 Kocaeli                                      | DARICA       | KOCAELİ    | +90 850 204 07 22  |
| Davutpaşa Branch                | Maltepe Mah. Davutpaşa Cad. No:101 DK:230-231-232-352 Topkapı Zeytinburnu 34010 İstanbul                       | ZEYTİNBURNU  | İSTANBUL   | + 90 850 204 00 96 |
| Değirmendere Trabzon Branch     | Sanayi Mahallesi Devlet Karayolu Caddesi No:85A Ortahisar 61030 TRABZON  | ORTAHİSAR    | TRABZON    | + 90 850 204 02 42 |
| Demetevler Branch               | Demetgül Mahallesi 408 Cadde No 11 A Yenimahalle 06200 ANKARA  | YENİMAHALLE  | ANKARA     | +90 850 204 06 70  |
| Demirciler Sitesi Branch        | Seyitnizam Mahallesi Demirciler Sitesi 2. Cadde No:81 Zeytinburnu 34015 İSTANBUL                               | ZEYTİNBURNU  | İSTANBUL   | + 90 850 204 02 21 |
| Demirtaş Organize Sanayi Branch | Demirtaş Organize Sanayi Bölgesi Mustafa Karaer Cad. No:18 Osmangazi 16245 BURSA                               | OSMANGAZI    | BURSA      | + 90 850 204 04 57 |
| Demirtaş Branch                 | Panayır Mahallesi, Yeni Yalova Yolu Caddesi, No:455/F  | OSMANGAZI    | BURSA      | + 90 850 204 02 98 |
| Denizli Çivril Branch           | Çatlar Mahallesi Cumhuriyet 6 Cad. TEB Blok No:264/1 Çivril 20600 DENİZLİ                                      | ÇİVRİL       | DENİZLİ    | +90 850 204 06 84  |
| Denizli Saraylar Branch         | Saraylar Mahallesi 459 Sokak No:3/1 Merkezefendi 20010 Denizli   | MERKEZEFENDİ | DENİZLİ    | + 90 850 204 03 88 |
| Denizli Branch                  | Saraylar Mahallesi İzmir Blv. TEB Sit. No:57 Merkezefendi 20010 Denizli  | MERKEZEFENDİ | DENİZLİ    | + 90 850 204 00 19 |
| Develi Branch                   | İbrahimağa Mahallesi Cumhuriyet Caddesi Belediye İş Merkezi No: 4E Develi 38400 KAYSERİ                        | DEVELİ       | KAYSERİ    | +90 850 204 07 63  |
| Didim Branch                    | Efeler Mahallesi Atatürk Bulvarı No:107 A/A Didim 09270 AYDIN  | DİDİM        | AYDIN      | + 90 850 204 01 54 |
| Dikmen Branch                   | Ş.Mevlüt Meriç Mahallesi Dikmen Cad. No: 260/15 06460 Dikmen Çankaya - ANKARA                                  | ÇANKAYA      | ANKARA     | + 90 850 204 06 27 |
| Diyarbakır Kayapınar Branch     | Selahattin Eyyubi Mahallesi Turgut Özal Bulvarı Yıldem Yapı Sitesi B Blok No:74/A Bağlar 21080 DİYARBAKIR      | BAĞLAR       | DİYARBAKIR | + 90 850 204 05 99 |
| Diyarbakır Branch               | Peyas Mahallesi, Urfa Bul. Azizoğlu Sit. A-Blok No:98 B Kayapınar 21070 Diyarbakır                             | KAYAPINAR    | DİYARBAKIR | + 90 850 204 01 28 |
| Diyarbakır Sur Branch           | Bağcılar Mahallesi, Urfa Bulvarı, Baran Plaza No:217/1 Bağlar 21050 DİYARBAKIR                                 | BAĞLAR       | DİYARBAKIR | + 90 850 204 04 80 |
| Dokuz Eylül Üniversitesi Branch | Çamtepe Mah. Mithatpaşa Cad. No: 277-279 Narlıdere 35320 İzmir   | NARLIDERE    | İZMİR      | + 90 850 204 07 53 |
| Dudullu Branch                  | Necip Fazıl Bulvarı No:7-9 Ümraniye 34773 İstanbul   | ÜMRANİYE     | İSTANBUL   | +90 850 204 07 21  |

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|---------------------------------------|---|------------|----------------|--------------------|
| Düzce Branch                          | Camikebir Mahallesi, 659.Bulvar, No:8A Merkez 81010 Düzce   | MERKEZ     | DÜZCE          | + 90 850 204 02 87 |
| Edirne Branch                         | Mithatpaşa Mahallesi Talatpaşa Caddesi No:155 Merkez 22100 EDİRNE   | MERKEZ     | EDİRNE         | + 90 850 204 02 13 |
| Edremit Branch                        | Camivasat Mahallesi Menderes Bulvarı No:11/2 Edremit 10300 BALIKESİR  | EDREMIT    | BALIKESİR      | + 90 850 204 01 90 |
| Ege Kurumsal Branch                   | Cumhuriyet Bulvarı 66 Kat:2   | KONAK      | İZMİR          | + 90 850 204 00 68 |
| Ege Üniversitesi Kampüsü Branch       | Erzene Mah. Ankara Cad. Ege Üniversitesi D-Ziraat Fakültesi Blok No:172/112A Bornova 35040 İzmir                | BORNOVA    | İZMİR          | +90 850 204 07 74  |
| Ege Üniversitesi Branch               | Kazımdirik Mahallesi Üniversite Caddesi Ege Üniversitesi No:9-47A Bornova 35100 İZMİR                           | BORNOVA    | İZMİR          | +90 850 204 07 54  |
| Elazığ Hürriyet Caddesi Branch        | Nail Bey Mahallesi, Vali Fahribey Caddesi, Huzur İş Merkezi, No: 1/A Merkez 23100 ELAZIĞ                        | MERKEZ     | ELAZIĞ         | + 90 850 204 06 02 |
| Elazığ Branch                         | Hürriyet Cad. Mehmet Arslan İş Merkezi No:35/A Merkez 23200 Elazığ  | MERKEZ     | ELAZIĞ         | + 90 850 204 01 61 |
| Elbistan Branch                       | Güneşli Mahallesi Dulkadiroğlu Caddesi No:100/B Elbistan 46300 Kahramanmaraş                                    | ELBİSTAN   | KAHRAMANMARAŞ  | + 90 850 204 06 85 |
| Eminönü Branch                        | Hobyar Mahallesi, Vakıf Hanı Sokak, No:8 Fatih 34112 İSTANBUL   | FATİH      | İSTANBUL       | + 90 850 204 00 29 |
| Emirdağ Branch                        | Yenidoğan Mahallesi Şehit Er Yüksel Yeşildağ Caddesi No:4/1-2 Emirdağ 03600 AFYONKARAHİSAR                      | EMİRDAĞ    | AFYONKARAHİSAR | +90 850 204 07 55  |
| Erdemli Branch                        | Merkez Mahallesi, Alparslan Türkeş Bulvarı, No: 561A Erdemli 33730 MERSİN                                       | ERDEMLİ    | MERSİN         | + 90 850 204 07 02 |
| Erenköy Branch                        | Caddebostan Mahallesi, Ethem Efendi Caddesi, No:13/1 Kadıköy 34728 İSTANBUL                                     | KADIKÖY    | İSTANBUL       | + 90 850 204 0389  |
| Erenler Sanayi Branch                 | Erenler Mahallesi, Sakarya Caddesi, No:306/A  | ERENLER    | SAKARYA        | + 90 850 204 02 88 |
| Erzincan Branch                       | Atatürk Mahallesi, Nerim Tombul Caddesi, No:12/Z2-Z3 Merkez 24002 ERZİNCAN                                      | MERKEZ     | ERZİNCAN       | +90 850 204 03 16  |
| Erzurum Branch                        | Kazım Karabekir Paşa Mahallesi, Orhan Şerifsoy Cad. Türk Ekonomi Bankası A.Ş. Apt. No:52 Yakutiye 25100 ERZURUM | YAKUTİYE   | ERZURUM        | + 90 850 204 01 48 |
| Esenler Branch                        | Menderes Mahallesi Atışalanı Caddesi No:15 Esenler 34225 İstanbul   | ESENLER    | İSTANBUL       | + 90 850 204 06 09 |
| Esenyurt Branch                       | Sultaniye Mah. Doğan Araslı Bul. Şelale Plaza Blok No:124C Esenyurt 34510 İstanbul                              | ESENYURT   | İSTANBUL       | + 90 850 204 03 36 |
| Eskişehir Anadolu Üniversitesi Branch | Yeşiltepe Mahallesi İsmet İnönü 2 Bulvar No:2/31E Tepebaşı 26210 Eskişehir                                      | TEPEBAŞI   | ESKİŞEHİR      | + 90 850 204 05 67 |
| Eskişehir İki Eylül Caddesi Branch    | İstiklal Mah. İki Eylül Cad.No: 50/B Odunpazarı 26010 ESKİŞEHİR   | ODUNPAZARI | ESKİŞEHİR      | + 90 850 204 04 13 |
| Eskişehir Branch                      | İstiklal Mahallesi, İki Eylül Cad. No:2/1 Odunpazarı 26010 Eskişehir  | ODUNPAZARI | ESKİŞEHİR      | + 90 850 204 00 41 |
| Etiler Branch                         | Etiler Mahallesi Nispetiye Cad. No:97 Kat:1 Beşiktaş 34337 İSTANBUL   | BEŞİKTAŞ   | İSTANBUL       | + 90 850 204 00 16 |

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|---|---|---------------|----------------------|--------------------|
| Etimesgut Branch                        | İstasyon Mahallesi İstasyon Caddesi<br>Tüzün Sokak No:8/7   | ETİMESGUT     | ANKARA               | + 90 850 204 02 52 |
| Fatih Branch                            | Ali Kuşçu Mah. Macar Kardeşler Cad.<br>No:34 Fatih 34083 İstanbul   | FATİH         | İSTANBUL             | + 90 850 204 03 35 |
| Fatsa Branch                            | Mustafa Kemal Paşa Mahallesi Reşadiye<br>Cad. No:14/A Fatsa 52400 ORDU                                    | FATSA         | ORDU                 | + 90 850 204 01 53 |
| Fener Branch                            | Çağlayan Mahallesi Barınaklar Bulvarı A.<br>Atmaca Apt. B Blok No:3/A-B Muratpaşa<br>07230 Antalya        | MURATPAŞA     | ANTALYA              | + 90 850 204 02 93 |
| Fethiye Likya Branch                    | Taşyaka Mahallesi İnönü Bulvarı No:4<br>4/A 4/B Fethiye 48300 MUĞLA                                       | FETHİYE       | MUĞLA                | + 90 850 204 04 96 |
| Fethiye Seydikemer Branch               | Cumhuriyet Mahallesi İnönü Caddesi<br>No:40 İç Kapı No:1 Seydikemer 48850<br>Muğla                        | SEYDİKEMER    | MUĞLA                | +90 850 204 07 09  |
| Fethiye Branch                          | Cumhuriyet Mahallesi, Çarşı Caddesi,<br>No:25 Fethiye 48300 MUĞLA   | FETHİYE       | MUĞLA                | + 90 850 204 01 33 |
| Fındıkzade Branch                       | Haseki Sultan Mahallesi Kızılelma<br>Caddesi No:15 Fatih 34096 İSTANBUL                                   | FATİH         | İSTANBUL             | + 90 850 204 04 30 |
| Florya Branch                           | Şenlik Mah. Florya Asfaltı No:86 Zemin<br>Kat Kısım A Florya Bakırköy 34153<br>İstanbul                   | BAKIRKÖY      | İSTANBUL             | + 90 850 204 02 02 |
| Gayrettepe Branch                       | Gayrettepe Mah., Yener Sok., No:1   | BEŞİKTAŞ      | İSTANBUL             | + 90 850 204 03 92 |
| Gaziantep Branch                        | İncili Pınar Mah. Muammer Aksoy<br>Bulvarı Dünya İş Merkezi 34/2  | ŞEHİTKAMİL    | GAZİANTEP            | + 90 850 204 00 28 |
| Gazimir Branch                          | Akçay Caddesi, No:169/A   | GAZİEMİR      | İZMİR                | + 90 850 204 02 79 |
| Gazimağusa Branch                       | İsmet İnönü Bulvarı, No:43 Sakarya  | -             | GAZİMAĞUSA /<br>KKTC | + 90 392 365 59 20 |
| Gaziosmanpaşa<br>Ankara Branch          | Uğur Mumcu Cad. 76/A Gaziosmanpaşa  | ÇANKAYA       | ANKARA               | + 90 850 204 01 01 |
| Gaziosmanpaşa<br>İstanbul Branch        | Merkez Mahallesi Eyüp Yolu No:4<br>Gaziosmanpaşa 34245 İSTANBUL   | GAZİOSMANPAŞA | İSTANBUL             | + 90 850 204 01 86 |
| Gebze Çarşı Branch                      | Hacı Halil Mah. Cumhuriyet Meydanı<br>No:3/2 Gebze 41400 Kocaeli  | GEBZE         | KOCAELİ              | + 90 850 204 04 11 |
| Gebze E5 Branch                         | Osman Yılmaz Mahallesi, İstanbul<br>Caddesi, No:74/A  | GEBZE         | KOCAELİ              | + 90 850 204 02 44 |
| Gebze Organize<br>Sanayi Bölgesi Branch | Gebze Organize Sanayi Bölgesi, Bankalar<br>ve Çarşı Merkezi, 1600 Sokak, No:1601-7<br>Gebze 41480 Kocaeli | GEBZE         | KOCAELİ              | + 90 850 204 07 34 |
| Gebze Branch                            | Hacı Halil Mah.Zübeyde Hanım Cad.<br>No:33/B  | GEBZE         | KOCAELİ              | + 90 850 204 00 35 |
| Gemlik Branch                           | Hamidiye Mahallesi, İstiklal Caddesi, No:<br>31 GEMLİK 16600 BURSA  | GEMLİK        | BURSA                | + 90 850 204 01 93 |
| Geyve Branch                            | Camikebir Mahallesi, Elvan Bey Sokak<br>No:17 A Geyve 54700 SAKARYA                                       | GEYVE         | SAKARYA              | +90 850 204 07 52  |
| Gezgin Branch                           | Kazlıçeşme Mahallesi 10. Yıl Caddesi<br>No:45 İç Kapı No: 1 Zeytinburnu 34020<br>İstanbul                 | ZEYTİNBURNU   | İSTANBUL             |                    |



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| Gimat Branch                         | Mehmet Emin Erdoğan İş Merkezi<br>Macun Mahallesi Bağdat Cad. No:93/25-<br>26-27-28                       | YENİMAHALLE  | ANKARA       | + 90 850 204 02 30 |
| Giresun Branch                       | Şeyhkeremettin Mahallesi Gazi Caddesi<br>No:2 Merkez 28200 Giresun  | MERKEZ       | GİRESUN      | + 90 850 204 02 70 |
| Girne Bulvarı Branch                 | Bahriye Üçok Mahallesi Atatürk Bulvarı<br>No:56/B Karşıyaka 35580 İzmir                                   | KARŞIYAKA    | İZMİR        | + 90 850 204 00 86 |
| Girne Branch                         | Bedrettin Demirel Caddesi, No:12/12B<br>Girne KKTC  | -            | GİRNE / KKTC | + 90 392 815 85 10 |
| Göktürk Branch                       | Göktürk Merkez Mahallesi, İstanbul<br>Caddesi, No:30-32 Göktürk ? Eyüp<br>34050 İSTANBUL                  | EYÜP         | İSTANBUL     | +90 850 204 06 99  |
| Gölcük Branch                        | Amiral Sağlam Caddesi No:12/B   | GÖLCÜK       | KOCAELİ      | + 90 850 204 02 17 |
| Gönen Branch                         | Akçaali Mahallesi Atatürk Caddesi No:<br>27 Gönen 10900 Balıkesir   | GÖNEN        | BALIKESİR    | + 90 850 204 06 60 |
| Göztepe İstanbul<br>Branch           | Göztepe Mahallesi Tütüncü Mehmet<br>Efendi Caddesi No:93/A Göztepe<br>Kadıköy 34730 İSTANBUL              | KADIKÖY      | İSTANBUL     | + 90 850 204 01 46 |
| Gündoğdu Branch                      | Kültür Mahallesi Plevne Bulvarı Dr. Rifat<br>Bey Apartmanı Zemin Kat No:14A ve 14<br>/1 Konak 35220 İzmir | KONAK        | İZMİR        | + 90 850 204 00 69 |
| Güneşli Çarşı Branch                 | Hürriyet Mahallesi Atatürk Cad. No: 3-5C<br>Bağcılar 34212 İSTANBUL                                       | BAĞCILAR     | İSTANBUL     | + 90 850 204 04 04 |
| Güneşli Branch                       | 15 Temmuz Mahallesi Koçman Caddesi<br>No:36B Bağcılar 34212 İSTANBUL                                      | BAĞCILAR     | İSTANBUL     | + 90 850 204 00 39 |
| Güneydoğu Anadolu<br>Kurumsal Branch | Zeytinli Mahallesi 79006 Sokak Koluman<br>Apt. No:3/35 Şehitkamil 27500<br>Gaziantep                      | ŞEHİTKAMİL   | GAZİANTEP    | + 90 850 204 03 58 |
| Güngören Sanayi<br>Branch            | Sanayi Mahallesi Atatürk Cad. Real<br>Merter Sit. No:51 /3/42 Güngören<br>34165 İSTANBUL                  | GÜNGÖREN     | İSTANBUL     | + 90 850 204 04 08 |
| Gürsu Branch                         | Zafer Mah. Şehit Cüneyt Yıldız Cad.<br>No:11/A Gürsu 16580 Bursa  | GÜRSU        | BURSA        | + 90 850 204 03 63 |
| Hadımköy Branch                      | Akçaburgaz Mahallesi, Hadımköy Yolu<br>Caddesi No:184 A/3 Esenyurt 34538<br>İSTANBUL                      | ESENYURT     | İSTANBUL     | + 90 850 204 01 19 |
| Harbiye Branch                       | Cumhuriyet Cad. No:123 B Harbiye Şişli<br>34373 İSTANBUL  | ŞİŞLİ        | İSTANBUL     | +90 850 204 03 80  |
| Hasanpaşa Branch                     | Kurbağalidere Caddesi No:25 34722<br>Söğütlüçeşme - Kadıköy - İSTANBUL                                    | KADIKÖY      | İSTANBUL     | + 90 850 204 05 23 |
| Hatay İzmir Branch                   | İnönü Caddesi, No:229/B Karabağlar<br>35361 İZMİR   | KARABAĞLAR   | İZMİR        | + 90 850 204 03 22 |
| Haznedar Bahçelievler<br>Branch      | Bahçelievler Mahallesi Naci Kasım Sokak<br>No:2/1A Bahçelievler 34180 İSTANBUL                            | BAHÇELİEVLER | İSTANBUL     | + 90 850 204 04 34 |
| Heykel Branch                        | Bursa Selçuk Hatun Mah. Ressam Şefik<br>Bursalı Cad. No:5 Heykel Osmangazi<br>16010 BURSA                 | OSMANGAZİ    | BURSA        | + 90 850 204 01 51 |
| Hopa Branch                          | Merkez Kuledibi Mahallesi Cumhuriyet<br>Meydanı No:1/A Hopa 08600 ARTVİN                                  | HOPA         | ARTVİN       | + 90 850 204 02 90 |
| Hürriyet Branch                      | Soğukkuyu Mahallesi 1. Hürriyet Caddesi<br>No:24-26B Osmangazi 16160 BURSA                                | OSMANGAZİ    | BURSA        | + 90 850 204 02 97 |

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|----------------------------------|---|--------------|-----------|--------------------|
| İbrahimli Branch                 | Emek Mahallesi Abdülkadir Aksu Bulvarı Lotus Sitesi B Blok No:109/A Şehitkamil 27060 Gaziantep                          | ŞEHİTKAMİL   | GAZİANTEP | + 90 850 204 04 09 |
| İçerenköy Branch                 | İçerenköy Mah. Çayır Cad. Özce Center İş Merkezi No:3A/1 Ataşehir 34752 İstanbul  | ATAŞEHİR     | İSTANBUL  | + 90 850 204 01 52 |
| İğdir Branch                     | Bağlar Mahallesi, İbrahim Bozyel Caddesi, No: 4/A Merkez 76103 İĞDIR  | MERKEZ       | İĞDIR     | +90 850 204 06 78  |
| İhlamurkuyu Branch               | İhlamurkuyu Mahallesi, Alemdağ Caddesi No:249A Ümraniye 34771 İstanbul  | ÜMRANİYE     | İSTANBUL  | + 90 850 204 04 68 |
| İkitelli Organize Sanayi Branch  | İkitelli OSB Mahallesi Bağcılar-Güngören Metro AVM B Blok Sokak Dış Kapı No:1/B İç Kapı No:13 Başakşehir 34490 İstanbul | BAŞAKŞEHİR   | İSTANBUL  | + 90 850 204 04 60 |
| İkitelli Branch                  | İkitelli OSB Mahallesi, Atatürk Bulvarı, Dış Kapı No: 52, İç Kapı No: 1 Başakşehir 34490 İSTANBUL                       | BAŞAKŞEHİR   | İSTANBUL  | + 90 850 204 00 60 |
| İmes Sanayi Sitesi Branch        | İmes Sanayi Sitesi C Blok 301/3 Yukarı Dudullu  | ÜMRANİYE     | İSTANBUL  | + 90 850 204 00 61 |
| İmsan Branch                     | İkitelli Caddesi İmsan Küçük Sanayi Sitesi E - Blok No :10 İkitelli Küçükçekmece 34303 İstanbul                         | KÜÇÜKÇEKMECE | İSTANBUL  | + 90 850 204 02 28 |
| İnegöl Branch                    | Sinanbey Mahallesi, Nuri Doğrul Caddesi, No:19 İnegöl 16400 BURSA   | İNEGÖL       | BURSA     | + 90 850 204 02 66 |
| İnönü Caddesi Malatya Branch     | Şıkşık Mahallesi İnönü Caddesi No:91/A  | MERKEZ       | MALATYA   | + 90 850 204 02 45 |
| İskenderun Amanos Branch         | Mustafa Kemal Mah. İbrahim Karaoğlanoğlu Cad. Atay İş Merkezi Blok No:66F İskenderun/Hatay                              | İSKENDERUN   | HATAY     | +90 850 204 07 81  |
| İskenderun Branch                | Çay Mahallesi, Atatürk Bulvarı, No:25A İskenderun 31300 HATAY   | İSKENDERUN   | HATAY     | + 90 850 204 00 85 |
| İsparta Demiralay Branch         | Davraz Mah. 104. Cadde No:74 / 1 İç Kapı No:1 Merkez 32300 Isparta  | MERKEZ       | İSPARTA   | +90 850 204 07 84  |
| İsparta Branch                   | Kutlubey Mahallesi 106 Cadde Halısarayı Apartmanı G Blok Dış Kapı No:2-G İç Kapı No:1                                   | MERKEZ       | İSPARTA   | + 90 850 204 02 43 |
| İstanbul Anadolu Kurumsal Branch | Esentepe Mahallesi Cevizli D-100 Güney Yanyol Caddesi Dumankaya Vizyon D Blok No:13 D / 76 Kartal 34870 İSTANBUL        | KARTAL       | İSTANBUL  | + 90 850 204 05 36 |
| İstanbul Kurumsal Branch         | Gayrettepe Mahallesi Yener Sokak No:1 Kat:1/A Beşiktaş 34349 İstanbul   | BEŞİKTAŞ     | İSTANBUL  | + 90 850 204 00 12 |
| İstanbul Ulus Branch             | Nispetiye Mahallesi Ahmet Adnan Saygun Caddesi No:22D Beşiktaş 34340 İSTANBUL   | BEŞİKTAŞ     | İSTANBUL  | + 90 850 204 02 20 |
| İstoç Branch                     | Mahmut Bey Mah. 2434. Sk. Aslan Plaza Blok No:132A Bağcılar 34218 İSTANBUL  | BAĞCILAR     | İSTANBUL  | + 90 850 204 01 97 |
| İvedik Branch                    | İvedik Organize Sanayi Sit. Melih Gökçek Bulvarı Halk Yapı Koop.No :17/22 Ostim Yenimahalle 06370 Ankara                | YENİMAHALLE  | ANKARA    | + 90 850 204 01 67 |
| İzmir 1. Sanayi Branch           | Mersinli Mahallesi, 2822 Sokak No: 63 Konak 35170 İZMİR   | KONAK        | İZMİR     | + 90 850 204 02 08 |
| İzmir Çankaya Branch             | Fevzipaşa Bulvarı No:59 / A-B Çankaya Konak 35210 İzmir   | KONAK        | İZMİR     | + 90 850 204 02 00 |
| İzmir Göztepe Branch             | Göztepe Mahallesi Mithatpaşa Caddesi No:984A Konak 35290 İZMİR  | KONAK        | İZMİR     | +90 850 204 01 60  |

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| İzmir Branch                 | Akdeniz Mahallesi, Cumhuriyet Bulvarı, No 86/A, Konak 35210 İZMİR                                       | KONAK          | İZMİR         | + 90 850 204 0040  |
| İzmit Branch                 | Körfez Mahallesi, Ankara Karayolu, No:123/3   | MERKEZ (İZMİT) | KOCAELİ       | + 90 850 204 00 20 |
| Kadıköy Çarşısı Branch       | Caferağa Mah. Mühürdar Cad. No:22 Kadıköy 34710 İstanbul  | KADIKÖY        | İSTANBUL      | + 90 850 204 04 52 |
| Kadirli Branch               | Savrun Mahallesi Atatürk Caddesi No: 46 Kadirli 80760 OSMANİYE  | KADIRLI        | OSMANİYE      | + 90 850 204 06 89 |
| Kağıthane Branch             | Merkez Mah. Sadabat Cad. No:40, 40 A Kağıthane 34406 İSTANBUL   | KAĞITHANE      | İSTANBUL      | + 90 850 204 04 76 |
| Kahramanmaraş Çarşısı Branch | Menderes Mahallesi Trabzon Bulvarı No:53/D Dulkadiroğlu 46100 Kahramanmaraş                             | DULKADİROĞLU   | KAHRAMANMARAŞ | + 90 850 204 04 86 |
| Kahramanmaraş Branch         | Hayrullah Mahallesi Azerbaycan Blv Ağdaş Plaza Sit. No:12 A Onikişubat 46040 Kahramanmaraş              | ONİKİŞUBAT     | KAHRAMANMARAŞ | + 90 850 204 00 31 |
| Kalamış Branch               | Faruk Ayanoğlu Cad.Bariş Apt. 19/1-2 Fenerbahçe   | KADIKÖY        | İSTANBUL      | + 90 850 204 00 42 |
| Kalkan Branch                | Kalkan Mahallesi Milli Egemenlik Caddesi No:1/1 Kaş 07960 ANTALYA                                       | KAŞ            | ANTALYA       | +90 850 204 07 44  |
| Karabağlar Branch            | Aşık Veysel Mahallesi Yeşillik Caddesi No: 437-441/B Karabağlar 35110 İZMİR                             | KARABAĞLAR     | İZMİR         | + 90 850 204 00 53 |
| Karabük Branch               | Bayır Mahallesi Menderes Caddesi No:2/B Merkez 78100 KARABÜK  | MERKEZ         | KARABÜK       | + 90 850 204 02 83 |
| Karacabey Branch             | Tavşanlı Mahallesi Bursa Caddesi Necmi Akkuş Sitesi No:31 A/5 Karacabey 16700 Bursa                     | KARACABEY      | BURSA         | + 90 850 204 02 91 |
| Karadeniz Ereğli Branch      | Orhanlar Mahallesi Yalı Cad. No:38 Ereğli 67300 ZONGULDAK   | EREĞLİ         | ZONGULDAK     | + 90 850 204 00 88 |
| Karaköy Branch               | Kemankeş Karamustafapaşa Mahallesi, Necatibey Caddesi, Hacı Mahmut İş Merkezi, No:72/A Beyoğlu İSTANBUL | BEYOĞLU        | İSTANBUL      | + 90 850 204 01 39 |
| Karaman Branch               | Mansurdede Mahallesi Atatürk Bulvarı No:24 D-E-F Merkez 70200 KARAMAN                                   | MERKEZ         | KARAMAN       | +90 850 204 06 72  |
| Kars Branch                  | Merkez Mah. Kazım Paşa Cad. Teb Blok No:66 Merkez 36100 Kars  | MERKEZ         | KARS          | + 90 850 204 03 78 |
| Karşıyaka Branch             | Cemal Gürsel Caddesi No:200/A Karşıyaka 35600 İZMİR   | KARŞIYAKA      | İZMİR         | + 90 850 204 03 94 |
| Kartal Çarşısı Branch        | Ankara Cad. Şimşek Han No: 82 Zemin Kat   | KARTAL         | İSTANBUL      | + 90 850 204 01 40 |
| Karya Bodrum Branch          | Kıbrıs Şehitleri Cad. Emniyet Müdürlüğü Yanı Ataman İş Mrk. C Blk. Bodrum 48400 MUĞLA                   | BODRUM         | MUĞLA         | + 90 850 204 04 19 |
| Kastamonu Branch             | Cebrail Mahallesi Plevne Caddesi No:52 A-B Merkez 37200 Kastamonu                                       | MERKEZ         | KASTAMONU     | + 90 850 204 02 68 |
| Kavacık Branch               | Rüzgarlıbahçe Mahallesi Cumhuriyet Cad. No: 12 Beykoz 34805 İSTANBUL                                    | BEYKOZ         | İSTANBUL      | + 90 850 204 01 55 |
| Kaynarca Branch              | Fevzi Çakmak Mah. Tevfik İleri Cad. No:111 Pendik 34899 İstanbul  | PENDİK         | İSTANBUL      | + 90 850 204 02 78 |

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| Kayseri Eski Sanayi Branch | Sanayi Mahallesi Osman Kavuncu Blv. No:90 Kocasinan 38010 KAYSERİ  | KOCASINAN    | KAYSERİ    | + 90 850 204 05 72 |
| Kayseri Sanayi Branch      | Anbar Mahallesi 14. Cadde No:20 Zemin Kat  | MELİKGAZİ    | KAYSERİ    | + 90 850 204 01 70 |
| Kayseri Branch             | Cumhuriyet Mahallesi Turan Cad. No:3 Melikgazi 38110 KAYSERİ   | MELİKGAZİ    | KAYSERİ    | + 90 850 204 00 23 |
| Kazasker Branch            | Şemsettin Günaltay Cad. No:109/A Erenköy   | KADIKÖY      | İSTANBUL   | + 90 850 204 01 11 |
| Keçiören Branch            | Güçlükaya Mahallesi, Kızlar Pınarı Caddesi, Dr. Nedim Gülkaya Apt. TEB (Ofis işi yeri) Blok No:47B Keçiören 06310 Ankara | KEÇİÖREN     | ANKARA     | + 90 850 204 03 08 |
| Kemalpaşa Branch           | Mehmet Akif Ersoy Mahallesi, Atatürk Blv. No:51/1A Kemalpaşa 35730 İZMİR   | KEMALPAŞA    | İZMİR      | + 90 850 204 00 51 |
| Kemer Branch               | Yeni Mahalle Dörtyol Bulvarı No:25/B   | KEMER        | ANTALYA    | + 90 850 204 01 74 |
| Kepez Branch               | Teomanpaşa Mahallesi Yeşilirmak Caddesi 34/2 Kepez 07260 Antalya   | KEPEZ        | ANTALYA    | + 90 850 204 07 04 |
| Keşan Branch               | Büyük Cami Mahallesi, Cumhuriyet Meydanı, No:8 Keşan 22800 EDİRNE  | KEŞAN        | EDİRNE     | + 90 850 204 02 94 |
| Kestel Branch              | Ahmet Vefik Paşa Mahallesi, Gazi Caddesi, No:6/A   | KESTEL       | BURSA      | + 90 850 204 03 15 |
| Kıraç Branch               | Çakmaklı Mahallesi Hadımköy Yolu Caddesi Ufuk Plaza No:57B Büyükçekmece 34500 İSTANBUL                                   | BÜYÜKÇEKMECE | İSTANBUL   | +90 850 204 06 54  |
| Kırıkkale Branch           | Yenidoğan Mahallesi, Cumhuriyet Cad. No: 8/A   | MERKEZ       | KIRIKKALE  | + 90 850 204 03 79 |
| Kırklareli Branch          | Karakaş Mah. 100. Yıl Cad. Necdet Şeylan Apt No:10/Z03 Merkez 39010 Kırklareli   | MERKEZ       | KIRKLARELİ | + 90 850 204 03 39 |
| Kırşehir Branch            | Medrese Mahallesi, M. Kemal Hotamaroğlu Sokak No:2 Merkez 40200 Kırşehir   | MERKEZ       | KIRŞEHİR   | +90 850 204 06 68  |
| Kızılay Branch             | Gazi Mustafa Kemal Bulvarı No:7/A Kızılay Çankaya 06420 Ankara   | ÇANKAYA      | ANKARA     | + 90 850 204 01 38 |
| Kocasinan Kayseri Branch   | Sahabiye Mah. Ahmet Paşa Cad. No: 31-B, 31-C, 31-D, 31-E Kocasinan 38010 KAYSERİ   | KOCASINAN    | KAYSERİ    | +90 850 204 07 13  |
| Konya Buğday Pazarı Branch | Fevzi Çakmak Mahallesi Adana Çevreyolu Caddesi No:26B-(1 İşyeri) Karatay 42050 KONYA                                     | KARATAY      | KONYA      | +90 850 204 07 08  |
| Konya Ereğli Branch        | Selçuklu Mahallesi Atatürk Caddesi Necip Pala Apt. Sit. No:44D Ereğli 42310 KONYA  | EREĞLİ       | KONYA      | + 90 850 204 02 60 |
| Konya Branch               | Musalla Bağları Mahallesi Ahmet Hilmi Nalçacı Caddesi Cengizhan No:130/1 Selçuklu 42060 Konya                            | SELÇUKLU     | KONYA      | + 90 850 204 00 30 |
| Konyaaltı Branch           | Bahçelievler Mahallesi Konyaaltı Caddesi Sıtkı Göksoy Apt No:40 / Z1 Muratpaşa 07050 ANTALYA                             | MURATPAŞA    | ANTALYA    | + 90 850 204 01 72 |
| Körfez Branch              | Kuzey Mahallesi, Cahit Zarifoğlu Caddesi, No: 53/B   | KÖRFEZ       | KOCAELİ    | + 90 850 204 03 26 |
| Koşuyolu Branch            | Koşuyolu Mahallesi, Koşuyolu Caddesi, No:72 A Kadıköy 34718 İstanbul   | KADIKÖY      | İSTANBUL   | + 90 850 204 05 63 |

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| Kozyatağı Branch        | Sahrayıcedit Mah. Atatürk Cad. No:67A Kadıköy 34734 İstanbul                                  | KADIKÖY      | İSTANBUL       | + 90 850 204 00 56 |
| Küçükbakkalköy Branch   | Küçükbakkalköy Mah. Serdar Sok. No:1 D:3 Ataşehir 34750 İstanbul                              | ATAŞEHİR     | İSTANBUL       | + 90 850 204 05 58 |
| Küçüksu Branch          | Saray Mah. Küçüksu Cad. Oryapark Sitesi C Blok No:60/1B Ümraniye 34768 İstanbul               | ÜMRANİYE     | İSTANBUL       | + 90 850 204 03 77 |
| Kumluca Branch          | Merkez Mahallesi Gödene Cad. No:18 Kumluca 07350 ANTALYA                                      | KUMLUCA      | ANTALYA        | + 90 850 204 03 31 |
| Kurtköy Branch          | Şeyhli Mahallesi Ankara Caddesi No:217 A Pendik 34890 İSTANBUL                                | PENDİK       | İSTANBUL       | + 90 850 204 01 87 |
| Kuşadası Branch         | İsmet İnönü Bulvarı No : 59 09400 Kuşadası - AYDIN  | KUŞADASI     | AYDIN          | + 90 850 204 04 77 |
| Kütahya Branch          | Gazi Kemal Mahallesi Cumhuriyet Caddesi No:77/B Merkez 43050 KÜTAHYA                          | MERKEZ       | KÜTAHYA        | + 90 850 204 06 43 |
| Kuyubaşı Branch         | Fahrettin Kerim Gökay Cad. No.122/1 Zemin Kat A Kısım Göztepe Kadıköy 34722 İstanbul          | KADIKÖY      | İSTANBUL       | + 90 850 204 03 02 |
| Kuyumcukent Branch      | 29 Ekim Caddesi, No:1, Kuyumcukent, Atölye Bloğu, Zemin/1.Kat, 5.Sokak, No:19 Yenibosna       | BAHÇELİEVLER | İSTANBUL       | + 90 850 204 02 71 |
| Laleli Branch           | Mimar Kemalettin Mahallesi Mesih Paşa Cad. No:54 Daire : 1 Laleli Fatih 34130 İSTANBUL        | FATİH        | İSTANBUL       | + 90 850 204 02 10 |
| Lara Branch             | Yeşilbahçe Mahallesi Metin Kasapoğlu Caddesi Armada Apt. Sit. No:44 D Muratpaşa 07160 Antalya | MURATPAŞA    | ANTALYA        | + 90 850 204 01 15 |
| Lefkoşa Kaymaklı Branch | Küçük Kaymaklı Mahallesi Şht. Mustafa Ahmet Ruso Caddesi (Adres No:3 ve 4) Lefkoşa / KKTC     | -            | LEFKOŞA / KKTC | +90 392 228 02 55  |
| Lefkoşa Branch          | Ortaköy Mahallesi Kumsal Mevkii Mehmet Akif Caddesi Koçan No:D303 ve D304                     | -            | LEFKOŞA / KKTC | + 90 392 229 20 40 |
| Levent Çarşısı Branch   | Çarşısı Caddesi No:22 1.Levent  | BEŞİKTAŞ     | İSTANBUL       | + 90 850 204 01 12 |
| Lüleburgaz Branch       | Kocasinan Mahallesi İstanbul Caddesi No: 12/ Z01 Lüleburgaz 39750 KIRKLARELİ                  | LÜLEBURGAZ   | KIRKLARELİ     | + 90 850 204 02 05 |
| Maçka Branch            | Harbiye Mah. Kadırgalar Cad. No:13A Şişli 34367 İSTANBUL                                      | ŞİŞLİ        | İSTANBUL       | + 90 850 204 00 45 |
| Malatya Çarşısı Branch  | Büyük Hüseyinbey Mahallesi, Atatürk Caddesi, No:63A Battalgazi 44210 MALATYA                  | BATTALGAZİ   | MALATYA        | +90 850 204 06 90  |
| Malatya Branch          | Niyazi Mahallesi Çevre Yolu Sokak (Buhara Bulvarı) Caddesi No:195 Merkez 44100                | MERKEZ       | MALATYA        | + 90 850 204 00 89 |
| Malkara Branch          | Cami Atik Mahallesi Hürriyet Caddesi No:23A Malkara 59300 TEKİRDAĞ                            | MALKARA      | TEKİRDAĞ       | +90 850 204 07 30  |
| Maltepe E-5 Branch      | Altayçeşme Mahallesi Çam Sokak No:25A Maltepe 34843 İSTANBUL                                  | MALTEPE      | İSTANBUL       | + 90 850 204 04 41 |
| Maltepe İstanbul Branch | Bağlarbaşı Mahallesi, Bağdat Caddesi, No:477  | MALTEPE      | İSTANBUL       | + 90 850 204 01 21 |
| Manavgat Sanayi Branch  | Aşağı Pazarcı Mahallesi, Zübeyde Hanım Caddesi, No: 19/Z01 Manavgat 07600 ANTALYA             | MANAVGAT     | ANTALYA        | + 90 850 204 04 78 |

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| Manavgat Branch                     | Eski Hisar Mahallesi Demokrasi Bulvarı<br>Öğrekçi Plaza No: 73/Z02-Z03 Manavgat<br>07600 Antalya                       | MANAVGAT   | ANTALYA  | + 90 850 204 01 07 |
| Manavkuyu Branch                    | Adalet Mahallesi Manas Bulvarı No:<br>20/A Bayraklı 35530 İZMİR  | BAYRAKLI   | İZMİR    | + 90 850 204 06 25 |
| Manisa Sanayi Branch                | 75. Yıl Mahallesi Bahri Sarıtepe Caddesi<br>No:53/A Yunusemre 45030 MANİSA   | YUNUSEMRE  | MANİSA   | + 90 850 204 02 03 |
| Manisa Branch                       | 1. Anafartalar Mahallesi Mustafa Kemal<br>Paşa Caddesi No:40/A Şehzadeler 45020<br>MANİSA                              | ŞEHZADELER | MANİSA   | + 90 850 204 01 14 |
| Mardin Branch                       | 13 Mart Mahallesi, Vali Ozan Caddesi,<br>82/B Artuklu 47200 Mardin   | ARTUKLU    | MARDİN   | + 90 850 204 03 27 |
| Marmara Kurumsal<br>Branch          | 23 Nisan Mahallesi, 75.Yıl Caddesi,<br>No:5A/15 Durmazlar İş Merkezi Nilüfer<br>16120 BURSA                            | NİLÜFER    | BURSA    | + 90 850 204 00 58 |
| Marmaris Branch                     | Tepe Mahallesi Ulusal Egemenlik<br>Caddesi No:24 Marmaris 48700 MUĞLA  | MARMARİS   | MUĞLA    | + 90 850 204 01 02 |
| Maslak Sanayi Branch                | Maslak Mah. Büyükdere Cad. Nurol<br>Plaza Sitesi No:255 İç Kapı No:Z08<br>Sarıyer 34467 İstanbul                       | SARIYER    | İSTANBUL | + 90 850 204 04 06 |
| Maslak Branch                       | Reşitpaşa Mahallesi Büyükdere Caddesi<br>Park Plaza Blok No:223 Sarıyer 34467<br>İSTANBUL                              | SARIYER    | İSTANBUL | + 90 850 204 01 29 |
| Mecidiyeköy Branch                  | Büyükdere Cad. 103/1 Mecidiyeköy   | ŞİŞLİ      | İSTANBUL | + 90 850 204 00 64 |
| Mega Center Branch                  | Kocatepe Mahallesi Yağ İskelesi Caddesi<br>Mega Center C.51 Blok No:25/A<br>Bayrampaşa 34045 İSTANBUL                  | BAYRAMPAŞA | İSTANBUL | + 90 850 204 01 80 |
| Menemen Branch                      | Mermerli Mahallesi Mithatpaşa Caddesi<br>No:55 Menemen 35661 İZMİR   | MENEMEN    | İZMİR    | + 90 850 204 02 29 |
| Mersin Çamlıbel<br>Branch           | Kültür Mah. Atatürk 8 Cad. TEB Çamlıbel<br>Şubesi Blok No:62A Akdeniz 33010<br>MERSİN                                  | Akdeniz    | MERSİN   | + 90 850 204 03 85 |
| Mersin Çarşı Branch                 | Camişerif Mahallesi, İstiklal Caddesi,<br>No:40/D Akdeniz 33060 Mersin   | AKDENİZ    | MERSİN   | + 90 850 204 04 44 |
| Mersin Pozcu Branch                 | İnönü Mah. Gazi Mustafa Kemal Bul.<br>Emel Sitesi C Blk. Blok No:403A Yenişehir<br>33130 Mersin                        | YENİŞEHİR  | MERSİN   | + 90 850 204 05 84 |
| Mersin Branch                       | Camişerif Mahallesi İsmet İnönü Bulvarı<br>No:94A Akdeniz 33010 MERSİN   | AKDENİZ    | MERSİN   | + 90 850 204 00 38 |
| Mersin Toptancılar<br>Sitesi Branch | Mersin Toptancılar Sitesi (Mertoç) Hal<br>Mahallesi Turgut Özal Bulvarı E Blok No:<br>92 Akdeniz 33020 Mersin          | AKDENİZ    | MERSİN   | + 90 850 204 06 52 |
| Merter Branch                       | Mehmet Nesih Özmen Mahallesi Fatih<br>Cad. No:21 A Güngören 34173 İSTANBUL   | GÜNGÖREN   | İSTANBUL | + 90 850 204 00 32 |
| Merzifon Branch                     | Hocasüleyman Mahallesi, Yokuşbaşı<br>Caddesi No:13 Merzifon 05300 Amasya   | MERZİFON   | AMASYA   | + 90 850 204 03 23 |
| Metropol Mersin<br>Branch           | Mesudiye Mahallesi Kuvayi Milliye<br>Caddesi No: 84/B Akdeniz 33060<br>MERSİN  | AKDENİZ    | MERSİN   | + 90 850 204 03 52 |
| Mevlana Branch                      | Aziziye Mahallesi, Mevlana Caddesi,<br>No:63 D:1   | KARATAY    | KONYA    | + 90 850 204 02 57 |
| Mezitli Branch                      | Menderes Mahallesi Gazi Mustafa<br>Kemal Blv. Doğaner Yapı Koop. Sit. A<br>Blok Apt. No:709 AA Mezitli 33340<br>Mersin | MEZİTLİ    | MERSİN   | + 90 850 204 02 55 |

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|-----------------------------------|--|-------------|------------|--------------------|
| Milas Branch                      | Hacılyas Mahallesi Menteşe Caddesi<br>Özler İş Hanı Karşısı No:91 Milas 48200<br>Muğla | MİLAS       | MUĞLA      | + 90 850 204 06 65 |
| Montrö Branch                     | Şair Eşref Bulvarı No:23/A 35210<br>Çankaya KONAK / İZMİR                              | KONAK       | İZMİR      | + 90 850 204 03 81 |
| Muğla Branch                      | Şeyh Mahallesi İsmet İnönü Caddesi Dış<br>Kapı No:17 Menteşe 48050 MUĞLA               | MENTEŞE     | MUĞLA      | + 90 850 204 02 58 |
| Mut Branch                        | Doğancı Mahallesi Atatürk Bulvarı<br>No:48/A-B Mut 33600 MERSİN                        | MUT         | MERSİN     | +90 850 204 07 46  |
| Narlidere Branch                  | Çamtepe Mah. Mithatpaşa Cad. No:<br>277-279 Narlıdere 35320 İzmir                      | NARLİDERE   | İZMİR      | +90 850 204 07 03  |
| Nato Yolu Branch                  | Tuzluca Mahallesi Nato Yolu Caddesi<br>294. Sokak No:1/A Mamak 06620<br>Ankara         | MAMAK       | ANKARA     | +90 850 204 07 16  |
| Nazilli Branch                    | Altıntaş Mahallesi, 129 Sokak, No:2  | NAZİLLİ     | AYDIN      | + 90 850 204 03 21 |
| Necatibey Branch                  | Kızılay Mahallesi Necatibey Cad. Günay<br>Apt. No:25 B Çankaya 06420 Ankara            | ÇANKAYA     | ANKARA     | + 90 850 204 01 36 |
| Nevşehir Branch                   | Karasoku Mahallesi Atatürk Caddesi<br>No:16/B Merkez 50100 Nevşehir                    | MERKEZ      | NEVŞEHİR   | + 90 850 204 06 94 |
| Niğde Branch                      | Yenice Mah. Ayhan Şahenk Bulvarı<br>No:15/A Merkez 51200 NİĞDE                         | MERKEZ      | NİĞDE      | + 90 850 204 01 66 |
| Nilüfer Branch                    | İhsaniye Mahallesi İzmir Yolu Caddesi<br>No:118 A Nilüfer 16130 BURSA                  | NİLÜFER     | BURSA      | + 90 850 204 01 03 |
| Nuruosmaniye Branch               | Alemdar Mah. Nuruosmaniye Cad.<br>No:12/1 Fatih 34110 İSTANBUL                         | FATİH       | İSTANBUL   | + 90 850 204 02 54 |
| Ödemiş Branch                     | Akıncılar Mahallesi, Gazi Caddesi, No:<br>32/1 Ödemiş 35750 İZMİR                      | ÖDEMiŞ      | İZMİR      | + 90 850 204 02 49 |
| Ofis Branch                       | Kooperatifler Mahallesi Akkoyunlu<br>Bulvarı No: 19/B Yenişehir 21100<br>Diyarbakır    | YENİŞEHİR   | DİYARBAKIR | + 90 850 204 03 03 |
| Ordu Branch                       | Şarkıye Mah. Süleyman Felek<br>Cad.No:93C Altınordu 52000 ORDU                         | ALTINORDU   | ORDU       | + 90 850 204 01 82 |
| Orhangazi Branch                  | Muradiye Mahallesi Yalova Caddesi No:<br>38/A Orhangazi 16800 BURSA                    | ORHANGAZI   | BURSA      | + 90 850 204 03 69 |
| Ortaklar Caddesi<br>Branch        | Büyükdere Cad. 60/A Mecidiyeköy Şişli<br>34387 İstanbul                                | ŞİŞLİ       | İSTANBUL   | + 90 850 204 01 25 |
| Ortaköy Branch                    | Yıldız Mahallesi, Çırağan Caddesi, No:97<br>Ortaköy                                    | BEŞİKTAŞ    | İSTANBUL   | + 90 850 204 01 30 |
| Osmanbey Branch                   | Cumhuriyet Mah. Halaskargazi Cad.<br>No:103B Şişli 34380 İSTANBUL                      | ŞİŞLİ       | İSTANBUL   | + 90 850 204 00 13 |
| Osmaniye Branch                   | Alibeyli Mahallesi Dr Ahmet Alkan<br>Caddesi No:17/A Merkez 80010<br>OSMANİYE          | MERKEZ      | OSMANİYE   | + 90 850 204 06 42 |
| Ostim Branch                      | Ostim Sanayi Sitesi 100.yıl Bulvarı No:9<br>Yenimahalle 06370 Ankara                   | YENİMAHALLE | ANKARA     | + 90 850 204 01 24 |
| Özel Bankacılık<br>Merkezi Branch | Nispetiye Cad. Dilhayat Sok. No:8 Zemin<br>Kat Etiler                                  | BEŞİKTAŞ    | İSTANBUL   | + 90 850 204 00 70 |
| Özlüce Branch                     | Altınşehir Mahallesi, Ahmet Taner Kışlalı<br>Blv. No:36A/A Nilüfer 16230 BURSA         | NİLÜFER     | BURSA      | + 90 850 204 05 79 |

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| Pamukkale Branch                                  | Saraylar Mahallesi İzmir Bul. TEB Sitesi TEB Blok No:57 Merkezefendi 20010 Denizli                    | MERKEZEFENDİ | DENİZLİ   | + 90 850 204 07 87 |
| Pendik E-5 Branch                                 | Çınardere Mahallesi Gönenli Mehmet Efendi Caddesi No:85 Pendik 34896 İstanbul                         | PENDİK       | İSTANBUL  | + 90 850 204 00 37 |
| Pendik Branch                                     | Batı Mah. Erol Kaya Cad. TEB Blok No:102 İç Kapı No:1 Pendik 34890 İstanbul                           | PENDİK       | İSTANBUL  | + 90 850 204 01 31 |
| Perpa Branch                                      | Halil Rifat Paşa Mah. Yüzer Havuz Sok. No: 1/922 Şişli 34384 İstanbul                                 | ŞİŞLİ        | İSTANBUL  | + 90 850 204 01 27 |
| Pınarbaşı Branch                                  | Ümit Mah. Kemalpaşa Cad. No:333 B Pınarbaşı Bornova 35060 İZMİR                                       | BORNOVA      | İZMİR     | +90 850 204 00 50  |
| Polatlı Branch                                    | Cumhuriyet Mahallesi Ankara Caddesi No: 5 Polatlı 06900 Ankara  | POLATLI      | ANKARA    | + 90 850 204 06 57 |
| Polatlı Topçu ve Füzeler Okulu Komutanlığı Branch | İstiklal Mahallesi Refik Cesur Caddesi No:1 Polatlı 06900 Ankara                                      | POLATLI      | ANKARA    | +90 850 204 07 01  |
| Rize Branch                                       | Yeniköy Mah.Tevfik İleri Cad. No : 18   | MERKEZ       | RİZE      | + 90 850 204 01 95 |
| Sakarya Caddesi Branch                            | Cumhuriyet Mahallesi, Sakarya-1 Caddesi, No:37/A Tepebaşı 26130 ESKİŞEHİR                             | TEPEBAŞI     | ESKİŞEHİR | + 90 850 204 02 27 |
| Salihli Branch                                    | Atatürk Mahallesi Belediye Caddesi No:93-95   | SALİHLİ      | MANİSA    | + 90 850 204 01 92 |
| Samsun Mecidiye Branch                            | Hançerli Mahallesi Çifte Hamam Caddesi No:2 İlkadım 55020 SAMSUN                                      | İLKADIM      | SAMSUN    | + 90 850 204 04 94 |
| Samsun Sanayi Branch                              | Yenimahalle Mahallesi 28. Sokak No:23/1 Canik 55080 Samsun  | CANİK        | SAMSUN    | + 90 850 204 01 81 |
| Samsun Branch                                     | Kale Mahallesi Kaptanağa Sok. No: 4/B İlkadım 55030 Samsun  | MERKEZ       | SAMSUN    | + 90 850 204 00 90 |
| Sancaktepe Branch                                 | İnönü Mah. Ankara Cad. No:63/A Sancaktepe   | SANCAKTEPE   | İSTANBUL  | + 90 850 204 03 43 |
| Şanlıurfa Sarayönü Caddesi Branch                 | Atatürk Mahallesi Bul. Teb Bankası Blok No:82 Haliliye 63100 Şanlıurfa                                | HALİLİYE     | ŞANLIURFA | + 90 850 204 04 23 |
| Şanlıurfa Branch                                  | Atatürk Bulvarı Numune Pasajı No:16/2-3 Haliliye 63100 ŞANLIURFA                                      | HALİLİYE     | ŞANLIURFA | + 90 850 204 01 35 |
| Santral Ümraniye Branch                           | Atatürk Mahallesi Sütçü imam Caddesi Kardeşler Apartmanı No:51A Dükkan No:1-2 Ümraniye 34764 İstanbul | ÜMRANİYE     | İSTANBUL  | + 90 850 204 04 02 |
| Sarıgöl Branch                                    | Cumhuriyet Mahallesi Aşağı Koçaklar Caddesi No:6/Z01 Sarıgöl 45470 MANİSA                             | SARIGÖL      | MANİSA    | +90 850 204 07 23  |
| Sarıyer Branch                                    | Sarıyer Merkez Mahallesi, Yeni Mahalle Cad. No:19 Sarıyer 34450 İstanbul                              | SARIYER      | İSTANBUL  | + 90 850 204 02 01 |
| Saruhanlı Branch                                  | Saruhan Mah. Cumhuriyet Meydanı No:9/2-3 Saruhanlı 45800 MANİSA                                       | SARUHANLI    | MANİSA    | +90 850 204 07 24  |
| Şaşmaz Branch                                     | Bahçekapı Mahallesi, 2488. Cadde. No:4-A  | ETİMESGUT    | ANKARA    | + 90 850 204 02 39 |
| Sefaköy Branch                                    | Kartaltepe Mahallesi, Halkalı Caddesi No:62A/1 Küçükçekmece 34295 İstanbul                            | KÜÇÜKÇEKMECE | İSTANBUL  | + 90 850 204 01 22 |



|                             |  |              |           |                    |
|-----------------------------|--|--------------|-----------|--------------------|
| Şehitkamil Gaziantep Branch | Budak Mahallesi Gazi Muhtarpaşa Bulvarı No:44/D Şehitkamil 27090 Gaziantep                             | ŞEHİTKAMİL   | GAZİANTEP | + 90 850 204 00 97 |
| Şenesenevler Branch         | Bostancı Mahallesi, Emin Ali Paşa Caddesi, No:116 A/14, Kadıköy 34744 İSTANBUL                         | KADIKÖY      | İSTANBUL  | + 90 850 204 04 87 |
| Serik Branch                | Yeni Mah. Hürriyet Cad. Mehmet İltar Apt. Blok No:8C Serik 07500 Antalya                               | SERİK        | ANTALYA   | + 90 850 204 03 30 |
| Seyrantepe Branch           | Seyrantepe Mahallesi İbrahim Karaođlanođlu Cad. No:111A/1 Kađıthane 34418 İSTANBUL                     | KAĐITHANE    | İSTANBUL  | + 90 850 204 06 18 |
| Siirt Branch                | Bahçelievler Mahallesi Hükümet Bulvarı No:26 Merkez 56100 SİİRT  | MERKEZ       | SİİRT     | +90 850 204 06 71  |
| Silifke Branch              | Mukaddem Mahallesi İnönü Bulvarı No:20 A Silifke 33940 MERSİN  | SİLİFKE      | MERSİN    | + 90 850 204 06 88 |
| Silivri Branch              | Piri Mehmet Paşa Mah. Başkomutan Cad. No:4 Silivri 34570 İSTANBUL                                      | SİLİVRİ      | İSTANBUL  | + 90 850 204 02 61 |
| Sincan Branch               | Atatürk Mahallesi, Ankara Caddesi, No: 44/A Sincan 06930 Ankara  | SİNCAN       | ANKARA    | + 90 850 204 01 91 |
| Sinop Branch                | Meydankapı Mahallesi Kıbrıs Caddesi No:4 Merkez 57000 Sinop  | MERKEZ       | SİNOP     | +90 850 204 06 91  |
| Şirehanı Branch             | İsmetpaşa Mahallesi, İnönü Caddesi, No:217/7 Şahinbey 27010 GAZİANTEP                                  | ŞAHİNBEY     | GAZİANTEP | + 90 850 204 03 37 |
| Şirinevler Branch           | Meriç Sokak Ünal İş Merkezi No:13/3 Zemin Kat Şirinevler Bahçelievler 34188 İSTANBUL                   | BAHÇELİEVLER | İSTANBUL  | + 90 850 204 02 33 |
| Şirinyalı Branch            | Şirinyalı Mahallesi İsmet Gökşen Caddesi No:80/1 Muratpaşa 07160 ANTALYA                               | MURATPAŞA    | ANTALYA   | + 90 850 204 04 62 |
| Şirinyer Branch             | Güven Mahallesi, Menderes Caddesi, No: 318 Buca 35370 İZMİR  | BUCA         | İZMİR     | + 90 850 204 02 76 |
| Şişli Branch                | Merkez Mahallesi Büyükdere Caddesi C.E.M. İş Merkezi Blok No:23B Şişli 34384 İstanbul                  | ŞİŞLİ        | İSTANBUL  | + 90 850 204 03 83 |
| Siteler Branch              | Ulubey Mahallesi Demirhendere Caddesi No:69 Altındađ 06360 Ankara                                      | ALTINDAĐ     | ANKARA    | + 90 850 204 04 74 |
| Sivas Branch                | Atatürk Caddesi No:15  | MERKEZ       | SİVAS     | + 90 850 204 02 47 |
| Sođanlık Branch             | Atatürk Caddesi No : 119 34880 Sođanlık - Kartal - İSTANBUL  | KARTAL       | İSTANBUL  | + 90 850 204 05 96 |
| Söğütözü Branch             | Platin Tower Söğütözü Mahallesi Dumlupınar Bulvarı (Eskişehir yolu Üzeri) No:94/G Çankaya 06510 ANKARA | ÇANKAYA      | ANKARA    | +90 850 204 06 82  |
| Söke Branch                 | Konak Mahallesi Aydın Caddesi No:19 Söke 09200 Aydın   | SÖKE         | AYDIN     | + 90 850 204 06 59 |
| Soma Branch                 | Kurtuluş Mahallesi, Fatih Caddesi, No:10   | SOMA         | MANİSA    | + 90 850 204 03 40 |
| Sorgun Branch               | Çay Mahallesi Cumhuriyet Caddesi No:71 A Sorgun 66700 YOZGAT   | SORGUN       | YOZGAT    | +90 850 204 07 31  |
| Suadiye Branch              | Bađdat Cad. German Apt. 456 Suadiye  | KADIKÖY      | İSTANBUL  | + 90 850 204 00 15 |
| Suburcu Branch              | Çukur Mahallesi Suburcu Caddesi No: 11/A Şahinbey 27400 Gaziantep                                      | ŞAHİNBEY     | GAZİANTEP | + 90 850 204 01 96 |

|                               |   |              |           |                          |
|-------------------------------|---|--------------|-----------|--------------------------|
| Sultanbeyli Branch            | Mehmet Akif Mahallesi Fatih Bulvarı No:244/B Sultanbeyli 34920 İSTANBUL                           | SULTANBEYLİ  | İSTANBUL  | + 90 850 204 01 94       |
| Sultangazi Branch             | Cebeci Mahallesi ,Eski Edirne Asfaltı No: 748 34270 Sultañçifliđi 34270 Sultangazi İSTANBUL       | SULTANGAZİ   | İSTANBUL  | + 90 850 204 06 06       |
| Tahtakale Branch              | Süleymaniye Mahallesi Şahende Sokak Keleşler İş Hanı No:7A Fatih 34116 İSTANBUL                   | FATİH        | İSTANBUL  | + 90 850 204 01 47       |
| Tarsus Makam Branch           | Şehit Mustafa Mahallesi Atatürk Cad. 33400 No: 17/A Tarsus - İÇEL MERSİN                          | TARSUS       | MERSİN    | + 90 850 204 04 66       |
| Tarsus Branch                 | Şehit Mustafa Mahallesi Atatürk Bulvarı No:7/A Tarsus 33500 MERSİN                                | TARSUS       | MERSİN    | + 90 850 204 02 37       |
| Tatvan Branch                 | Tuđ Mahallesi Cumhuriyet Bul. Şimşek Center Blok No:226A Tatvan 13200 BİTLİS                      | TATVAN       | BİTLİS    | +90 850 204 06 81        |
| Tekirdađ Branch               | Aydođdu Mahallesi Hükümet Caddesi No:94 Süleymanpaşa 59200 Tekirdađ                               | SÜLEYMANPAŞA | TEKİRDAĞ  | + 90 850 204 02 24       |
| Teksan Branch                 | 75. Yıl (Sultandere) Mah. 1.Cadde (Küçük Org. Sanayi) Cad. No:9A Odunpazarı 26250 Eskişehir       | ODUNPAZARI   | ESKİŞEHİR | + 90 850 204 01 84       |
| Tire Branch                   | Cumhuriyet Meydanı, No:05   | TİRE         | İZMİR     | + 90 850 204 02 53       |
| Tokat Branch                  | Kabe-i Mescid Mahallesi Gaziosmanpaşa Bulvarı No:168/A Merkez 60030 Tokat                         | MERKEZ       | TOKAT     | + 90 850 204 06 51       |
| Topçular Branch               | Rami Kışla Cad.Koçbay İş Merkezi No:25/B 7-8 Topçular   | EYÜP         | İSTANBUL  | + 90 850 204 01 78       |
| Topkapı Maltepe Branch        | Maltepe Mah. Gümüşsuyu Cad. No:53 Dk:21-22 Zeytinburnu 34010 İstanbul                             | ZEYTİNBURNU  | İSTANBUL  | + 90 850 204 05 28       |
| Torbalı Branch                | Tepeköy Mahallesi Ağalar Caddesi No:16 A-B TORBALI 35860 İZMİR                                    | TORBALI      | İZMİR     | + 90 850 204 03 56       |
| Trabzon Branch                | Kemer kaya Mah. Kahramanmaraş Caddesi No:35A Ortahisar 61030 TRABZON                              | ORTAHİSAR    | TRABZON   | + 90 850 204 00 91       |
| Trakya Kurumsal Branch        | Nur Yıldız Plaza 15 Temmuz Mahallesi Gülbahar Caddesi No:7A Kat:5 Güneşli/Bağcılar 34212 İstanbul | BAĞCILAR     | İSTANBUL  | + 90 850 204 00 55       |
| Trakya Üniversitesi Branch    | Kocasinan Mahallesi E5 Karayolu Caddesi No:76/13 İç Kapı : 2 Merkez 22030 EDİRNE                  | MERKEZ       | EDİRNE    | +90 850 204 07 45        |
| Tunalı Hilmi Branch           | Remzi Ođuz Mahallesi, Tunalı Hilmi Caddesi, No:68/A Kavaklıdere                                   | ÇANKAYA      | ANKARA    | + 90 850 204 03 11<br>13 |
| Turgutlu Branch               | Altay Mahallesi, Atatürk Bulvarı, No:163  | TURGUTLU     | MANİSA    | + 90 850 204 02 92       |
| Tuzla Deniz Harp Okulu Branch | Tuzla Deniz Harp Okulu Komutanlığı Sosyal Tesisleri   | TUZLA        | İSTANBUL  | + 90 850 204 03 20       |
| Tuzla OSB Branch              | Aydınlı-İstanbul AYOSB Mh. 5. Sk. İst. Ana. Yak. OSB Sit. No:2 Tuzla 34953 İstanbul               | TUZLA        | İSTANBUL  | + 90 850 204 02 18       |
| Tuzla Piyade Okulu Branch     | Piyade Okulu Komutanlığı  | TUZLA        | İSTANBUL  | + 90 850 204 03 50       |
| Tuzla Branch                  | İçmeler Mahallesi, Mazhar Sokak No:21A Tuzla 34947 İstanbul                                       | TUZLA        | İSTANBUL  | + 90 850 204 02 36       |

|                                     |   |              |          |                    |
|-------------------------------------|---|--------------|----------|--------------------|
| Üçevler Branch                      | Üçevler Mh Ahıska cad No:10/1 Nilüfer<br>16270 BURSA  | NİLÜFER      | BURSA    | + 90 850 204 01 62 |
| Ulus Ankara Branch                  | Anafartalar Mah. Sanayi Cad. No:15/1-2-<br>3-4-5-6-7 Altındağ 06050 ANKARA                            | ALTINDAĞ     | ANKARA   | + 90 850 204 00 34 |
| Ümitköy Branch                      | Çay Yolu Mahallesi 8.Cadde No :45<br>Çankaya 06530 ANKARA   | ÇANKAYA      | ANKARA   | + 90 850 204 02 26 |
| Ümraniye Sanayi Branch              | Çakmak Mahallesi Alemdağ Caddesi<br>No:422 Ümraniye 34775 İstanbul                                    | ÜMRANİYE     | İSTANBUL | + 90 850 204 06 10 |
| Ümraniye Branch                     | Alemdağ Cad. 194/2  | ÜMRANİYE     | İSTANBUL | + 90 850 204 00 43 |
| Uncalı Branch                       | Uncalı Mahallesi Uncalı Caddesi No:63<br>Konyaaltı 07070 ANTALYA                                      | UNCALI       | ANTALYA  | + 90 850 204 02 75 |
| Ünye Branch                         | Kaledere Mahallesi Akkuş Niksar Caddesi<br>No:6/A Ünye 52300 ORDU                                     | ÜNYE         | ORDU     | +90 850 204 06 98  |
| Uşak Çarşı Branch                   | İslice Mahallesi, İslice Sokak, No:12/A<br>Merkez 64200 Uşak  | MERKEZ       | UŞAK     | + 90 850 204 05 18 |
| Uşak Branch                         | İslice Mah. İsmetpaşa Cad. No:67/B<br>Merkez 64100 UŞAK   | MERKEZ       | UŞAK     | + 90 850 204 00 92 |
| Üsküdar Branch                      | Aziz Mahmut Hüdayi Mah. Hakimiyeti<br>Milliye Cad. No: 50 Kat : 1 Üsküdar<br>34672 İstanbul           | ÜSKÜDAR      | İSTANBUL | + 90 850 204 01 32 |
| Uzunköprü Branch                    | Muradiye Camii Mahallesi Cumhuriyet<br>Caddesi No:1-A Uzunköprü 22300<br>EDİRNE                       | UZUNKÖPRÜ    | EDİRNE   | +90 850 204 06 93  |
| Valikonağı Branch                   | Teşvikiye Mahallesi, Valikonağı Caddesi,<br>No:66 ŞİŞLİ 34365 İSTANBUL                                | ŞİŞLİ        | İSTANBUL | + 90 850 204 02 19 |
| Van Branch                          | Şerefiye Mahallesi M. Fevzi Çakmak Cad.<br>Lütfü Savur İş Merkezi Sit. No:14<br>İpekyolu 65100 Van    | İPEKYOLU     | VAN      | + 90 850 204 02 15 |
| Van Yüzüncü Yıl Üniversitesi Branch | Bardakçı Mahallesi, Araştırma Sokak B<br>Blok Sitesi No:10<br>BD Tuşba 65040 VAN                      | TUŞBA        | VAN      | +90 850 204 07 10  |
| Yalıkavak Branch                    | İnönü Caddesi No:101/A-E Yalıkavak<br>Bodrum 48990 MUĞLA  | BODRUM       | MUĞLA    | +90 850 204 06 92  |
| Yalova İskele Branch                | Süleyman Bey Mahallesi Cengiz Koçal<br>Caddesi No:24/1 Merkez 77200 Yalova                            | MERKEZ       | YALOVA   | + 90 850 204 05 59 |
| Yalova Branch                       | Rüstempaşa Mahallesi, Çeşme Sokak,<br>No:2/1 Merkez 77200 Yalova                                      | MERKEZ       | YALOVA   | + 90 850 204 03 10 |
| Yeditepe Kurumsal Branch            | Saray Mahallesi Sokullu Cad. No: 7 A/1<br>Ümraniye 34768 İstanbul                                     | ÜMRANİYE     | İSTANBUL | + 90 850 204 05 38 |
| Yeni Adana Branch                   | Güzelyalı Mah. Turgut Özal Bulvarı<br>No:90/D Edip Özeltin Sitesi B Blok Altı<br>Çukurova 01170 ADANA | ÇUKUROVA     | ADANA    | + 90 850 204 05 73 |
| Yenibosna Branch                    | Yenibosna Merkez Mahallesi Yıldırım<br>Beyazıt Caddesi No: 210A Bahçelievler<br>34197 İSTANBUL        | BAHÇELİEVLER | İSTANBUL | + 90 850 204 03 29 |
| Yeniköy Antalya Branch              | Yeniköy Mahallesi, Atatürk<br>Caddesi, No:476 Döşemealtı  | DÖŞEMEALTI   | ANTALYA  | + 90 850 204 03 53 |
| Yeniköy Branch                      | Yeniköy Mahallesi Köybaşı Caddesi<br>No:51 Yeniköy Sarıyer 34464 İstanbul                             | SARIYER      | İSTANBUL | + 90 850 204 02 51 |

|                           |  |             |           |                    |
|---------------------------|--|-------------|-----------|--------------------|
| Yeşilköy Branch           | İstasyon Caddesi Orhan Gazi Sok. No:1<br>Zemin Kat Kısım A Yeşilköy Bakırköy<br>34801 İSTANBUL | BAKIRKÖY    | İSTANBUL  | + 90 850 204 00 54 |
| Yıldırım Branch           | Duaçınarı Mahallesi Ankarayolu Cad. B<br>Blok Apt. No:171-173B Yıldırım 16370<br>BURSA         | YILDIRIM    | BURSA     | + 90 850 204 02 80 |
| Yıldız Branch             | Turan Güneş Bulvarı No:17  | ÇANKAYA     | ANKARA    | + 90 850 204 01 63 |
| Yozgat Branch             | Medrese Mahallesi, Şeyhzade Caddesi,<br>No:11/B Merkez 66100 Yozgat                            | MERKEZ      | YOZGAT    | +90 850 204 07 00  |
| Yüreğir Branch            | Cumhuriyet Mah.770 Sok.No:11/A<br>Yüreğir 01280 Adana  | YÜREĞİR     | ADANA     | + 90 850 204 01 56 |
| Zekeriya köy Branch       | Zekeriya köy Mahallesi 4. Cad. Kültür<br>Merkezi Apt. No:4/1/2 Sarıyer 34450<br>İSTANBUL       | SARIYER     | İSTANBUL  | + 90 850 204 03 70 |
| Zeytinburnu Bulvar Branch | Gökalp Mahallesi 58. Bulvar Caddesi<br>No:49-51 Zeytinburnu 34020 İstanbul                     | ZEYTİNBURNU | İSTANBUL  | + 90 850 204 05 21 |
| Zeytinburnu Branch        | Prof. Muammer Aksoy Cad. No:85<br>Zeytinburnu 34020 İstanbul                                   | ZEYTİNBURNU | İSTANBUL  | + 90 850 204 00 93 |
| Zonguldak Branch          | Meşrutiyet Mah. Gazipaşa Cad. No:31<br>Merkez 67030 ZONGULDAK                                  | MERKEZ      | ZONGULDAK | + 90 850 204 06 34 |

## (CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH)

### INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

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

#### 1) Opinion

As we have audited the full set consolidated and unconsolidated financial statements of Türk Ekonomi Bankası A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") for the period between 01/01/2022–31/12/2022, we have also audited the annual report for the same period.

In our opinion, the consolidated and unconsolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated and unconsolidated financial statements and the information obtained from our audit.

#### 2) Basis for Opinion

We conducted our audit in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under *Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report* in detail. We declare that we are independent from the Bank in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") issued by POA and ethical provisions stated in the regulation of audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### 3) Auditor's Opinion for the Full Set Consolidated and Unconsolidated Financial Statements

We have presented unqualified opinion for the Bank's full set consolidated and unconsolidated financial statements for the period between 01/01/2022–31/12/2022 in our Auditor's Report dated 10 March 2023.

#### 4) Management's Responsibility for the Annual Report

The Bank Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and the regulation on "Preparing and Publishing the Annual Report by Banks" published in the Official Gazette dated 1 November 2006 and No. 26333 ("the Communiqué"):

- a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
- b) Preparing the annual report with the all respects of the Bank's flow of operations for that year and the Bank's financial performance accurately, completely, directly and fairly. In this report, the financial position is assessed in accordance with the financial statements. The Bank's development and risks that the Bank may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.
- c) The annual report also includes the matters stated below:
  - The significant events occurred in the Bank's activities subsequent to the financial year ends,
  - The Bank's research and development activities,
  - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Banking Regulation and Supervision Agency and the Ministry of Trade and related institutions while preparing the annual report.

## **5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report**

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated and unconsolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated and unconsolidated financial statements and the information obtained from our audit

The engagement partner on the audit resulting in this independent auditor's report is Yaman Polat.

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



Yaman Polat  
Partner

İstanbul, 10 March 2023

**SECTION 4- UNCONSOLIDATED FINANCIAL STATEMENTS**

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS AND RELATED  
DISCLOSURES FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2022**

*(CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS AND AUDITOR REPORT  
ORIGINALLY ISSUED IN TURKISH)*

**TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ**

**PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2022  
WITH INDEPENDENT AUDITOR'S REPORT**



**(CONVENIENCE TRANSLATION OF  
INDEPENDENT AUDITOR’S REPORT ORIGINALLY ISSUED IN TURKISH)**

**INDEPENDENT AUDITOR’S REPORT**

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

**A) Report on the Audit of the Financial Statements**

**1) Opinion**

We have audited the financial statements of Türk Ekonomi Bankası A.Ş. (the “Bank”), which comprise the balance sheet as at 31 December 2022, and the statement of income, statement of income and expense items accounted for under shareholders’ equity, statement of changes in shareholders’ equity and statement of cash flows for the year then ended and, notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with “the Banking Regulation and Supervision Agency (BRSA) Accounting and Reporting Regulations” including the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No.26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by BRSA and provisions of Turkish Accounting Standards (TAS) for the matters not legislated by the aforementioned regulations.

**2) Basis for Opinion**

We conducted our audit in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and Standards on Independent Auditing (SIA) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (POA). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the *Code of Ethics for Independent Auditors* (Code of Ethics) published by the POA, together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**3) Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| <b>Key Audit Matters</b>   | <b>How the matter was addressed in the audit</b>  |
|--|---|
| <p data-bbox="151 309 735 367"><b><i>Impairment of loans in accordance with TFRS 9 Financial Instruments Standard (“TFRS 9”)</i></b></p> <p data-bbox="151 398 735 613">Impairment of loans is an important area of jurisdiction for management. The Bank has the total loans and receivables amounting to TL 149,332,926 thousand, which comprise 54% of the Bank’s total assets in its unconsolidated financial statements and the total provision for impairment amounting to TL 5,045,481 as at 31 December 2022.</p> <p data-bbox="151 645 735 860">As of 1 January 2018, the Bank has started to recognize provisions for impairment of loans at amortised cost in accordance with TFRS 9 and “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated 22 June 2016 numbered 29750.</p> <p data-bbox="151 891 735 1106">In accordance with the related legislation of BRSA as mentioned in the Section 3 Note VIII of Explanation on Accounting Policies, the expected credit loss estimates are required to be unbiased, probability-weighted and should include supportable information about past events, current conditions, and forecasts of future economic conditions.</p> <p data-bbox="151 1137 735 1285">The Bank exercises significant decisions using judgment, interpretation and assumptions over calculating loan impairments. These judgments, interpretations and assumptions are key in the development of the financial models.</p> <p data-bbox="151 1317 735 1532">Not fulfilling the requirements of the TFRS 9 is a potential risk for the Bank. Failure in determining the loans and receivables that are impaired and not recording the adequate provision for these impaired loans is the aforementioned risk. Accordingly, impairment of loans and receivables is considered as a key audit matter.</p> <p data-bbox="151 1563 735 1653">Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note I.6.</p> | <p data-bbox="762 398 1378 456">As part of our audit work, the following procedures were performed:</p> <p data-bbox="762 488 1378 680">We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Bank with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures.</p> <p data-bbox="762 712 1378 792">We have assessed and analysed the relevant contract terms to assess the management’s accounting policy and classification of the instrument for selected samples.</p> <p data-bbox="762 824 1378 1016">We have performed loan review procedures on selected samples of loans and receivables with the objective of identifying whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the framework of the provisions of the relevant legislation.</p> <p data-bbox="762 1048 1378 1397">We have tested relevant inputs and assumption used by the management in each stage of the expected credit loss calculation by considering whether the inputs and assumptions appear reasonable, the relationship between the assumptions and whether the assumptions are interdependent and internally consistent, whether the assumptions appropriately reflect current market information and collections, and whether the assumptions appear reasonable when considered collectively with other assumptions, including those for the same accounting estimates and those for other accounting estimates.</p> <p data-bbox="762 1429 1378 1487">We have tested historical loss data to validate the completeness and accuracy of key parameters.</p> <p data-bbox="762 1518 1378 1666">We have tested whether the model is applied to appropriate segments of assets which share credit risk characteristics and whether the historical loss rates were incurred under economic conditions representative of those that may exist during the assets’ exposure periods.</p> <p data-bbox="762 1697 1378 1800">We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation.</p> <p data-bbox="762 1832 1378 1935">Based on our discussions with the Bank management, we evaluated whether the key assumptions and other judgements underlying the estimations of impairments were reasonable.</p> <p data-bbox="762 2011 1378 2069">We assessed expected credit losses determined based on individual assessment per the Bank’s policy by means of</p> |

|   |  |
|---|--|
|   | <p>supporting data, and evaluated appropriateness via communications with the Bank’s management.</p> <p>Our specialists are involved in all procedures related to models and assumptions.</p> <p>We have reviewed disclosures made within the TFRS 9 framework in the financial statements of the Bank with respect to loans and receivables and related impairment provisions.</p>  |
| <p><b><i>Pension fund obligations</i></b></p> <p>Defined benefit pension plan that the Bank provides to its employees is managed by Fortis Bank AŞ Mensupları Emekli Sandığı (“Plan”) which is established by the 20th provisional article of the Social Security Law numbered 506 (the “Law”).</p> <p>As disclosed in the Section III Note XVII to the unconsolidated financial statements, the Plan is composed of benefits which are subject to transfer to the Social Security Foundation (“SSF”) as per the Social Security Law no.5510 provisional article 20, and other social rights and pension benefits provided by the Bank that are not transferable to the SSF. The Council of Ministers has been authorized to determine the transfer date. Following the transfer, the funds and the institutions that employ the funds’ members will cover the non-transferable social rights and pension benefits provided under the Plan even if it is included in foundation voucher.</p> <p>As of 31 December 2022, the Bank’s transferrable liabilities are calculated by an independent actuary using the actuarial assumptions regulated by the Law, and in accordance with the Decision of the Council of Ministers announced in the Official Gazette dated 15 December 2006 and No.26377. The valuation of the Plan liabilities requires judgment in determining appropriate assumptions such as defining the transferrable social benefits, discount rates, salary increases, inflation levels, demographic assumptions, and the impact of changes in the Plan. Management uses expert opinion of the independent actuary in assessing uncertainties related to these underlying assumptions and estimates.</p> <p>As described in Section V Note II.8.c2 considering the subjectivity of key judgments and assumptions, plus the uncertainty around the transfer date and basis of the transfer calculation given the fact that the technical interest rate is prescribed under the Law, we considered this as a key audit matter.</p> | <p>Our audit work included the following procedures:</p> <p>We involved internal experts (actuary) in our audit team to evaluate the assumptions used in the calculation of the pension obligations and the appropriateness of the estimates.</p> <p>It has been tested whether the plan assets meet plan obligations in accordance with the methods and assumptions used.</p> <p>In addition, reconciliations and tests were carried out through sampling of the accuracy of the data provided to the Bank’s actuary.</p> <p>We have assessed whether there is a significant change in the actuarial assumptions, methods, legal regulations and legislation used in the calculations and whether the assumptions are reasonable.</p> |
| <p><b><i>Information technologies audit</i></b></p> <p>The Bank and its finance functions are dependent on the IT-infrastructure for the continuity of its</p>  | <p>Procedures within the context of our information technology audit work:</p>   |

|   |   |
|---|---|
| <p>operations, and the demand for technology-enabled business services is rapidly growing in the Bank and its subsidiaries. Controls over reliability and continuity of the electronic data processing are within the scope of the information systems internal controls audit. The reliance on information systems within the Bank means that the controls over access rights, continuity of systems, privacy and integrity of the electronic data are critical and found to be key area of focus as part of our risk-based scoping.</p> | <ul style="list-style-type: none"> <li>• We identified and tested the Banks' controls over information systems as part of our audit procedures.</li> <li>• Information generation comprise all layers of information systems (including applications, networks, transmission systems and database). The information systems controls tested are categorized in the following areas: <ul style="list-style-type: none"> <li>• Security Management</li> <li>• Change Management</li> <li>• Data Center and Network Operations</li> </ul> </li> <li>• We selected high-risk areas as, database logging and change management control activities, to prevent and detect whether accesses to financial data had been identified in a timely manner.</li> <li>• We tested the accesses and logging controls underlying all applications that have direct or indirect impacts on financial data generation.</li> <li>• Automated controls and integration controls were tested to underly and detect changes and accesses in the process of financial data generation.</li> <li>• We also tested the appropriateness and accuracy of the information produced by the entity and information used in controls reports as inputs to our controls and outputs generated by the IT components.</li> <li>• Finally, we understood and tested the controls over database, network, application and operating system layers of applications.</li> </ul> |
|---|---|

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

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

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

## 5) Auditor's Responsibilities for the Audit of the Financial Statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **B) Other Responsibilities Arising from Regulatory Requirements**

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Bank's set of accounts for the period 1 January - 31 December 2022 does not comply with TCC and the provisions of the Bank's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Yaman Polat.

### *Additional paragraph for convenience translation to English*

*BRSA Accounting and Reporting Regulations explained in detail in Section 3 differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying unconsolidated 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, 10 March 2023

**UNCONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.  
AS OF FOR THE YEAR ENDED 31 DECEMBER 2022**

Address : Saray Mahallesi Sokullu Caddesi No: 7/A – 7/B  
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Fax : (0 216) 636 36 36  
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E-mail : [yatirimciiliskileri@teb.com.tr](mailto:yatirimciiliskileri@teb.com.tr)

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

- General Information about the Bank
- Unconsolidated Financial Statements of the Bank
- Explanations on the Accounting Policies Applied in the Related Period
- Information on Financial Structure and Risk Management of the Bank
- Disclosures and Footnotes on Unconsolidated Financial Statements
- Other Explanations
- Independent Auditor’s Report

The accompanying audited unconsolidated financial statements, related disclosures and footnotes which are presented in this report are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, the related statements and guidance, and incompliance with the financial records of our Bank, and unless stated otherwise, presented in **thousands of Turkish Lira (TL)**.

|  |                                       |  |                            |  |   |
|--|---------------------------------------|--|----------------------------|--|---|
| Dr.Akın Akbaygil                         | Nicolas de Baudinet<br>de Courcelles  | Ayşe Aşardağ                               | Ümit Leblebici             | M. Aşkın Dolaştır  | Kamer Kıdıllı                                     |
| 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 Senior Manager  
Telephone Number : (0216) 635 24 51  
Fax Number : (0216) 636 36 36

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# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### SECTION ONE

#### GENERAL INFORMATION

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

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

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

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

| <u>Name</u>                        | <u>Title</u>   | <u>Education</u> |
|------------------------------------|--|------------------|
| <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, Member of the Audit Committee                              | University       |
| Metin Toğay                        | Member of the Board of Directors   | Master           |
| Didier Albert N. Van Hecke         | Member of the Board of Directors, Member of the Audit Committee                              | Master           |
| Ümit Leblebici                     | Chief Executive Officer and the Executive Member   | Master           |
| <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       |
| Çiğdem Ünsal                       | Assistant General Manager Responsible from Human Resources                                   | University       |
| 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       |
| Birol Deper                        | Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer | Master           |
| <b>Internal Audit (*);</b>         |  |                  |
| Hakan Tıraşın                      | Head of Internal Audit   | University       |

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### IV. Information on the Bank's Qualified Shareholders

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

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

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

The Bank's operating areas include, corporate, commercial, SME, retail and private banking as well as project finance and custody operations. Besides the ordinary banking operations, the Bank is handling agency functions through its branches on behalf of TEB Portföy Yönetimi A.Ş., Zurich Sigorta A.Ş. and Cardif Hayat Sigorta A.Ş. As of 31 December 2022, the Bank has 444 local branches and 4 foreign branches (31 December 2021: 451 local branches, 4 foreign branches). As of 31 December 2022, the number of employees of the Bank is 8,723 (31 December 2021: 8,572).

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

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

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

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

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

None.

## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS**

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

# TÜRK EKONOMİ BANKASI A.Ş

## UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 AND 2021

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

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

| ASSETS  | Section 5<br>Notes | Audited<br>Current Period<br>31.12.2022 |                   |                    | Audited<br>Prior Period<br>31.12.2021 |                   |                    |
|---|--------------------|---|-------------------|--------------------|---------------------------------------|-------------------|--------------------|
|   |                    | TL                                      | FC                | Total              | TL                                    | FC                | Total              |
| <b>I. FINANCIAL ASSETS (Net)</b>  |                    | <b>30,672,003</b>                       | <b>47,346,068</b> | <b>78,018,071</b>  | <b>20,140,497</b>                     | <b>45,304,746</b> | <b>65,445,243</b>  |
| <b>1.1 Cash and Cash Equivalents</b>  |                    | <b>17,602,149</b>                       | <b>42,769,235</b> | <b>60,371,384</b>  | <b>7,333,948</b>                      | <b>40,007,979</b> | <b>47,341,927</b>  |
| 1.1.1 Cash and Balances with Central Bank   | (I-1)              | 7,210,359                               | 36,629,352        | 43,839,711         | 5,718,495                             | 30,072,800        | 35,791,295         |
| 1.1.2 Banks   | (I-4)              | 2,801,354                               | 6,162,933         | 8,964,287          | 1,618,025                             | 9,962,314         | 11,580,339         |
| 1.1.3 Money Market Placement  |                    | 7,604,278                               | -                 | 7,604,278          | -                                     | -                 | -                  |
| 1.1.4 Expected Loss Provisions (-)  |                    | 13,842                                  | 23,050            | 36,892             | 2,572                                 | 27,135            | 29,707             |
| <b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>                                      | <b>(I-2)</b>       | <b>2,886,940</b>                        | <b>541,639</b>    | <b>3,428,579</b>   | <b>2,001,647</b>                      | <b>792,140</b>    | <b>2,793,787</b>   |
| 1.2.1 Government Debt Securities  |                    | 2,809,744                               | 202,058           | 3,011,802          | 1,942,260                             | 549,168           | 2,491,428          |
| 1.2.2 Equity Securities   |                    | 77,196                                  | 263,295           | 340,491            | 59,387                                | 135,326           | 194,713            |
| 1.2.3 Other Financial Assets  |                    | -                                       | 76,286            | 76,286             | -                                     | 107,646           | 107,646            |
| <b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>                          | <b>(I-5)</b>       | <b>5,356,819</b>                        | <b>3,062,485</b>  | <b>8,419,304</b>   | <b>3,001,729</b>                      | <b>4,173,355</b>  | <b>7,175,084</b>   |
| 1.3.1 Government Debt Securities  |                    | 5,307,506                               | 3,062,485         | 8,369,991          | 2,988,479                             | 4,173,355         | 7,161,834          |
| 1.3.2 Equity Securities   |                    | 49,313                                  | -                 | 49,313             | 13,250                                | -                 | 13,250             |
| 1.3.3 Other Financial Assets  |                    | -                                       | -                 | -                  | -                                     | -                 | -                  |
| <b>1.4 Derivative Financial Assets</b>  |                    | <b>4,826,095</b>                        | <b>972,709</b>    | <b>5,798,804</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)              | 4,400,167                               | 664,545           | 5,064,712          | 6,006,577                             | 325,399           | 6,331,976          |
| 1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income                    | (I-12)             | 425,928                                 | 308,164           | 734,092            | 1,796,596                             | 5,873             | 1,802,469          |
| <b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>  |                    | <b>140,604,566</b>                      | <b>44,129,712</b> | <b>184,734,278</b> | <b>86,522,949</b>                     | <b>36,807,353</b> | <b>123,330,302</b> |
| <b>2.1 Loans</b>  | <b>(I-6)</b>       | <b>113,448,548</b>                      | <b>35,884,378</b> | <b>149,332,926</b> | <b>78,371,554</b>                     | <b>29,451,442</b> | <b>107,822,996</b> |
| <b>2.2 Lease Receivables</b>  | <b>(I-11)</b>      | <b>-</b>                                | <b>-</b>          | <b>-</b>           | <b>-</b>                              | <b>-</b>          | <b>-</b>           |
| <b>2.3 Factoring Receivables</b>  | <b>(I-11)</b>      | <b>-</b>                                | <b>-</b>          | <b>-</b>           | <b>-</b>                              | <b>-</b>          | <b>-</b>           |
| <b>2.4 Other Financial Assets Measured at Amortised Cost</b>  | <b>(I-7)</b>       | <b>30,844,021</b>                       | <b>9,611,915</b>  | <b>40,455,936</b>  | <b>11,379,873</b>                     | <b>8,171,827</b>  | <b>19,551,700</b>  |
| 2.4.1 Government Debt Securities  |                    | 30,844,021                              | 9,611,915         | 40,455,936         | 11,379,873                            | 8,171,827         | 19,551,700         |
| 2.4.2 Other Financial Assets  |                    | -                                       | -                 | -                  | -                                     | -                 | -                  |
| <b>2.5 Expected Credit Loss (-)</b>   |                    | <b>3,688,003</b>                        | <b>1,366,581</b>  | <b>5,054,584</b>   | <b>3,228,478</b>                      | <b>815,916</b>    | <b>4,044,394</b>   |
| <b>III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b> | <b>(I-17)</b>      | <b>100,370</b>                          | <b>-</b>          | <b>100,370</b>     | <b>65,933</b>                         | <b>-</b>          | <b>65,933</b>      |
| 3.1 Held for Sale Purpose   |                    | 100,370                                 | -                 | 100,370            | 65,933                                | -                 | 65,933             |
| 3.2 Related to Discontinued Operations  |                    | -                                       | -                 | -                  | -                                     | -                 | -                  |
| <b>IV. EQUITY INVESTMENTS</b>   |                    | <b>116,041</b>                          | <b>-</b>          | <b>116,041</b>     | <b>116,041</b>                        | <b>-</b>          | <b>116,041</b>     |
| <b>4.1 Associates (Net)</b>   | <b>(I-8)</b>       | <b>-</b>                                | <b>-</b>          | <b>-</b>           | <b>-</b>                              | <b>-</b>          | <b>-</b>           |
| 4.1.1 Associates Valued Based on Equity Method  |                    | -                                       | -                 | -                  | -                                     | -                 | -                  |
| 4.1.2 Unconsolidated Associates   |                    | -                                       | -                 | -                  | -                                     | -                 | -                  |
| <b>4.2 Subsidiaries (Net)</b>   | <b>(I-9)</b>       | <b>116,036</b>                          | <b>-</b>          | <b>116,036</b>     | <b>116,036</b>                        | <b>-</b>          | <b>116,036</b>     |
| 4.2.1 Unconsolidated Financial Subsidiaries   |                    | 115,986                                 | -                 | 115,986            | 115,986                               | -                 | 115,986            |
| 4.2.2 Unconsolidated Non-Financial Subsidiaries   |                    | 50                                      | -                 | 50                 | 50                                    | -                 | 50                 |
| <b>4.3 Joint Ventures (Net)</b>   | <b>(I-10)</b>      | <b>5</b>                                | <b>-</b>          | <b>5</b>           | <b>5</b>                              | <b>-</b>          | <b>5</b>           |
| 4.3.1 Joint Ventures Valued Based on Equity Method  |                    | -                                       | -                 | -                  | -                                     | -                 | -                  |
| 4.3.2 Unconsolidated Joint Ventures   |                    | 5                                       | -                 | 5                  | 5                                     | -                 | 5                  |
| <b>V. TANGIBLE ASSETS (Net)</b>   | <b>(I-13)</b>      | <b>1,251,721</b>                        | <b>-</b>          | <b>1,251,721</b>   | <b>915,504</b>                        | <b>-</b>          | <b>915,504</b>     |
| <b>VI. INTANGIBLE ASSETS (Net)</b>  | <b>(I-14)</b>      | <b>882,517</b>                          | <b>-</b>          | <b>882,517</b>     | <b>601,609</b>                        | <b>-</b>          | <b>601,609</b>     |
| 6.1 Goodwill  |                    | 421,124                                 | -                 | 421,124            | 421,124                               | -                 | 421,124            |
| 6.2 Other   |                    | 461,393                                 | -                 | 461,393            | 180,485                               | -                 | 180,485            |
| <b>VII. INVESTMENT PROPERTIES (Net)</b>   | <b>(I-15)</b>      | <b>-</b>                                | <b>-</b>          | <b>-</b>           | <b>-</b>                              | <b>-</b>          | <b>-</b>           |
| <b>VIII. CURRENT TAX ASSET</b>  |                    | <b>28,388</b>                           | <b>-</b>          | <b>28,388</b>      | <b>133,380</b>                        | <b>-</b>          | <b>133,380</b>     |
| <b>IX. DEFERRED TAX ASSET</b>   | <b>(I-16)</b>      | <b>1,599,145</b>                        | <b>-</b>          | <b>1,599,145</b>   | <b>133,323</b>                        | <b>-</b>          | <b>133,323</b>     |
| <b>X. OTHER ASSETS (Net)</b>  | <b>(I-18)</b>      | <b>8,191,572</b>                        | <b>225,313</b>    | <b>8,416,885</b>   | <b>2,552,827</b>                      | <b>762,860</b>    | <b>3,315,687</b>   |
| <b>TOTAL ASSETS</b>   |                    | <b>183,446,323</b>                      | <b>91,701,09</b>  | <b>275,147,416</b> | <b>111,182,063</b>                    | <b>82,874,959</b> | <b>194,057,022</b> |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 AND 2021

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

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

| LIABILITIES  | Section 5<br>Notes | Audited<br>Current Period<br>31.12.2022 |                    |                    | Audited<br>Prior Period<br>31.12.2021 |                    |                    |
|--|--------------------|---|--------------------|--------------------|---------------------------------------|--------------------|--------------------|
|  |                    | TL                                      | FC                 | Total              | TL                                    | FC                 | Total              |
| <b>I. DEPOSITS</b>   | (II-1)             | 128,684,391                             | 71,706,660         | 200,391,051        | 55,445,419                            | 76,393,830         | 131,839,249        |
| <b>II. FUNDS BORROWED</b>  | (II-3)             | 637,353                                 | 10,536,061         | 11,173,414         | 602,162                               | 14,995,603         | 15,597,765         |
| <b>III. MONEY MARKET FUNDS</b>   | (II-4)             | -                                       | 6,790,660          | 6,790,660          | 3,839,747                             | 5,001,962          | 8,841,709          |
| <b>IV. SECURITIES ISSUED (Net)</b>   | (II-3)             | -                                       | -                  | -                  | 1,194,525                             | -                  | 1,194,525          |
| 4.1 Bills  |                    | -                                       | -                  | -                  | 1,194,525                             | -                  | 1,194,525          |
| 4.2 Asset Backed Securities  |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 4.3 Bonds  |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| <b>V. FUNDS</b>  |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 5.1 Borrower Funds   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 5.2 Other  |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| <b>VI. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>  |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| <b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>   |                    | 2,971,255                               | 595,978            | 3,567,233          | 4,321,769                             | 168,019            | 4,489,788          |
| 7.1 Derivative Financial Liabilities at Fair Value Through Profit and Loss                                     | (II-2)             | 2,901,642                               | 595,978            | 3,497,620          | 3,995,359                             | 163,818            | 4,159,177          |
| 7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income                          | (II-7)             | 69,613                                  | -                  | 69,613             | 326,410                               | 4,201              | 330,611            |
| <b>VIII. FACTORING LIABILITIES</b>   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| <b>IX. LEASE LIABILITIES (Net)</b>   | (II-6)             | 669,388                                 | 26,506             | 695,894            | 526,566                               | 37,923             | 564,489            |
| <b>X. PROVISIONS</b>   | (II-8)             | 2,888,691                               | 470,060            | 3,358,751          | 903,248                               | 321,520            | 1,224,768          |
| 10.1 Restructuring Provisions  |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 10.2 Reserve for Employee Benefits   |                    | 2,016,376                               | 64,378             | 2,080,754          | 693,202                               | 55,663             | 748,865            |
| 10.3 Insurance Technical Provisions (Net)  |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 10.4 Other Provisions  |                    | 872,315                                 | 405,682            | 1,277,997          | 210,046                               | 265,857            | 475,903            |
| <b>XI. CURRENT TAX LIABILITY</b>   | (II-9)             | 1,964,235                               | -                  | 1,964,235          | 240,411                               | -                  | 240,411            |
| <b>XII. DEFERRED TAX LIABILITY</b>   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| <b>XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b> | (II-10)            | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 13.1 Held for Sale   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 13.2 Held from Discontinued Operations   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| <b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>  | (II-11)            | -                                       | 9,708,218          | 9,708,218          | -                                     | 7,239,036          | 7,239,036          |
| 14.1 Loans   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 14.2 Other Debt Instruments  |                    | -                                       | 9,708,218          | 9,708,218          | -                                     | 7,239,036          | 7,239,036          |
| <b>XV. OTHER LIABILITIES</b>   | (II-5)             | 9,586,408                               | 2,570,380          | 12,156,788         | 6,454,175                             | 2,753,288          | 9,207,463          |
| <b>XVI. SHAREHOLDERS' EQUITY</b>   | (II-12)            | 25,218,074                              | 123,098            | 25,341,172         | 13,793,809                            | (175,990)          | 13,617,819         |
| 16.1 Paid-in Capital   |                    | 2,204,390                               | -                  | 2,204,390          | 2,204,390                             | -                  | 2,204,390          |
| 16.2 Capital Reserves  |                    | 389,769                                 | -                  | 389,769            | 389,769                               | -                  | 389,769            |
| 16.2.1 Share Premiums  |                    | 2,565                                   | -                  | 2,565              | 2,565                                 | -                  | 2,565              |
| 16.2.2 Share Cancellation Profits  |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 16.2.3 Other Capital Reserves  |                    | 387,204                                 | -                  | 387,204            | 387,204                               | -                  | 387,204            |
| 16.3 Other Accumulated Comprehensive Income or Expense that will not be Reclassified at Profit or Loss         |                    | (400,948)                               | -                  | (400,948)          | (53,164)                              | -                  | (53,164)           |
| 16.4 Other Accumulated Comprehensive Income or Expense that will be Reclassified at Profit or Loss             |                    | 850,597                                 | 123,098            | 973,695            | 269,152                               | (175,990)          | 93,162             |
| 16.5 Profit Reserves   |                    | 10,983,662                              | -                  | 10,983,662         | 9,070,764                             | -                  | 9,070,764          |
| 16.5.1 Legal Reserves  |                    | 606,596                                 | -                  | 606,596            | 510,951                               | -                  | 510,951            |
| 16.5.2 Status Reserves   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 16.5.3 Extraordinary Reserves  |                    | 10,489,526                              | -                  | 10,489,526         | 8,253,331                             | -                  | 8,253,331          |
| 16.5.4 Other Profit Reserves   |                    | (112,460)                               | -                  | (112,460)          | 306,482                               | -                  | 306,482            |
| 16.6 Profit or Loss  |                    | 11,190,604                              | -                  | 11,190,604         | 1,912,898                             | -                  | 1,912,898          |
| 16.6.1 Prior Periods' Profit / Loss  |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 16.6.2 Current Periods' Profit / Loss  |                    | 11,190,604                              | -                  | 11,190,604         | 1,912,898                             | -                  | 1,912,898          |
| <b>TOTAL LIABILITIES</b>   |                    | <b>172,619,795</b>                      | <b>102,527,621</b> | <b>275,147,416</b> | <b>87,321,831</b>                     | <b>106,735,191</b> | <b>194,057,022</b> |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

### FOR THE YEAR ENDED 31 DECEMBER 2022 AND 2021

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

#### II. STATEMENT OF OFF-BALANCE SHEET ITEMS

|  | Section 5<br>Notes | Audited<br>Current Period<br>31.12.2022 |                    |                    | Audited<br>Prior Period<br>31.12.2021 |                    |                    |
|--|--------------------|---|--------------------|--------------------|---------------------------------------|--------------------|--------------------|
|  |                    | TL                                      | FC                 | Total              | FC                                    | TL                 | Total              |
| <b>A. OFF BALANCE SHEET COMMITMENTS (I+II+III)</b>                     |                    | <b>194,689,424</b>                      | <b>235,219,732</b> | <b>429,909,156</b> | <b>116,127,369</b>                    | <b>166,079,544</b> | <b>282,206,913</b> |
| <b>I. GUARANTEES AND WARRANTIES</b>                                    | <b>(III-1)</b>     | <b>13,952,106</b>                       | <b>41,315,264</b>  | <b>55,267,370</b>  | <b>8,471,532</b>                      | <b>30,062,181</b>  | <b>38,533,713</b>  |
| 1.1 Letters of Guarantee   |                    | 9,436,845                               | 20,598,041         | 30,034,886         | 7,058,379                             | 14,037,146         | 21,095,525         |
| 1.1.1 Guarantees Subject to State Tender Law                           |                    | 152,535                                 | 205,253            | 357,788            | 133,980                               | 147,510            | 281,490            |
| 1.1.2 Guarantees Given for Foreign Trade Operations                    |                    | 658,658                                 | 771,147            | 1,429,805          | 395,162                               | 612,824            | 1,007,986          |
| 1.1.3 Other Letters of Guarantee                                       |                    | 8,625,652                               | 19,621,641         | 28,247,293         | 6,529,237                             | 13,276,812         | 19,806,049         |
| 1.2 Bank Acceptances   |                    | -                                       | 23,623             | 23,623             | -                                     | 33,680             | 33,680             |
| 1.2.1 Import Letter of Acceptance                                      |                    | -                                       | 23,623             | 23,623             | -                                     | 33,680             | 33,680             |
| 1.2.2 Other Bank Acceptances   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 1.3 Letters of Credit  |                    | -                                       | 15,650,244         | 15,650,244         | -                                     | 10,343,834         | 10,343,834         |
| 1.3.1 Documentary Letters of Credit                                    |                    | -                                       | 2,596,937          | 2,596,937          | -                                     | 4,046,781          | 4,046,781          |
| 1.3.2 Other Letters of Credit  |                    | -                                       | 13,053,307         | 13,053,307         | -                                     | 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   |                    | 2,495,355                               | 4,855,637          | 7,350,992          | 1,384,153                             | 4,279,755          | 5,663,908          |
| 1.9 Other Collaterals  |                    | 2,019,906                               | 187,719            | 2,207,625          | 29,000                                | 1,367,766          | 1,396,766          |
| <b>II. COMMITMENTS</b>   | <b>(III-1)</b>     | <b>38,750,601</b>                       | <b>5,487,840</b>   | <b>44,238,441</b>  | <b>24,865,509</b>                     | <b>8,633,167</b>   | <b>33,498,676</b>  |
| 2.1 Irrevocable Commitments  |                    | 38,750,601                              | 5,487,840          | 44,238,441         | 24,865,509                            | 8,633,167          | 33,498,676         |
| 2.1.1 Asset Purchase Commitments                                       |                    | 2,181,948                               | 5,049,902          | 7,231,850          | 3,543,805                             | 7,707,411          | 11,251,216         |
| 2.1.2 Deposit Purchase and Sale Commitments                            |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 2.1.3 Share Capital Commitment to Associates and Subsidiaries          |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 2.1.4 Loan Granting Commitments  |                    | 11,589,114                              | 68,589             | 11,657,703         | 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                                  |                    | 2,776,761                               | -                  | 2,776,761          | 2,135,381                             | -                  | 2,135,381          |
| 2.1.8 Tax and Fund Liabilities from Export Commitments                 |                    | 127,411                                 | -                  | 127,411            | 51,363                                | -                  | 51,363             |
| 2.1.9 Commitments for Credit Card Limits                               |                    | 22,073,226                              | -                  | 22,073,226         | 12,007,806                            | -                  | 12,007,806         |
| 2.1.10 Commitments for Credit Cards and Banking Services Promotions    |                    | 2,141                                   | -                  | 2,141              | 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                                   |                    | -                                       | 369,349            | 369,349            | -                                     | 873,254            | 873,254            |
| 2.2 Revocable Commitments  |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 2.2.1 Revocable Loan Granting Commitments                              |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 2.2.2 Other Revocable Commitments                                      |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| <b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>                           | <b>(III-2)</b>     | <b>141,986,717</b>                      | <b>188,416,628</b> | <b>330,403,345</b> | <b>82,790,328</b>                     | <b>127,384,196</b> | <b>210,174,524</b> |
| 3.1 Derivative Financial Instruments for Hedging Purposes              |                    | 965,300                                 | 18,524,343         | 19,489,643         | 21,649,500                            | 7,806,018          | 29,455,518         |
| 3.1.1 Fair Value Hedge   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 3.1.2 Cash Flow Hedge  |                    | 965,300                                 | 18,524,343         | 19,489,643         | 21,649,500                            | 7,806,018          | 29,455,518         |
| 3.1.3 Foreign Net Investment Hedges                                    |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 3.2 Held for Trading Transactions                                      |                    | 141,021,417                             | 169,892,285        | 310,913,702        | 61,140,828                            | 119,578,178        | 180,719,006        |
| 3.2.1 Forward Foreign Currency Buy/Sell Transactions                   |                    | 20,240,521                              | 22,818,260         | 43,058,781         | 11,386,300                            | 15,523,785         | 26,910,085         |
| 3.2.1.1 Forward Foreign Currency Transactions-Buy                      |                    | 19,213,785                              | 3,165,415          | 22,379,200         | 9,169,995                             | 4,268,100          | 13,438,095         |
| 3.2.1.2 Forward Foreign Currency Transactions-Sell                     |                    | 1,026,736                               | 19,652,845         | 20,679,581         | 2,216,305                             | 11,255,685         | 13,471,990         |
| 3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates |                    | 98,861,030                              | 100,640,060        | 199,501,090        | 47,269,862                            | 90,288,974         | 137,558,836        |
| 3.2.2.1 Foreign Currency Swap-Buy                                      |                    | 7,819,762                               | 55,239,445         | 63,059,207         | 1,451,736                             | 55,792,484         | 57,244,220         |
| 3.2.2.2 Foreign Currency Swap-Sell                                     |                    | 42,400,268                              | 21,434,565         | 63,834,833         | 30,279,126                            | 26,837,944         | 57,117,070         |
| 3.2.2.3 Interest Rate Swaps-Buy  |                    | 24,320,500                              | 11,983,025         | 36,303,525         | 7,769,500                             | 3,829,273          | 11,598,773         |
| 3.2.2.4 Interest Rate Swaps-Sell                                       |                    | 24,320,500                              | 11,983,025         | 36,303,525         | 7,769,500                             | 3,829,273          | 11,598,773         |
| 3.2.3 Foreign Currency, Interest Rate and Securities Options           |                    | 19,676,969                              | 43,135,835         | 62,812,804         | 2,116,848                             | 11,241,994         | 13,358,842         |
| 3.2.3.1 Foreign Currency Options-Buy                                   |                    | 15,275,312                              | 11,998,466         | 27,273,778         | 1,630,468                             | 2,022,308          | 3,652,776          |
| 3.2.3.2 Foreign Currency Options-Sell                                  |                    | 4,401,657                               | 23,201,409         | 27,603,066         | 486,380                               | 3,144,606          | 3,630,986          |
| 3.2.3.3 Interest Rate Options-Buy                                      |                    | -                                       | 3,967,980          | 3,967,980          | -                                     | 3,037,540          | 3,037,540          |
| 3.2.3.4 Interest Rate Options-Sell                                     |                    | -                                       | 3,967,980          | 3,967,980          | -                                     | 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   |                    | 2,242,897                               | 1,902,399          | 4,145,296          | 367,818                               | 439,173            | 806,991            |
| 3.2.4.1 Foreign Currency Futures-Buy                                   |                    | 2,242,897                               | -                  | 2,242,897          | 329,039                               | 113,632            | 442,671            |
| 3.2.4.2 Foreign Currency Futures-Sell                                  |                    | -                                       | 1,902,399          | 1,902,399          | 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  |                    | -                                       | 1,395,731          | 1,395,731          | -                                     | 2,084,252          | 2,084,252          |
| <b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>                       |                    | <b>214,548,922</b>                      | <b>99,667,403</b>  | <b>314,216,325</b> | <b>180,225,071</b>                    | <b>75,379,967</b>  | <b>255,605,038</b> |
| <b>IV. ITEMS HELD IN CUSTODY</b>                                       |                    | <b>36,050,128</b>                       | <b>17,580,575</b>  | <b>53,630,703</b>  | <b>32,867,319</b>                     | <b>11,269,226</b>  | <b>44,136,545</b>  |
| 4.1 Customer Fund and Portfolio Balances                               |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 4.2 Investment Securities Held in Custody                              |                    | 6,989,470                               | 16,227,035         | 23,216,505         | 12,863,893                            | 8,458,577          | 21,322,470         |
| 4.3 Cheques Received for Collection                                    |                    | 28,198,484                              | 524,707            | 28,723,191         | 19,057,718                            | 2,118,236          | 21,175,954         |
| 4.4 Commercial Notes Received for Collection                           |                    | 765,573                                 | 89,929             | 855,502            | 556,074                               | 131,845            | 687,919            |
| 4.5 Other assets Received for Collection                               |                    | 125                                     | 738,904            | 739,029            | 125                                   | 560,568            | 560,693            |
| 4.6 Assets Received for Public Offering                                |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 4.7 Other Items under Custody  |                    | 96,476                                  | -                  | 96,476             | 389,509                               | -                  | 389,509            |
| 4.8 Custodians   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| <b>V. PLEDGES RECEIVED</b>   |                    | <b>176,693,321</b>                      | <b>81,547,579</b>  | <b>258,240,900</b> | <b>146,582,395</b>                    | <b>63,783,004</b>  | <b>210,365,399</b> |
| 5.1 Marketable Securities  |                    | 1,756,158                               | 1,100,377          | 2,856,535          | 122,836                               | 673,062            | 795,898            |
| 5.2 Guarantee Notes  |                    | 65,804,173                              | 54,399,581         | 120,203,754        | 53,995,371                            | 42,876,164         | 96,871,535         |
| 5.3 Commodity  |                    | 220,087                                 | 364,691            | 584,778            | 226,267                               | -                  | 226,267            |
| 5.4 Warranty   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 5.5 Immovable  |                    | 90,488,447                              | 19,546,647         | 110,035,094        | 78,587,982                            | 15,290,955         | 93,878,937         |
| 5.6 Other Pledged Items  |                    | 18,424,456                              | 6,136,283          | 24,560,739         | 13,649,939                            | 4,942,823          | 18,592,762         |
| 5.7 Pledged Items-Depository   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| <b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>                    |                    | <b>1,805,473</b>                        | <b>539,249</b>     | <b>2,344,722</b>   | <b>775,357</b>                        | <b>327,737</b>     | <b>1,103,094</b>   |
| <b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>                       |                    | <b>409,238,346</b>                      | <b>334,887,135</b> | <b>744,125,481</b> | <b>296,352,440</b>                    | <b>241,459,511</b> | <b>537,811,951</b> |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

### FOR THE YEAR ENDED 31 DECEMBER 2022 AND 2021

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

#### III. STATEMENT OF PROFIT OR LOSS

| INCOME AND EXPENSE ITEMS |   | Section 5<br>Notes | Audited<br>Current Period<br>01.01-31.12.2022 | Audited<br>Prior Period<br>01.01-31.12.2021 |
|--------------------------|---|--------------------|---|---|
| <b>I.</b>                | <b>INTEREST INCOME</b>  | <b>(IV-1)</b>      | <b>35,430,003</b>                             | <b>15,688,351</b>                           |
| 1.1                      | Interest Income on Loans  |                    | 22,447,381                                    | 11,849,972                                  |
| 1.2                      | Interest Income on Reserve Requirements   |                    | 106,992                                       | 413,671                                     |
| 1.3                      | Interest Income on Banks  |                    | 194,798                                       | 132,632                                     |
| 1.4                      | Interest Income on Money Market Transactions  |                    | 399,142                                       | 118,711                                     |
| 1.5                      | Interest Income on Securities Portfolio   |                    | 12,210,806                                    | 3,107,460                                   |
| 1.5.1                    | Financial Assets at Fair Value Through Profit or Loss                                   |                    | 397,218                                       | 257,762                                     |
| 1.5.2                    | Financial Assets at Fair Value Through Other Comprehensive Income                       |                    | 1,716,148                                     | 709,714                                     |
| 1.5.3                    | Financial Assets Measured at Amortised Cost   |                    | 10,097,440                                    | 2,139,984                                   |
| 1.6                      | Financial Lease Income  |                    | -   | -   |
| 1.7                      | Other Interest Income   |                    | 70,884  | 65,905                                      |
| <b>II.</b>               | <b>INTEREST EXPENSE (-)</b>   | <b>(IV-2)</b>      | <b>15,242,650</b>                             | <b>8,835,958</b>                            |
| 2.1                      | Interest Expense on Deposits  |                    | 13,301,004                                    | 7,267,025                                   |
| 2.2                      | Interest Expense on Funds Borrowed  |                    | 1,194,918                                     | 646,307                                     |
| 2.3                      | Interest Expense on Money Market Transactions   |                    | 209,177                                       | 315,621                                     |
| 2.4                      | Interest Expense on Securities Issued   |                    | 200,253                                       | 451,610                                     |
| 2.5                      | Interest Expense on Leases  |                    | 170,503                                       | 105,359                                     |
| 2.6                      | Other Interest Expenses   |                    | 166,795                                       | 50,036                                      |
| <b>III.</b>              | <b>NET INTEREST INCOME/EXPENSE (I - II)</b>   |                    | <b>20,187,353</b>                             | <b>6,852,393</b>                            |
| <b>IV.</b>               | <b>NET FEES AND COMMISSIONS INCOME/EXPENSE</b>  |                    | <b>2,251,416</b>                              | <b>1,385,256</b>                            |
| 4.1                      | Fees and Commissions Received   |                    | 4,172,275                                     | 2,442,043                                   |
| 4.1.1                    | Non-cash Loans  |                    | 590,256                                       | 323,558                                     |
| 4.1.2                    | Other   | (IV-12)            | 3,582,019                                     | 2,118,485                                   |
| 4.2                      | Fees and Commissions Paid (-)   |                    | 1,920,859                                     | 1,056,787                                   |
| 4.2.1                    | Non-cash Loans  |                    | 6,637   | 7,301                                       |
| 4.2.2                    | Other   | (IV-12)            | 1,914,222                                     | 1,049,486                                   |
| <b>V.</b>                | <b>DIVIDEND INCOME</b>  | <b>(IV-3)</b>      | <b>15,843</b>                                 | <b>6,436</b>                                |
| <b>VI.</b>               | <b>TRADING INCOME / LOSS (Net)</b>  | <b>(IV-4)</b>      | <b>1,941,563</b>                              | <b>(1,997,967)</b>                          |
| 6.1                      | Securities Trading Gains / Losses   |                    | (60,603)                                      | (66,347)                                    |
| 6.2                      | Gains / Losses on Derivative Financial Instruments                                      |                    | (3,235,269)                                   | (2,761,832)                                 |
| 6.3                      | Foreign Exchange Gains / Losses   |                    | 5,237,435                                     | 830,212                                     |
| <b>VII.</b>              | <b>OTHER OPERATING INCOME</b>   | <b>(IV-5)</b>      | <b>301,647</b>                                | <b>218,534</b>                              |
| <b>VIII.</b>             | <b>GROSS OPERATING PROFIT (III+IV+V+VI+VII)</b>   |                    | <b>24,697,822</b>                             | <b>6,464,652</b>                            |
| <b>IX.</b>               | <b>EXPECTED CREDIT LOSS (-)</b>   | <b>(IV-6)</b>      | <b>1,782,264</b>                              | <b>(30,956)</b>                             |
| <b>X.</b>                | <b>OTHER PROVISION EXPENSES (-)</b>   | <b>(IV-6)</b>      | <b>399,926</b>                                | <b>1,572</b>                                |
| <b>XI.</b>               | <b>PERSONNEL EXPENSES (-)</b>   |                    | <b>3,963,920</b>                              | <b>1,828,080</b>                            |
| <b>XII.</b>              | <b>OTHER OPERATING EXPENSES (-)</b>   | <b>(IV-7)</b>      | <b>3,670,754</b>                              | <b>2,167,430</b>                            |
| <b>XIII.</b>             | <b>NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)</b>                                     |                    | <b>14,880,958</b>                             | <b>2,498,526</b>                            |
| <b>XIV.</b>              | <b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>                                    |                    | -   | -   |
| <b>XV.</b>               | <b>INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b> |                    | -   | -   |
| <b>XVI.</b>              | <b>INCOME/LOSS ON NET MONETARY POSITION</b>   |                    | -   | -   |
| <b>XVII.</b>             | <b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)</b>                  | <b>(IV-8)</b>      | <b>14,880,958</b>                             | <b>2,498,526</b>                            |
| <b>XVIII.</b>            | <b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>                                       | <b>(IV-9)</b>      | <b>3,690,354</b>                              | <b>585,628</b>                              |
| 18.1                     | Current Tax Provision   |                    | 5,323,264                                     | 166,686                                     |
| 18.2                     | Deferred Tax Expense Effect (+)   |                    | 3,331,536                                     | 3,014,587                                   |
| 18.3                     | Deferred Tax Income Effect (-)  |                    | (4,964,446)                                   | (2,595,645)                                 |
| <b>XIX.</b>              | <b>CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)</b>                | <b>(IV-10)</b>     | <b>11,190,604</b>                             | <b>1,912,898</b>                            |
| <b>XX.</b>               | <b>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.</b>              | <b>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.</b>             | <b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)</b>                     | <b>(IV-8)</b>      | -   | -   |
| <b>XXIII.</b>            | <b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>                                    |                    | -   | -   |
| 23.1                     | Current Tax Provision   |                    | -   | -   |
| 23.2                     | Deferred Tax Expense Effect (+)   |                    | -   | -   |
| 23.3                     | Deferred Tax Income Effect (-)  |                    | -   | -   |
| <b>XXIV.</b>             | <b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>             | <b>(IV-10)</b>     | -   | -   |
| <b>XXV.</b>              | <b>NET INCOME/LOSS (XIX+XXIV)</b>   | <b>(IV-11)</b>     | <b>11,190,604</b>                             | <b>1,912,898</b>                            |
|                          | Earnings per Share  |                    | 5.0765  | 0.8678                                      |

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



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022 AND 2021

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

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

|   | Audited<br>Current Period<br>01.01-31.12.2022 | Audited<br>Prior Period<br>01.01-31.12.2021 |
|---|---|---|
| <b>I. CURRENT PERIOD INCOME/LOSS</b>  | <b>11,190,604</b>                             | <b>1,912,898</b>                            |
| <b>II. OTHER COMPREHENSIVE INCOME</b>   | <b>532,749</b>                                | <b>295,070</b>                              |
| <b>2.1 Other Comprehensive Income that will not be Reclassified through Profit or Loss</b>                                    | <b>(347,784)</b>                              | <b>(112,884)</b>                            |
| 2.1.1 Gains/losses on Revaluation of Property, Plant and Equipment  | -   | -   |
| 2.1.2 Gains/losses on Revaluation of Intangible Assets  | -   | -   |
| 2.1.3 Gains/losses on Remeasurement of Defined Benefit Plans  | (480,424)                                     | (143,916)                                   |
| 2.1.4 Other Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss                     | 5,643   | 2,369                                       |
| 2.1.5 Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss         | 126,997                                       | 28,663                                      |
| <b>2.2 Other Comprehensive Income that will be Reclassified to Profit or Loss</b>   | <b>880,533</b>                                | <b>407,954</b>                              |
| 2.2.1 Exchange Differences on Translation   | -   | -   |
| 2.2.2 Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value Through Other Comprehensive Income | 1,172,875                                     | (141,097)                                   |
| 2.2.3 Income/Loss related with Cash Flow Hedges   | 1,743   | 658,228                                     |
| 2.2.4 Income/Loss related with Hedges of Net Investments in Foreign Operations  | -   | -   |
| 2.2.5 Other Components of Other Comprehensive Income that will be Reclassified through Other Profit or Loss                   | -   | -   |
| 2.2.6 Taxes Relating to Components of Other Comprehensive Income that will be Reclassified through Profit or Loss             | (294,085)                                     | (109,177)                                   |
| <b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>   | <b>11,723,353</b>                             | <b>2,207,968</b>                            |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2022 AND 2021

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

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

| STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY         |                 |                |                           |                        | Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss |           |        | Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss |           |          |                 |                               |                               |              |
|--|-----------------|----------------|---------------------------|------------------------|---|-----------|--------|---|-----------|----------|-----------------|-------------------------------|-------------------------------|--------------|
| Audited  | Paid-in Capital | Share Premiums | Share Cancellation Profit | Other Capital Reserves | 1   | 2         | 3      | 4   | 5         | 6        | Profit Reserves | Prior Period Profit or (Loss) | Current Period Profit or Loss | Total Equity |
| <b>Period-End Balance 31.12.2021</b>                 |                 |                |                           |                        |   |           |        |   |           |          |                 |                               |                               |              |
| <b>(III+IV+V+VI+VII+VIII+IX+X+XI)</b>                |                 |                |                           |                        |   |           |        |   |           |          |                 |                               |                               |              |
|  | 2,204,390       | 2,565          | -                         | 387,732                | 56,230  | (116,875) | 7,481  | -   | (199,636) | 292,798  | 9,070,764       | -                             | 1,912,898                     | 13,617,819   |
| <b>Current Period – 01.01-31.12.2022</b>             |                 |                |                           |                        |   |           |        |   |           |          |                 |                               |                               |              |
| I. Prior Period End Balance                          | 2,204,390       | 2,565          | -                         | 387,204                | 56,230  | (116,875) | 7,481  | -   | (199,636) | 292,798  | 9,070,764       | 1,912,898                     | -                             | 13,617,819   |
| II. Corrections According to TAS 8                   | -               | -              | -                         | -                      | -   | -         | -      | -   | -         | -        | -               | -                             | -                             | -            |
| 2.1 Effects of Corrections of Errors                 | -               | -              | -                         | -                      | -   | -         | -      | -   | -         | -        | -               | -                             | -                             | -            |
| 2.2 Effects of Changes in Accounting Policies        | -               | -              | -                         | -                      | -   | -         | -      | -   | -         | -        | -               | -                             | -                             | -            |
| III. New Balance (I-II)                              | 2,204,390       | 2,565          | -                         | 387,204                | 56,230  | (116,875) | 7,481  | -   | (199,636) | 292,798  | 9,070,764       | 1,912,898                     | -                             | 13,617,819   |
| IV. Total Comprehensive Income                       | -               | -              | -                         | -                      | -   | (353,014) | 5,230  | -   | 890,887   | (10,354) | -               | -                             | 11,190,604                    | 11,723,353   |
| V. Capital Increase by Cash                          | -               | -              | -                         | -                      | -   | -         | -      | -   | -         | -        | -               | -                             | -                             | -            |
| VI. Capital Increase by Internal Sources             | -               | -              | -                         | -                      | -   | -         | -      | -   | -         | -        | -               | -                             | -                             | -            |
| VII. Paid-in Capital Inflation Adjustment Difference | -               | -              | -                         | -                      | -   | -         | -      | -   | -         | -        | -               | -                             | -                             | -            |
| VIII. Convertible Bonds to Shares                    | -               | -              | -                         | -                      | -   | -         | -      | -   | -         | -        | -               | -                             | -                             | -            |
| IX. Subordinated Debt Instruments                    | -               | -              | -                         | -                      | -   | -         | -      | -   | -         | -        | -               | -                             | -                             | -            |
| X. Increase/Decrease by Other Changes                | -               | -              | -                         | -                      | -   | -         | -      | -   | -         | -        | -               | -                             | -                             | -            |
| XI. Profit Distribution                              | -               | -              | -                         | -                      | -   | -         | -      | -   | -         | -        | 1,912,898       | (1,912,898)                   | -                             | -            |
| 11.1 Dividends Paid                                  | -               | -              | -                         | -                      | -   | -         | -      | -   | -         | -        | -               | -                             | -                             | -            |
| 11.2 Transfers to Reserves                           | -               | -              | -                         | -                      | -   | -         | -      | -   | -         | -        | 1,912,898       | (1,912,898)                   | -                             | -            |
| 11.3 Other   | -               | -              | -                         | -                      | -   | -         | -      | -   | -         | -        | -               | -                             | -                             | -            |
| <b>Period-End Balance 31.12.2022</b>                 |                 |                |                           |                        |   |           |        |   |           |          |                 |                               |                               |              |
| <b>(III+IV+V+VI+VII+VIII+IX+X+XI)</b>                |                 |                |                           |                        |   |           |        |   |           |          |                 |                               |                               |              |
|  | 2,204,390       | 2,565          | -                         | 387,204                | 56,230  | (469,889) | 12,711 | -   | 691,251   | 282,444  | 10,983,662      | -                             | 11,190,604                    | 25,341,172   |

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

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

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

4. Foreign currency translation differences,

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR 1 JANUARY TO 31 DECEMBER 2022 AND 2021

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

### VI. STATEMENT OF CASH FLOWS

|   | Section 5<br>Notes | Audited<br>Current Period<br>01.01-31.12.2022 | Audited<br>Prior Period<br>01.01-31.12.2021 |
|---|--------------------|---|---|
| <b>A. CASH FLOWS FROM BANKING OPERATIONS</b>  |                    |   |   |
| <b>1.1 Operating Profit Before Changes in Banking Operations Assets and Liabilities</b>       |                    | <b>12,399,324</b>                             | <b>12,950,185</b>                           |
| 1.1.1 Interest Received   |                    | 23,650,225                                    | 14,185,899                                  |
| 1.1.2 Interest Paid   |                    | (13,471,609)                                  | (8,661,220)                                 |
| 1.1.3 Dividend Received   |                    | 15,843  | 6,436                                       |
| 1.1.4 Fees and Commissions Received   |                    | 3,828,072                                     | 2,383,938                                   |
| 1.1.5 Other Income  |                    | 7,048,644                                     | 1,048,746                                   |
| 1.1.6 Collections from Previously Written-Off Loans   |                    | 1,480,497                                     | 1,140,863                                   |
| 1.1.7 Payments to Personnel and Service Suppliers   |                    | (3,648,682)                                   | (1,790,465)                                 |
| 1.1.8 Taxes Paid  |                    | (4,085,715)                                   | (415,202)                                   |
| 1.1.9 Other   | (VI-1)             | (2,417,951)                                   | 5,051,190                                   |
| <b>1.2 Changes in Banking Operations Assets and Liabilities</b>                               |                    | <b>4,752,166</b>                              | <b>(2,316,266)</b>                          |
| 1.2.1 Net (Increase) in Financial Asset at Fair Value Through Profit or Loss                  |                    | (570,636)                                     | (1,167,412)                                 |
| 1.2.2 Net (Increase) in Due From Banks  |                    | (23,093)                                      | (73,186)                                    |
| 1.2.3 Net (Increase) in Loans   |                    | (31,794,568)                                  | (14,685,386)                                |
| 1.2.4 Net (Increase) in Other Assets  | (VI-1)             | (7,262,911)                                   | (9,886,311)                                 |
| 1.2.5 Net (Decrease) in Bank Deposits   |                    | (2,291,208)                                   | (3,183,214)                                 |
| 1.2.6 Net Increase in Other Deposits  |                    | 48,086,596                                    | 15,499,421                                  |
| 1.2.7 Net Increase / (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss |                    | -   | -   |
| 1.2.8 Net (Decrease) / Increase in Funds Borrowed   |                    | (4,534,831)                                   | 5,821,763                                   |
| 1.2.9 Net Increase / (Decrease) in Matured Payables   |                    | -   | -   |
| 1.2.10 Net Increase in Other Liabilities  | (VI-1)             | 3,142,817                                     | 5,358,059                                   |
| <b>I. Net Cash Flows Provided from Banking Operations</b>                                     |                    | <b>17,151,490</b>                             | <b>10,633,919</b>                           |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |   |   |
| <b>II. Net Cash Flow Provided from Investing Activities</b>                                   |                    | <b>(8,693,791)</b>                            | <b>(1,692,346)</b>                          |
| 2.1 Purchase of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)      |                    | -   | -   |
| 2.2 Sale of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)          |                    | -   | -   |
| 2.3 Purchase of Tangible Assets   |                    | (358,864)                                     | (227,095)                                   |
| 2.4 Sale of Tangible Assets   |                    | 37,268  | 3,618                                       |
| 2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income             |                    | (1,837,191)                                   | (3,472,651)                                 |
| 2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income                 |                    | 4,392,264                                     | 6,749,988                                   |
| 2.7 Purchase of Financial Assets Measured at Amortised Cost                                   |                    | (12,931,495)                                  | (6,645,155)                                 |
| 2.8 Sale of Financial Assets Measured at Amortised Cost                                       |                    | 2,428,011                                     | 2,016,874                                   |
| 2.9 Other   | (VI-1)             | (423,784)                                     | (117,925)                                   |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                    |   |   |
| <b>III. Net Cash Provided from Financing Activities</b>                                       |                    | <b>(1,522,577)</b>                            | <b>(3,817,143)</b>                          |
| 3.1 Cash Obtained from Funds Borrowed and Securities Issued                                   |                    | 5,333,859                                     | 10,033,681                                  |
| 3.2 Cash Outflow from Repayment of Funds Borrowed and Securities Issued                       |                    | (6,501,860)                                   | (13,594,895)                                |
| 3.3 Equity Instruments Issued   |                    | -   | -   |
| 3.4 Dividends Paid  |                    | -   | -   |
| 3.5 Payments For Leases   |                    | (354,576)                                     | (255,929)                                   |
| 3.6 Other   |                    | -   | -   |
| <b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>             | (VI-1)             | <b>3,764,592</b>                              | <b>2,128,252</b>                            |
| <b>V. Net Increase in Cash and Cash Equivalents</b>   |                    | <b>10,699,714</b>                             | <b>7,252,682</b>                            |
| <b>VI. Cash and Cash Equivalents at Beginning of the Period</b>                               |                    | <b>31,327,221</b>                             | <b>24,074,539</b>                           |
| <b>VII. Cash and Cash Equivalents at End of the Period</b>                                    | (VI-2)             | <b>42,026,935</b>                             | <b>31,327,221</b>                           |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR 31 DECEMBER 2022 AND 2021

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

### VII. STATEMENT OF PROFIT DISTRIBUTION

|  | Audited<br>Current Period<br>31.12.2022(*) | Audited<br>Prior Period<br>31.12.2021 |
|--|--|---------------------------------------|
| <b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>                      |  |                                       |
| 1.1 CURRENT YEAR INCOME  | 14,880,958                                 | 2,498,526                             |
| 1.2 TAXES AND DUTIES PAYABLE (-)                                   | 3,690,354                                  | 585,628                               |
| 1.2.1 Corporate Tax (Income Tax)                                   | 5,323,264                                  | 166,686                               |
| 1.2.2 Income Withholding Tax                                       | -  | -                                     |
| 1.2.3 Other Taxes and Duties (**)                                  | (1,632,910)                                | 418,942                               |
| <b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>                        | <b>11,190,604</b>                          | <b>1,912,898</b>                      |
| 1.3 PRIOR YEARS' LOSSES (-)  | -  | -                                     |
| 1.4 FIRST LEGAL RESERVES (-)                                       | -  | 95,645                                |
| 1.5 OTHER STATUTORY RESERVES (-)                                   | -  | -                                     |
| <b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]</b> | <b>11,190,604</b>                          | <b>1,817,253</b>                      |
| 1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)                             | -  | -                                     |
| 1.6.1 To Owners of Ordinary Shares                                 | -  | -                                     |
| 1.6.2 To Owners of Preferred Shares                                | -  | -                                     |
| 1.6.3 To Owners of Preferred Shares (Pre-emptive Rights)           | -  | -                                     |
| 1.6.4 To Profit Sharing Bonds                                      | -  | -                                     |
| 1.6.5 To Holders of Profit and Loss Sharing Certificates           | -  | -                                     |
| 1.7 DIVIDENDS TO PERSONNEL (-)                                     | -  | -                                     |
| 1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)                            | -  | -                                     |
| 1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)                            | -  | -                                     |
| 1.9.1 To Owners of Ordinary Shares                                 | -  | -                                     |
| 1.9.2 To Owners of Preferred Shares                                | -  | -                                     |
| 1.9.3 To Owners of Preferred Shares (Pre-emptive Rights)           | -  | -                                     |
| 1.9.4 To Profit Sharing Bonds                                      | -  | -                                     |
| 1.9.5 To Holders of Profit and Loss Sharing Certificates           | -  | -                                     |
| 1.10 SECOND LEGAL RESERVES (-)                                     | -  | -                                     |
| 1.11 STATUTORY RESERVES (-)  | -  | -                                     |
| 1.12 EXTRAORDINARY RESERVES  | -  | 1,817,253                             |
| 1.13 OTHER RESERVES  | -  | -                                     |
| 1.14 SPECIAL FUNDS   | -  | -                                     |
| <b>II. DISTRIBUTION OF RESERVES</b>                                | -  | -                                     |
| 2.1 DISTRIBUTED RESERVES   | -  | -                                     |
| 2.2 SECOND LEGAL RESERVES (-)                                      | -  | -                                     |
| 2.3 DIVIDENDS TO SHAREHOLDERS (-)                                  | -  | -                                     |
| 2.3.1 To Owners of Ordinary Shares                                 | -  | -                                     |
| 2.3.2 To Owners of Preferred Shares                                | -  | -                                     |
| 2.3.3 To Owners of Preferred Shares (Pre-emptive Rights)           | -  | -                                     |
| 2.3.4 To Profit Sharing Bonds                                      | -  | -                                     |
| 2.3.5 To Holders of Profit and Loss Sharing Certificates           | -  | -                                     |
| 2.4 DIVIDENDS TO PERSONNEL (-)                                     | -  | -                                     |
| 2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)                            | -  | -                                     |
| <b>III. EARNINGS PER SHARE</b>                                     | -  | -                                     |
| 3.1 TO OWNERS OF ORDINARY SHARES                                   | 5.0765                                     | 0.8678                                |
| 3.2 TO OWNERS OF ORDINARY SHARES ( % )                             | 507.65                                     | 86.78                                 |
| 3.3 TO OWNERS OF PREFERRED SHARES                                  | -  | -                                     |
| 3.4 TO OWNERS OF PREFERRED SHARES ( % )                            | -  | -                                     |
| <b>IV. DIVIDEND PER SHARE</b>                                      | -  | -                                     |
| 4.1 TO OWNERS OF ORDINARY SHARES                                   | -  | -                                     |
| 4.2 TO OWNERS OF ORDINARY SHARES ( % )                             | -  | -                                     |
| 4.3 TO OWNERS OF PREFERRED SHARES                                  | -  | -                                     |
| 4.4 TO OWNERS OF PREFERRED SHARES ( % )                            | -  | -                                     |

(\*) The authorized body of the Bank regarding profit distribution is the General Assembly, and as of the preparation date of these financial statements, the annual ordinary General Assembly meeting has not been held yet. Since the profit distribution proposal for 2022 has not yet been prepared by the Board of Directors, only the distributable profit amount is indicated in the profit distribution table.

(\*\*) Deferred tax income shown in other tax and legal liabilities (31 December 2021: Deferred tax expense).

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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### SECTION THREE

#### ACCOUNTING PRINCIPLES

##### I. Basis of Presentation

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

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

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

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

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. The COVID-19 outbreak, especially in countries that are over-exposed to the pandemic, causes disruptions in operations and adversely affects economic conditions both regionally and globally.

The effects of this global pandemic on the Bank's financial statements are regularly monitored by the Risk Management as well as the Bank's Management. While preparing the financial statements as of 31 December 2022, the Bank reflected the possible effects of the COVID-19 outbreak on the estimates and judgements used in the preparation of the financial statements.

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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### I. Basis of Presentation (continued)

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

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

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

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

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

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

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

As a component of risk management strategy of the Bank, risk bearing short 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 manages the maturity mismatches while deciding the short, medium and long term strategies as well as adopting the principle of positive balance sheet margin as a pricing policy.

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

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

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

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

### III. Explanations on Investments in Associates, Subsidiaries and Joint Ventures

In accordance with “TAS 27”, investments in associates, subsidiaries and joint ventures are accounted with cost values and are reflected on the financial statements after deducting the provision for impairment, if any.

The dividends received from investments in associates, subsidiaries and joint ventures are reflected to income statements at the date of the right to receive dividend.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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

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

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

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

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

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

All derivative financial instruments are valued using the fair value method. The fair value of derivative financial instruments traded in organized markets is their price in the organized market. Within the scope of IFRS 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 quoted price and reflects this adjustment in the fair value measurement. In this context, the Bank determines the point in the range that best reflects the fair value in the current market conditions.

The cash flows of forward, currency swap, interest rate swap, and cross currency swap transactions should be determined firstly in order to measure with fair value method. Expected cash flows due to the floating interest rate for these products are defined according to market interest rate at the valuation date. The valuation is 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 transactions based on interest are valued according to the fair value method as well as the effective interest rate method. While the sum of the valuation amount made for such derivative transactions is shown in a single valuation account in the balance sheet, the amount calculated according to the effective interest method on the income/expense side and the difference amounts calculated according to the fair value method are shown in separate accounts.

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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 (continued)

#### Explanations on derivatives for hedging purposes

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

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

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

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

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

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

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

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



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### V. Explanations on Interest Income and Expenses (continued)

If there is an unpaid-interest accrual prior to the acquisition of an interest-bearing security; subsequently collected interest is divided into pre-acquisition and post-acquisition periods and only the post-acquisition portion is reflected in the financial statements as interest income. If the expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the change is reflected in the carrying value of the asset and the related income statement item and amortised 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 loans (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 amortised cost are accounted in accordance with the TFRS 15 Revenue from Contracts with Customers Standard.

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

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

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

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

### VII. Explanations on Financial Assets

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### VII. Explanations on Financial Assets (continued)

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

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

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

Accounting policies related to derivative financial instruments at fair value through profit or loss are explained in Section III note 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 amortised cost of the financial assets, i.e. “Unrealized gains and losses”, is not recognized in the statement of profit or loss until the realization of the financial asset, the sale of the asset, the disposal of the asset or being impaired of the asset are accounted under “Other Accumulated Comprehensive Income or Expenses that will be reclassified at Profit or Loss” under shareholders' equity. Accumulated fair value differences under equity are reflected to the income statement when such securities are collected or disposed.

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

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

In addition, the Bank's securities portfolio includes financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, and consumer price (“CPI”) indexed government bonds classified as financial assets measured at amortised 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 prior. The bank determines the estimated inflation rate in parallel with this. The estimated inflation rate, taking into account the Central Bank of the Republic of Turkey and the Bank's expectations, is updated during the year when deemed necessary. At the end of the year, the actual inflation rate is used.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### VII. Explanations on Financial Assets (continued)

#### *Financial Assets Measured at Amortised Cost*

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

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

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

#### *Loans:*

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

### VIII. Explanations on Impairment of Financial Assets

As of 1 January 2018, a loss allowance for expected credit losses is provided for all financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income, all financial assets, which are not measured at fair value through profit or loss, loan commitments and financial guarantee contracts in accordance with TFRS 9 principles and the regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with “Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans”. Equity instruments are not subject to impairment assessment as they are measured at fair value.

Measurement of the expected credit losses reflects:

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

The Bank has changed its credit calculation method with the expected credit loss model as of 1 January 2018. Expected credit losses include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions and the time value of money. The financial assets are divided into “3 stage” 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 criterias have been taken into account in classification a financial asset as Stage 2:

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

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

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### VIII. Explanations on Impairment of Financial Assets (continued)

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

#### Stage 3:

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

#### Expected Credit Loss Calculation

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

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

There are mainly 3 loan portfolios as Commercial portfolios, Retail portfolios and Public portfolios.

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

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

The Bank considers different scenarios in the calculation of expected credit 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.

| Period (*) | 2022 |      |      |      | 2023 |      |      |      | 2024 |      |      |      | 2025 |      |      |      |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
|            | 1    | 2    | 3    | 4    | 1    | 2    | 3    | 4    | 1    | 2    | 3    | 4    | 1    | 2    | 3    | 4    |
| GDP        | 7.34 | 7.66 | 3.62 | 0.50 | 0.62 | 0.75 | 2.70 | 7.17 | 3.64 | 4.46 | 4.20 | 1.74 | 4.00 | 3.50 | 3.90 | 4.50 |

(\*)Represents 3-month periods.

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

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

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

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### VIII. Explanations on Impairment of Financial Assets (continued)

#### Expected Credit Loss Calculation (continued)

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

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

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

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

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

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

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

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

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

Qualitative assessments:

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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### VIII. Explanations on Impairment of Financial Assets (continued)

#### Expected Credit Loss Calculation (continued)

Quantitative assessments:

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

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

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

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

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

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

Treasury bills and government bonds within the scope of repurchase agreements are classified in financial statements as financial assets carried at amortised 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 Funds” in income statement.

Securities purchased under repurchase agreements (“reverse repo”) are accounted under “Money Market Placements” in the balance sheet. The difference between the purchase and resell price of the repurchase agreements is accrued over the life of repurchase agreements. As of 31 December 2022, the Bank has TL 7,604,278 reverse repo transaction (31 December 2021: None).

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

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

Non-current assets held for sale consists of tangible assets acquired with regards to the non-performing loans and accounted in financial statements in accordance with “IFRS 5 Assets Held for Sale and Discontinued Operations”. An asset (or disposal group) classified as held for sale in accordance with IFRS 5 is measured at the lower of its carrying amount and fair value less costs to sell. For an asset to be held for sale, the asset (or disposal group) must be available for immediate sale under the conditions common and customary for the sale of such assets, and the sale must be highly probable. In order to have a high probability of sale; A plan for the sale of the asset must have been made by an appropriate level of management and an active program of identification of buyers and completion of the plan must have been initiated. In addition, the asset must be actively marketed at a price consistent with its fair value.

As of 31 December 2022, assets held for sale and discontinued operations of the Bank are TL 100,370 (31 December 2021: TL 65,933). As per the appraisals performed for the real estates held for sale included “Assets Held for Sale” in the financial statements, TL 3,158 (31 December 2021: TL 2,288) has been reserved as provision for impairment losses.

As of 31 December 2022, the Bank has no discontinued operations.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

As explained in note 1 of Section 1, under the Banking Regulation and Supervision Agency decision dated 10 February 2011 and the release of decision in Official Gazette 12 February 2011 dated and numbered as 27844 the merger of two banks was realized by terminating the legal entity of Fortis Bank A.Ş. and transferring all its rights, receivables (assets and liabilities) to the Bank as a whole as stated in Istanbul Commerce Trade dated 14 February 2011.

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

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

Intangible assets are accounted for at restated cost until 31 December 2004 in accordance with inflation accounting and are amortised 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 amortised on a straight-line method. The cost of assets subject to amortization is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### XIII. Explanations on Tangible Assets

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

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

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

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

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

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

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

### XIV. Explanations on Leasing Transactions

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

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

Public Oversight Authority (POA) made amendments in IFRS 16 “Leases” standard by publishing the Concessions Granted in Lease Payments Regarding COVID-19 – “amendments regarding IFRS 16 Leases” on 5 June 2020. With this amendment, exception is granted to lessee on the subject of not evaluating whether the privileges granted on lessees' lease payments due to COVID-19 are changes on leasing or not. The subjected changes did not have a significant impact on the Bank's financial position or performance.

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

### XV. Explanations on Provisions and Contingent Liabilities

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

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



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XVI. Explanations on Contingent Assets

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

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

### XVII. Explanations on Liabilities Regarding Employee Benefits

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30-day salary to each employee who has completed over 1 year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. According to the Turkish Accounting Standard on Employee Benefits No. 19, the total benefit is calculated for employees who have completed one year of employment and whose working period has expired due to retirement, or who are left voluntarily or dismissed.

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

Employees transferred to the Bank following the business combination defined in “General Information” of the Bank and Fortis Bank A.Ş. are the members of “Fortis Bank A.Ş. Mensupları Emekli Sandığı” (the “Pension Fund”) which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No: 506. Technical financial statements of the Pension Fund are audited by a licensed actuary in accordance with Article 38 of the Insurance Supervisory Law and the “Actuary Regulations” issued based on the same article. As of 31 December 2022, the Pension Fund has 1,351 employees and 1,302 pensioners (31 December 2021: 1,414 employees and 1,238 pensioners).

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

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

The technical financial statements of the Pension Fund are prepared by an independent actuary company considering related regulation and the Fund is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2022. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### XVIII. Explanations on Taxation

#### *Corporate Tax*

In Turkey, corporate tax applied at the rate of 20% for corporate income is applied at 25% for the corporate income for the taxation period of 2021 and 23% for the corporate income for the taxation period of 2022 in accordance with the regulation introduced by the Law No. 7316 "Law on the Amendment of the Law on the Procedure for Collection of Public Receivables and Certain Laws", and pursuant to the regulation numbered 7394 "Law on the Amendment of Certain Laws and Decree Laws with the Law on the Evaluation of Immovable Properties Belonging to the Treasury and Amendment to the Value Added Tax Law", this rate has been determined as 25% to be applied to the corporate income of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorised foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies for the taxation period starting from 2022. In addition, with the Law No. 7417 "Law on the Amendment of the Law on Civil Servants and Certain Laws and the Decree Law No. 375", the effective article of the 25% rate determined within the scope of Law No. 7394 has been amended, and thus, the relevant regulation has been made that 25% corporate tax will be calculated on the corporate income of the above-mentioned banks and financial institutions for the taxation period of 2023 and the following periods.

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

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

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

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

In accordance with the repeated Article 298 of the Tax Procedure Law, 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 period, the financial statements will be subject to inflation adjustment and these conditions have been met as of 31 December 2021. 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, provisional 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 Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

In the scope of TAS 12 Income Taxes standard, deferred tax assets or liabilities are calculated based on tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using tax rates expected to be applied in the periods when assets are converted into income or liabilities are paid. As of 31 December 2022, the deferred tax is calculated over 25% in accordance with the tax legislation in effect.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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### **XVIII. Explanations on Taxation (continued)**

*Deferred Tax Asset/Liability (continued)*

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

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

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

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

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

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

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

There is no share issued in 2022.

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

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

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

There is no government incentive utilized by the Bank.

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XXIII. Explanations on Reporting According to Segmentation (continued)

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

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

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

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

| Current Period                   | Retail and<br>Private Banking | Corporate<br>Banking | SME<br>Banking | Other            | Total             |
|----------------------------------|-------------------------------|----------------------|----------------|------------------|-------------------|
| Dividend Income                  | -                             | -                    | -              | 15,843           | 15,843            |
| Profit Before Tax                | 326,733                       | 2,586,867            | 813,904        | 11,153,454       | 14,880,958        |
| Tax Provision (-)                | -                             | -                    | -              | 3,690,354        | 3,690,354         |
| <b>Net Profit for the Period</b> | <b>326,733</b>                | <b>2,586,867</b>     | <b>813,904</b> | <b>7,463,100</b> | <b>11,190,604</b> |

| Current Period   | Retail and<br>Private Banking | Corporate<br>Banking | SME<br>Banking    | Other              | Total              |
|--|-------------------------------|----------------------|-------------------|--------------------|--------------------|
| Segment Assets   | 48,234,746                    | 64,166,177           | 31,186,936        | 131,443,516        | 275,031,375        |
| Investments in Associates, Subsidiaries and<br>Jointly Controlled Entities | -                             | -                    | -                 | 116,041            | 116,041            |
| <b>Total Assets</b>  | <b>48,234,746</b>             | <b>64,166,177</b>    | <b>31,186,936</b> | <b>131,559,557</b> | <b>275,147,416</b> |
| Segment Liabilities  | 133,566,378                   | 44,392,175           | 20,788,852        | 51,058,839         | 249,806,244        |
| Shareholders’ Equity   | -                             | -                    | -                 | 25,341,172         | 25,341,172         |
| <b>Total Liabilities</b>   | <b>133,566,378</b>            | <b>44,392,175</b>    | <b>20,788,852</b> | <b>76,400,011</b>  | <b>275,147,416</b> |

| Prior Period (31.12.2021)        | Retail and<br>Private Banking | Corporate<br>Banking | SME<br>Banking | Other          | Total            |
|----------------------------------|-------------------------------|----------------------|----------------|----------------|------------------|
| Dividend Income                  | -                             | -                    | -              | 6,436          | 6,436            |
| Profit Before Tax                | 692,663                       | 638,564              | 337,316        | 829,983        | 2,498,526        |
| Tax Provision (-)                | -                             | -                    | -              | 585,628        | 585,628          |
| <b>Net Profit for the Period</b> | <b>692,663</b>                | <b>638,564</b>       | <b>337,316</b> | <b>244,355</b> | <b>1,912,898</b> |

| Prior Period (31.12.2021)  | Retail and<br>Private Banking | Corporate<br>Banking | SME<br>Banking    | Other             | Total              |
|--|-------------------------------|----------------------|-------------------|-------------------|--------------------|
| Segment Assets   | 36,799,694                    | 42,523,918           | 23,996,403        | 90,620,966        | 193,940,981        |
| Investments in Associates, Subsidiaries and<br>Jointly Controlled Entities | -                             | -                    | -                 | 116,041           | 116,041            |
| <b>Total Assets</b>  | <b>36,799,694</b>             | <b>42,523,918</b>    | <b>23,996,403</b> | <b>90,737,007</b> | <b>194,057,022</b> |
| Segment Liabilities  | 84,801,710                    | 32,564,690           | 14,272,783        | 48,800,020        | 180,439,203        |
| Shareholders’ Equity   | -                             | -                    | -                 | 13,617,819        | 13,617,819         |
| <b>Total Liabilities</b>   | <b>84,801,710</b>             | <b>32,564,690</b>    | <b>14,272,783</b> | <b>62,417,839</b> | <b>194,057,022</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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### **XXIV. Explanations on Other Matters**

According to the decision taken at the Ordinary General Assembly Meeting of the Parent Bank held on 28 March 2022, out of the net balance sheet profit for the year 2021 amounting to TL 1,912,898, TL 95,645 was allocated to Legal Reserves and TL 1.56 (full TL) was allocated to Extraordinary Reserves as recommended by the Board of Directors.

### **XXV. Reclassifications**

Reclassifications have been made on the income statement and cash flow statement as of 31 December 2021 in order to comply with the presentation of 31 December 2022 financial statements. The related reclassification has no impact on the Bank's performance.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### SECTION FOUR

#### INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

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

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

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

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

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

In accordance with the Board decision dated 21 December 2021 and numbered 9996, in case of the net valuation differences of the financial assets included in the portfolio of “Securities at Fair Value through Other Comprehensive Income” as of the decision date are negative, these differences have been calculated in accordance with the Regulation on the Equity of Banks published in the Official Gazette dated 5 September 2013 and numbered 28756 and have not been taken into account in the amount of equity to be used for the capital adequacy ratio.

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

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

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

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

The Bank's current period equity amount calculated as of 31 December 2022 is TL 35,975,066 (31 December 2021: TL 21,405,622), and the capital adequacy standard ratio is 18.60% (31 December 2021: 18.05%). The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation. Credit risk “standard approach” for banking accounts, market risk “standard method” for trading accounts, counterparty credit risk “fair value valuation method” for derivatives and repo transactions, credit valuation adjustment capital load “standard method” for over-the-counter derivative transactions method and operational risk were calculated using the “basic indicator method”.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### Information related to the Components of Shareholders' Equity:

|   | Current Period<br>31.12.2022 | 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 issued premiums   | 2,565                        | 2,565                      |
| Reserves  | 10,750,554                   | 9,277,740                  |
| Gains recognized in equity as per Turkish Accounting Standards (TAS)  | 783,777                      | 4,611                      |
| Profit  | 11,190,604                   | 1,912,898                  |
| Current Period's Profit   | 11,190,604                   | 1,912,898                  |
| Prior Years' Profit   | -                            | -                          |
| Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit  | -                            | -                          |
| <b>Common Equity Tier 1 Capital Before Deductions</b>   | <b>25,132,152</b>            | <b>13,602,466</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   | -                            | -                          |
| Leasehold improvements on operational leases  | 44,823                       | 35,683                     |
| Goodwill netted off deferred tax liability  | 421,124                      | 421,124                    |
| Other intangible assets netted off deferred tax liabilities except mortgage servicing rights.   | 433,685                      | 166,241                    |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)   | -                            | -                          |
| Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk   | -                            | -                          |
| Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision  | -                            | -                          |
| Gains arising from securitization transactions  | -                            | -                          |
| Unrealized gains and losses due to changes in own credit risk on fair value of Bank's liabilities   | -                            | -                          |
| Net amount of defined-benefit plan assets   | -                            | -                          |
| Direct and indirect investments of the Bank in its own Tier 1 Capital   | -                            | -                          |
| Excess amount expressed in the law (Article 56 4th paragraph)   | -                            | -                          |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)                      | -                            | -                          |
| Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions (amount above 10% threshold) of Tier 1 Capital  | -                            | -                          |
| Mortgage servicing rights (amount above 10% threshold) of Tier 1 Capital  | -                            | -                          |
| Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)   | -                            | -                          |
| Amounts exceeding 15% of Tier 1 Capital in accordance with the second paragraph of the Provisional Article 2 of the Regulation on Banks' Equity)  | -                            | -                          |
| 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>899,632</b>               | <b>623,048</b>             |
| <b>Total Common Equity Tier 1 Capital</b>   | <b>24,232,520</b>            | <b>12,979,418</b>          |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

|   | Current Period<br>31.12.2022 | 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 (In the scope of Provisional Article 4)  | -                            | -                          |
| <b>Additional Tier 1 Capital Before Deductions</b>  | -                            | -                          |
| <b>Deductions from Additional Tier 1 Capital</b>  |                              |                            |
| Bank's direct or indirect investment on its own Tier 1 Capital  | -                            | -                          |
| Investments in equity instruments issued by banks or financial institutions invested in Bank's additional Tier I Capital which are compatible with the article 7 of the regulation  | -                            | -                          |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of Common Equity Tier 1 Capital                                       | -                            | -                          |
| The total of net long position of the direct or indirect investments in Additional Tier 1 Capital of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital  | -                            | -                          |
| Other Items Determined by BRSA  | -                            | -                          |
| <b>Items to be deducted from Tier I Capital during the Transition Period</b>  |                              |                            |
| Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)                              | -                            | -                          |
| Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)   | -                            | -                          |
| The amount to be deducted from Additional Tier 1 Capital (-)  | -                            | -                          |
| <b>Total Deductions from Additional Tier 1 Capital</b>  | -                            | -                          |
| <b>Total Additional Tier 1 Capital</b>  | -                            | -                          |
| <b>Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)</b>  | <b>24,232,520</b>            | <b>12,979,418</b>          |
| <b>TIER 2 CAPITAL</b>   |                              |                            |
| Debt instruments and related issuance premiums defined by the BRSA  | 9,560,582                    | 7,140,542                  |
| Debt instruments and related issuance premiums defined by the BRSA (Provisional Article 4)  | -                            | -                          |
| Provisions (Amounts stated in the first paragraph of the article 8 of the Regulation on the Bank Capital)   | 2,204,969                    | 1,313,195                  |
| <b>Tier 2 Capital Before Deductions</b>   | <b>11,765,551</b>            | <b>8,453,737</b>           |
| <b>Deductions From Tier 2 Capital</b>   |                              |                            |
| Bank's direct or indirect investment on its own Tier 2 Capital (-)  | -                            | -                          |
| Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital which are compatible with Article 8 of the regulation   | -                            | -                          |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of Common Equity Tier 1 Capital (-)                                   | -                            | -                          |
| The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital | -                            | -                          |
| Other items determined by BRSA (-)  | -                            | -                          |
| <b>Total Deductions from Tier 2 Capital</b>   | -                            | -                          |
| <b>Total Tier 2 Capital</b>   | <b>11,765,551</b>            | <b>8,453,737</b>           |
| <b>Total Capital (The sum of Tier 1 and Tier 2 Capital)</b>   | <b>35,998,071</b>            | <b>21,433,155</b>          |



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

|   | Current Period<br>31.12.2022 | 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  | 886                          | 3,823                      |
| Net book values of immovables exceeding the equity and of assets acquired against overdue receivables and held for sale as per the article 57 of the banking law but retained more than five years  | -                            | -                          |
| Other items to be defined by the BRSA   | 22,119                       | 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 (The sum of Tier 1 Capital and Tier 2 Capital)  | 35,975,066                   | 21,405,622                 |
| Total Risk Weighted Amounts   | 193,419,797                  | 118,566,659                |
| <b>CAPITAL ADEQUACY RATIOS</b>  |                              |                            |
| Common Equity Tier 1 Capital Adequacy Ratio (%)   | 12.53                        | 10.95                      |
| Tier 1 Capital Adequacy Ratio (%)   | 12.53                        | 10.95                      |
| Capital Adequacy Ratio (%)  | 18.60                        | 18.05                      |
| <b>BUFFERS</b>  |                              |                            |
| Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)   | 2.51                         | 2.50                       |
| a) Capital conservation buffer requirement (%)  | 2.50                         | 2.50                       |
| b) Bank specific counter-cyclical buffer requirement (%) (**)   | 0.01                         | 0.00                       |
| c) Systemic significant bank buffer ratio (%)   | -                            | -                          |
| The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)   | 4.02                         | 2.44                       |
| <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   | 416,271                      | 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)   | 1,599,145                    | 133,323                    |
| <b>Limits related to provisions considered in Tier Calculation</b>  |                              |                            |
| General provisions for standard based receivables ((before ten thousand twenty-five limitation)   | 3,753,968                    | 2,117,698                  |
| Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used  | 2,204,969                    | 1,313,195                  |
| Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation   | -                            | -                          |
| Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation  | -                            | -                          |
| <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 provisional Article 4  | -                            | -                          |
| Amounts excess the limits of Additional Tier 1 Capital subjected to provisional Article 4   | -                            | -                          |
| Upper limit for Additional Tier 2 Capital subjected to provisional Article 4  | -                            | -                          |
| Amounts Excess the limits of Additional Tier 2 Capital subjected to provisional 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.

(\*\*) The cyclical capital buffer rate is written as 0.00 due to the two digits being shown in the note, our rate is full digit 0.004.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

|  | T           | T-1         | T-2         | T-3         | T-4         |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>CAPITAL ITEMS</b>   |             |             |             |             |             |
| Common Equity Tier 1 Capital   | 24,232,520  | 21,832,560  | 18,176,907  | 15,022,348  | 12,979,418  |
| Common Equity Tier 1 Capital where the transition impact has not been applied (a)                    | 24,232,520  | 21,832,560  | 18,176,907  | 15,022,348  | 12,890,844  |
| Tier 1 Capital   | 24,232,520  | 21,832,560  | 18,176,907  | 15,022,348  | 12,979,418  |
| Tier 1 Capital where the transition impact has not been applied (b)                                  | 24,232,520  | 21,832,560  | 18,176,907  | 15,022,348  | 12,890,844  |
| Capital  | 35,975,066  | 32,919,811  | 28,675,739  | 24,233,089  | 21,405,622  |
| Capital where the transition impact has not been applied (c)   | 35,975,066  | 32,919,811  | 28,675,739  | 24,233,089  | 21,317,048  |
|  |             |             |             |             |             |
| <b>TOTAL RISK WEIGHTED ASSETS</b>  |             |             |             |             |             |
| Total Risk Weighted Assets   | 193,419,797 | 186,747,986 | 184,019,916 | 138,812,729 | 118,566,659 |
|  |             |             |             |             |             |
| <b>CAPITAL ADEQUACY RATIOS</b>   |             |             |             |             |             |
| Common Equity Tier 1 Capital Adequacy Ratio (%)  | 12.53       | 11.69       | 9.88        | 10.82       | 10.95       |
| Common Equity Tier 1 Capital Adequacy Ratio (%) Where The Transition Impact Has Not Been Applied (d) | 12.53       | 11.69       | 9.88        | 10.82       | 10.87       |
| Tier 1 Capital Adequacy Ratio (%)  | 12.53       | 11.69       | 9.88        | 10.82       | 10.95       |
| Tier 1 Capital Adequacy Ratio (%) Where the Transition Impact Has Not Been Applied (d)               | 12.53       | 11.69       | 9.88        | 10.82       | 10.87       |
| Capital Adequacy Ratio (%)   | 18.60       | 17.63       | 15.58       | 17.46       | 18.05       |
| Capital Adequacy Ratio (%) Where The Transition Impact Has Not Been Applied (d)                      | 18.60       | 17.63       | 15.58       | 17.46       | 17.98       |
|  |             |             |             |             |             |
| <b>LEVERAGE RATIO</b>  |             |             |             |             |             |
| Leverage Ratio Total Risk Amount   | 374,933,929 | 365,843,232 | 344,150,154 | 298,779,869 | 263,108,120 |
| Leverage Ratio   | 6.44%       | 5.90%       | 5.18%       | 4.98%       | 4.86%       |
| FTA not Applied Leverage Ratio (e)   | 6.44%       | 5.90%       | 5.18%       | 4.98%       | 4.82%       |

(\*) As of 31 December 2021, the implementation of the provisional article 5 has ended and the effects of the previous periods are shown in the table above.

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

- a: Common equity Tier 1 capital if Provisional Article 5 of the Regulation on equities of banks has not applied.
- b: Tier 1 capital if Provisional Article 5 of the Regulation on equities of banks has not applied.
- c: Total capital if Provisional Article 5 of the Regulation on equities of banks has not applied.
- d: Capital adequacy ratios calculated with capital items if Provisional Article 5 of the Regulation on banks has not applied.
- e: The leverage ratio calculated with capital items if Provisional 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>25,341,172</b> | <b>13,617,819</b> |
| Hedging funds (effective portion)   | (282,444)         | (292,798)         |
| Deductions made under regulation  | (908,893)         | (633,813)         |
| Transition impact of TFRS 9 (Temporary 5 <sup>th</sup> Article)   | -                 | 88,574            |
| Accumulated revaluation and/or reclassification gains/losses of financial assets at fair value through other comprehensive income | 82,685            | 199,636           |
| <b>Common Equity Tier 1 Capital</b>   | <b>24,232,520</b> | <b>12,979,418</b> |
| Additional Tier 1 Capital   | -                 | -                 |
| <b>Tier 1 Capital</b>   | <b>24,232,520</b> | <b>12,979,418</b> |
| Expected loss provision (Stage 1 and 2)   | 2,204,969         | 1,313,195         |
| Debt Instruments Defined by the BRSA  | 9,560,582         | 7,140,542         |
| Deductions made under regulation  | (23,005)          | (27,533)          |
| <b>Total Equity</b>   | <b>35,975,066</b> | <b>21,405,622</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### Information Related to Debt Instruments Included in Equity Calculation:

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

| Issuer   | TEB                           | TEB                           | TEB                           | TEB                           |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Unique identifier of the debt instrument (e.g. CUSIP, ISIN)  | XS1895575071                  | XS2023308278                  | XS1973559484                  | XS1845118865                  |
| Governing law(s) of the debt instrument  | Turkey                        | Turkey                        | Turkey                        | Turkey                        |
| <b>Consideration in Equity Calculation</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)                         | 3,906.21                      | 1,983.99                      | 1,190.39                      | 2,479.99                      |
| Par value of debt instrument (TL Currency in mil)  | 3,906.21                      | 1,983.99                      | 1,190.39                      | 2,479.99                      |
| Accounting classification of the debt instrument   | 34701100                      | 34701100                      | 34701100                      | 34701100                      |
| Original date of issuance  | 5.11.2018                     | 22.07.2019                    | 14.05.2019                    | 27.06.2018                    |
| Perpetual or dated (Demand/Time)   | Time                          | Time                          | Time                          | Time                          |
| Original maturity date   | 5.11.2028                     | 22.07.2029                    | 14.05.2029                    | 27.06.2028                    |
| Issuer call subject to prior supervisory approval  | Available                     | Available                     | Available                     | Available                     |
| Optional call date, contingent call dates and redemption amount  | 5.11.2023                     | 22.07.2024                    | 14.05.2024                    | 27.06.2023                    |
| Subsequent call dates, if applicable   | -                             | -                             | -                             | -                             |
| <b>Interest / dividend payments</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>Convertibility of equity shares</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 (ğ) mechanism of write-down or conversion to common shares are stated.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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### II. Explanations Related to Credit Risk

Credit risk is the risk and financial loss that the Bank is a party in a contract whereby the counterparty fails to meet its obligation partially or on time and causes to incur a financial loss.

The credit allocation is performed on a debtor and a debtor group basis within the limits. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank’s loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

The credit risks and limits related to treasury activities, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

As prescribed in the Communiqué numbered 29750 dated 22 June 2016 on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”, the credit worthiness of the debtors of the loans and other receivables is monitored regularly. Most of the statements of accounts for the loans are derived from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

A restructuring is defined as the privilege due to the borrower’s encountered or likely to encountered financial difficulties. The privileges granted to the borrower assumed to be in financial difficulty are;

- A change in the terms and conditions of the loan or
- Partially or completely refinancing of the loan in favour of the debtor.

In order to be subject to restructuring, the firm must be confronted with the difficulty of payment. The difficulty should be supported by concrete developments or findings. Each restructuring request is evaluated on transaction basis by the authorized credit allocation unit according to the activity of the firm, the income generation structure by the sectoral operation.

Restructuring of the loans supported by Credit Guarantee Fund (“CGF loans”) is evaluated in accordance with the current legislation. The principles regarding to restructuring of Treasury-Back CGF loans in the scope of 11 October 2018 dated Presidential Decree are taken into account.

Non-required delay time loans that is not classified as Stage III Loans defined in “Regulation on Procedures and Principles for Classification of Loans And Provisions to be Set Aside” published in the Official Gazette numbered 29750 dated 22 June 2016, amended by the regulation published in the Official Gazette dated 14 December 2016 and numbered 29918, whose principal and interest payment collection delayed more than 30 days are considered as “past-due loan” in the Accounting Practice; group III, IV and V loans defined in the mentioned communiqué are considered as “impaired receivables” without considering refinancing or addition of the accrued interest and quasi-interest principal amount.

The Bank provides specific reserves to Group III, IV and V loans in accordance with “Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside”.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### III. Explanations Related to Credit Risk (continued)

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 accordance with the Standard Approach, 0% risk weight is used in the calculation of the amount subject to credit risk for FC 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.

Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types for the relevant period:

| <b>Exposure Classifications</b>  | <b>Current Period<br/>Risk Amount (*)</b> | <b>Average Risk<br/>Amount (*, **)</b> |
|--|---|--|
| Conditional and unconditional receivables from central governments or central banks                | 1,463,903                                 | 1,170,303                              |
| Conditional and unconditional receivables from regional or local governments                       | 439,202                                   | 646,905                                |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | -   | -                                      |
| Conditional and unconditional receivables from multilateral development banks                      | -   | -                                      |
| Conditional and unconditional receivables from international organizations                         | -   | -                                      |
| Conditional and unconditional receivables from banks and brokerage houses                          | 5,345,679                                 | 5,572,903                              |
| Conditional and unconditional corporate receivables  | 79,242,939                                | 80,162,767                             |
| Conditional and unconditional retail receivables   | 37,135,258                                | 39,135,056                             |
| Conditional and unconditional secured mortgage receivables   | 7,191,704                                 | 7,236,452                              |
| Past due receivables   | 592,650                                   | 819,267                                |
| Receivables defined in high-risk category by BRSA  | 42,023,046                                | 19,599,650                             |
| Securities collateralized by mortgages   | -   | -                                      |
| Securitization positions   | -   | -                                      |
| Short-term receivables from banks, stockbrokers and corporate                                      | -   | -                                      |
| Investments of natured collective investment enterprise  | -   | -                                      |
| Other receivables  | 5,706,231                                 | 2,984,584                              |
| Investments in equities  | 369,867                                   | 309,389                                |

(\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(\*\*) Average risk amount is calculated by taking the arithmetic average of balances on quarterly prepared to the end of the month.

| <b>Exposure Classifications</b>  | <b>Current Period<br/>Risk Amount (*)</b> | <b>Average Risk<br/>Amount (*, **)</b> |
|--|---|--|
| Conditional and unconditional receivables from central governments or central banks                | 886,394                                   | 759,651                                |
| Conditional and unconditional receivables from regional or local governments                       | 589,273                                   | 595,609                                |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | -   | -                                      |
| Conditional and unconditional receivables from multilateral development banks                      | -   | -                                      |
| Conditional and unconditional receivables from international organizations                         | -   | -                                      |
| Conditional and unconditional receivables from banks and brokerage houses                          | 4,354,826                                 | 3,138,950                              |
| Conditional and unconditional corporate receivables  | 49,782,696                                | 45,521,373                             |
| Conditional and unconditional retail receivables   | 43,495,769                                | 33,359,322                             |
| Conditional and unconditional secured mortgage receivables   | 6,032,057                                 | 6,388,714                              |
| Past due receivables   | 949,063                                   | 1,015,799                              |
| Receivables defined in high-risk category by BRSA  | -   | -                                      |
| Securities collateralized by mortgages   | -   | -                                      |
| Securitization positions   | -   | -                                      |
| Short-term receivables from banks, stockbrokers and corporate                                      | -   | -                                      |
| Investments of natured collective investment enterprise  | -   | -                                      |
| Other receivables  | 1,564,097                                 | 1,620,677                              |
| Investments in equities  | 233,551                                   | 206,377                                |

(\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(\*\*) Average risk amount is calculated by taking the arithmetic average of balances prepared to the end of the month.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### II. Explanations Related to Credit Risk (continued)

For the positions of the Bank in terms of forward transactions and other similar contracts, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and proceeds related to forward transactions can be realized at maturity. However, in order to minimize the risk, back-to-back positions of existing risks are entered into the market due to necessity.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Since the loans and other receivables, which are restructured from loans and rescheduled, are not material to the financial statements, no additional follow up methodology is developed, except as stated in the regulations.

Financial institutions abroad and country risks of the Bank are generally taken for the financial institutions and countries that are rated at investment level by international rating agencies which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are considered to be not material to the financial structure of the Bank.

The Bank does not have a material credit risk concentration as an active participant in the international banking market when the financial operations of the other financial institutions are concerned.

As of 31 December 2022, the receivables of the Bank from its top 100 and top 200 cash loan share in total cash loans are respectively 29.80% and 38.85% (31 December 2021: 26.19% and 34.60%).

As of 31 December 2022, the receivables of the Bank from its top 100 and top 200 non-cash loan share are 72.37% and 81.70% respectively in the total non-cash loans (31 December 2021: 76.05% and 85.98%).

As of 31 December 2022, the share of cash and non-cash receivables of the Bank from its top 100 and top 200 loan customers in total balance sheet and off-balance sheet assets is 9.75% and 12.70%, respectively (31 December 2021: 9.43% and 12.27%).

As of 31 December 2022, the general loan loss provision related with the credit risk taken by the Bank is TL 3,753,968 (31 December 2021: TL 2,117,698).

### Credit Rating System

Credit risk is evaluated according to the internal rating system of the Bank, which is linked to the rating scale, and loans are classified from the best rating to the lowest rating according to the probability of default. As of 31 December 2022, Retail, Business and Agricultural Banking loans are excluded from the internal rating system of the Bank and these loans constitute 25.53% of the total cash and non-cash loan portfolio (31 December 2021: 27.12%). Application and behavioral scorecards are used for the Individual and Business segments, however behavioral scorecard is used for the Agricultural segment.

The risks that are subject to rating models can be allocated as follows:

| Category                 | Description of Category  | Share in the          | Share in the          |
|--------------------------|--|-----------------------|-----------------------|
|                          |  | Total %<br>31.12.2022 | Total %<br>31.12.2021 |
| 1 <sup>st</sup> Category | The borrower has a very strong financial structure                                   | 55.20                 | 53.82                 |
| 2 <sup>nd</sup> Category | The borrower has a good financial structure  | 34.28                 | 21.35                 |
| 3 <sup>rd</sup> Category | The borrower has an intermediate level of financial structure                        | 7.77                  | 19.12                 |
| 4 <sup>th</sup> Category | The financial structure of the borrower must be closely monitored in the medium term | 2.75                  | 5.71                  |
| <b>Total</b>             |  | <b>100.00</b>         | <b>100.00</b>         |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### II. Explanations Related to Credit Risk (continued)

#### Profile of Significant Exposures in Major Regions:

|  | Exposure Categories (***)  |   |   |   |   |   |   |  |   |                   |   |   |                             |  |   | Investments<br>in equities | Total          |                    |  |
|--|--|---|---|---|---|---|---|--|---|-------------------|---|---|-----------------------------|--|---|----------------------------|----------------|--------------------|--|
|  | Conditional<br>and<br>unconditional<br>exposures to<br>central<br>governments<br>or central<br>banks | Conditional<br>and<br>unconditional<br>exposures to<br>regional<br>governments or<br>local<br>authorities | Conditional<br>and<br>unconditional<br>receivables<br>from<br>administrative<br>units and non-<br>commercial<br>enterprises | Conditional<br>and<br>unconditional<br>exposures to<br>multilateral<br>development<br>banks | Conditional<br>and<br>unconditional<br>exposures to<br>international<br>organizations | Conditional<br>and<br>unconditional<br>exposures to<br>banks and<br>brokerage<br>houses | Conditional<br>and<br>unconditional<br>exposures to<br>corporates | Conditional<br>and<br>unconditional<br>retail<br>exposures | Conditional<br>and<br>unconditional<br>exposures<br>secured by<br>real estate<br>property | Past due<br>items | Receivables<br>in regulatory<br>high-risk<br>categories | Exposures<br>in the form<br>of bonds<br>secured by<br>mortgages | Securitization<br>Positions | Short term<br>exposures<br>to banks,<br>brokerage<br>houses<br>and<br>corporates | Exposures in<br>the form of<br>collective<br>investment<br>undertakings |                            |                | Others             |  |
| <b>Current Period</b>                          |  |   |   |   |   |   |   |  |   |                   |   |   |                             |  |   |                            |                |                    |  |
| Domestic                                       | 149,252  | 437,399   | -   | -   | -   | 3,468,819   | 57,855,226  | 32,392,034   | 6,414,530   | 555,695           | 41,901,462  | -   | -                           | -  | -   | 5,562,367                  | 369,867        | 149,106,651        |  |
| European Union Countries                       | -  | -   | -   | -   | -   | 267,714   | 161   | 11,669   | 1,130   | 28                | 1,381   | -   | -                           | -  | -   | 278                        | -              | 282,361            |  |
| OECD Countries(*)                              | -  | -   | -   | -   | -   | 149,828   | -   | 1,500  | 19  | 29                | 618   | -   | -                           | -  | -   | 1,155                      | -              | 153,149            |  |
| Off-Shore Banking Regions                      | -  | -   | -   | -   | -   | 14  | -   | 39   | 12  | -                 | -   | -   | -                           | -  | -   | -                          | -              | 65                 |  |
| USA, Canada                                    | -  | -   | -   | -   | -   | 388,804   | 175   | 1,470  | 103   | 45                | 118   | -   | -                           | -  | -   | -                          | -              | 390,715            |  |
| Other Countries                                | 1,314,651  | -   | -   | -   | -   | 50,349  | 482,102   | 84,377   | 71,466  | 3,565             | 119,467   | -   | -                           | -  | -   | 25,315                     | -              | 2,151,292          |  |
| Associates, Subsidiaries<br>and Joint Ventures | -  | -   | -   | -   | -   | -   | -   | -  | -   | -                 | -   | -   | -                           | -  | -   | 116,041                    | -              | 116,041            |  |
| Unallocated Assets/<br>Liabilities (**)        | -  | 1,803   | -   | -   | -   | 1,020,151   | 20,905,275  | 4,644,169  | 704,444   | 33,288            | -   | -   | -                           | -  | -   | 1,075                      | -              | 27,310,205         |  |
| <b>Total</b>                                   | <b>1,463,903</b>   | <b>439,202</b>  | -   | -   | -   | <b>5,345,679</b>  | <b>79,242,939</b>   | <b>37,135,258</b>  | <b>7,191,704</b>  | <b>592,650</b>    | <b>42,023,046</b>                                       | -   | -                           | -  | -   | <b>5,706,231</b>           | <b>369,867</b> | <b>179,510,479</b> |  |

(\*) Includes OECD countries other than EU countries, USA and Canada.

(\*\*) Includes assets and liability items that cannot be allocated on a consistent basis.

(\*\*\*) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### II. Explanations Related to Credit Risk (continued)

#### Profile of Significant Exposures in Major Regions: (continued)

|   | Exposure Categories (***)   |  |  |   |  |   |   |  |   |                |  |   |                          |  |   |                  |                         |                    |
|---|---|--|--|---|--|---|---|--|---|----------------|--|---|--------------------------|--|---|------------------|-------------------------|--------------------|
|   | Conditional and unconditional exposures to central governments or central banks | Conditional and unconditional exposures to regional governments or local authorities | Conditional and unconditional receivables from administrative units and non-commercial enterprises | Conditional and unconditional exposures to multilateral development banks | Conditional and unconditional exposures to international organizations | Conditional and unconditional exposures to banks and brokerage houses | Conditional and unconditional exposures to corporates | Conditional and unconditional retail exposures | Conditional and unconditional exposures secured by real estate property | Past due items | Receivables in regulatory high-risk categories | Exposures in the form of bonds secured by mortgages | Securitization Positions | Short term exposures to banks, brokerage houses and corporates | Exposures in the form of collective investment undertakings | Others           | Investments in equities | Total              |
| <b>Prior Period</b>                         |   |  |  |   |  |   |   |  |   |                |  |   |                          |  |   |                  |                         |                    |
| Domestic                                    | 116,446   | 587,178  | -  | -   | -  | 2,204,547   | 36,309,208  | 40,053,206                                     | 5,646,401   | 858,578        | -  | -   | -                        | -  | -   | 1,432,310        | 233,551                 | 87,441,425         |
| European Union Countries                    | -   | -  | -  | -   | -  | 392,812   | 247   | 9,054  | 1,983   | 1,197          | -  | -   | -                        | -  | -   | 145              | -                       | 405,438            |
| OECD Countries(*)                           | -   | -  | -  | -   | -  | 323,260   | -   | 1,267  | 80  | 5              | -  | -   | -                        | -  | -   | 418              | -                       | 325,030            |
| Off-Shore Banking Regions                   | -   | -  | -  | -   | -  | 11  | -   | 43   | -   | -              | -  | -   | -                        | -  | -   | -                | -                       | 54                 |
| USA, Canada                                 | -   | -  | -  | -   | -  | 434,765   | -   | 1,527  | 128   | 61             | -  | -   | -                        | -  | -   | -                | -                       | 436,481            |
| Other Countries                             | 769,948   | -  | -  | -   | -  | 34,560  | 168,345   | 114,487  | 51,819  | 16,722         | -  | -   | -                        | -  | -   | 12,281           | -                       | 1,168,162          |
| Associates, Subsidiaries and Joint Ventures | -   | -  | -  | -   | -  | -   | -   | -  | -   | -              | -  | -   | -                        | -  | -   | 116,041          | -                       | 116,041            |
| Unallocated Assets                          | -   | -  | -  | -   | -  | -   | -   | -  | -   | -              | -  | -   | -                        | -  | -   | -                | -                       | -                  |
| Liabilities (**)                            | -   | 2,095  | -  | -   | -  | 964,871   | 13,304,896  | 3,316,185                                      | 331,646   | 72,500         | -  | -   | -                        | -  | -   | 2,902            | -                       | 17,995,095         |
| <b>Total</b>                                | <b>886,394</b>  | <b>589,273</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>   | <b>4,354,826</b>  | <b>49,782,696</b>                                     | <b>43,495,769</b>                              | <b>6,032,057</b>  | <b>949,063</b> | <b>-</b>                                       | <b>-</b>  | <b>-</b>                 | <b>-</b>   | <b>-</b>  | <b>1,564,097</b> | <b>233,551</b>          | <b>107,887,726</b> |

(\*) Includes OECD countries other than EU countries, USA and Canada.

(\*\*) Includes assets and liability items that cannot be allocated on a consistent basis.

(\*\*\*) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### II. Explanations Related to Credit Risk (continued)

#### Risk profile by Sectors or Counterparties:

| Exposure Categories (**)        |   |  |  |   |  |   |   |  |   |                |  |   |                          |  |   |                  |                         |                    |                   |                    |            |         |
|---------------------------------|---|--|--|---|--|---|---|--|---|----------------|--|---|--------------------------|--|---|------------------|-------------------------|--------------------|-------------------|--------------------|------------|---------|
| Current Period                  | Conditional and unconditional exposures to central governments or central banks | Conditional and unconditional exposures to regional governments or local authorities | Conditional and unconditional receivables from administrative units and non-commercial enterprises | Conditional and unconditional exposures to multilateral development banks | Conditional and unconditional exposures to international organizations | Conditional and unconditional exposures to banks and brokerage houses | Conditional and unconditional exposures to corporates | Conditional and unconditional retail exposures | Conditional and unconditional exposures secured by real estate property | Past due items | Receivables in regulatory high-risk categories | Exposures in the form of bonds secured by mortgages | Securitization Positions | Short term exposures to banks, brokerage houses and corporates | Exposures in the form of collective investment undertakings | Others           | Investments in equities | TL (*)             | FC                | Total              |            |         |
| Agriculture                     | -   | -  | -  | -   | -  | -   | 588,419   | 712,023  | 235,033   | 43,252         | 771,794  | -   | -                        | -  | -   | -                | -                       | -                  | 2,028,385         | 322,136            | 2,350,521  |         |
| Farming and Stockbreeding       | -   | -  | -  | -   | -  | -   | 311,164   | 704,202  | 234,720   | 42,785         | 771,794  | -   | -                        | -  | -   | -                | -                       | -                  | 2,015,071         | 49,594             | 2,064,665  |         |
| Forestry                        | -   | -  | -  | -   | -  | -   | -   | -  | -   | -              | -  | -   | -                        | -  | -   | -                | -                       | -                  | -                 | -                  | -          |         |
| Fishery                         | -   | -  | -  | -   | -  | -   | 277,255   | 7,821  | 313   | 467            | -  | -   | -                        | -  | -   | -                | -                       | -                  | -                 | 13,314             | 272,542    | 285,856 |
| Manufacturing                   | -   | -  | -  | -   | -  | -   | 51,355,135  | 7,590,674                                      | 2,704,201   | 82,805         | 10,488,896                                     | -   | -                        | -  | -   | 5                | -                       | -                  | 48,349,606        | 23,872,110         | 72,221,716 |         |
| Mining and Quarrying            | -   | -  | -  | -   | -  | -   | 2,928,684   | 317,748  | 75,173  | 4,292          | 75,347   | -   | -                        | -  | -   | -                | -                       | -                  | 1,675,200         | 1,726,044          | 3,401,244  |         |
| Production                      | -   | -  | -  | -   | -  | -   | 46,509,141  | 7,235,659                                      | 2,351,492   | 75,737         | 10,251,137                                     | -   | -                        | -  | -   | 5                | -                       | -                  | 45,277,132        | 21,146,039         | 66,423,171 |         |
| Electricity, Gas and Water      | -   | -  | -  | -   | -  | -   | 1,917,310   | 37,267   | 277,536   | 2,776          | 162,412  | -   | -                        | -  | -   | -                | -                       | -                  | 1,397,274         | 1,000,027          | 2,397,301  |         |
| Construction                    | -   | -  | -  | -   | -  | -   | 4,070,989   | 918,640  | 300,473   | 112,081        | 92,325   | -   | -                        | -  | -   | -                | -                       | -                  | 2,549,653         | 2,944,855          | 5,494,508  |         |
| Services                        | 1,463,903   | 439,202  | -  | -   | -  | 5,345,679   | 21,097,604  | 8,832,669                                      | 3,172,913   | 195,614        | 4,578,822                                      | -   | -                        | -  | -   | 5,706,005        | 369,867                 | 34,189,346         | 17,012,932        | 51,202,278         |            |         |
| Wholesale and Retail Trade      | -   | 15,060   | -  | -   | -  | -   | 7,479,109   | 4,609,448                                      | 975,323   | 68,956         | 2,454,168                                      | -   | -                        | -  | -   | 12               | -                       | -                  | 12,190,024        | 3,412,052          | 15,602,076 |         |
| Accommodation and Dining        | -   | -  | -  | -   | -  | -   | 378,111   | 552,655  | 842,516   | 45,254         | 14,720   | -   | -                        | -  | -   | 9                | -                       | -                  | 1,095,371         | 737,894            | 1,833,265  |         |
| Transportation and Telecom.     | -   | -  | -  | -   | -  | -   | 4,465,411   | 1,957,587                                      | 487,661   | 24,488         | 596,686  | -   | -                        | -  | -   | 2                | -                       | -                  | 3,885,323         | 3,646,512          | 7,531,835  |         |
| Financial Institutions          | 1,463,903   | -  | -  | -   | -  | 5,345,679   | 2,711,604   | 79,051   | 113,337   | 801            | 5,299  | -   | -                        | -  | -   | 5,705,724        | 369,867                 | 11,039,820         | 4,755,445         | 15,795,265         |            |         |
| Real Estate and Rental Services | -   | -  | -  | -   | -  | -   | 4,821,785   | 1,121,257                                      | 536,455   | 46,786         | 443,946  | -   | -                        | -  | -   | 87               | -                       | -                  | 3,301,898         | 3,668,418          | 6,970,316  |         |
| Self-Employment Services        | -   | -  | -  | -   | -  | -   | 1,158,229   | 459,194  | 214,123   | 9,241          | 35,003   | -   | -                        | -  | -   | -                | -                       | -                  | 1,083,505         | 792,285            | 1,875,790  |         |
| Educational Services            | -   | -  | -  | -   | -  | -   | 6,605   | 49,594   | 3,438   | 85             | 146  | -   | -                        | -  | -   | 150              | -                       | -                  | 59,746            | 272                | 60,018     |         |
| Health and Social Services      | -   | 424,142  | -  | -   | -  | -   | 76,750  | 3,883  | 60  | 3              | 1,028,854                                      | -   | -                        | -  | -   | 21               | -                       | -                  | 1,533,659         | 54                 | 1,533,713  |         |
| Other                           | -   | -  | -  | -   | -  | -   | 2,130,792   | 19,081,252                                     | 779,084   | 158,898        | 26,091,209                                     | -   | -                        | -  | -   | 221              | -                       | -                  | 47,759,804        | 481,652            | 48,241,456 |         |
| <b>Total</b>                    | <b>1,463,903</b>  | <b>439,202</b>   | -  | -   | -  | <b>5,345,679</b>  | <b>79,242,939</b>                                     | <b>37,135,258</b>                              | <b>7,191,704</b>  | <b>592,650</b> | <b>42,023,046</b>                              | -   | -                        | -  | -   | <b>5,706,231</b> | <b>369,867</b>          | <b>134,876,794</b> | <b>44,633,685</b> | <b>179,510,479</b> |            |         |

(\*) Foreign Currency indexed credits are shown in TL column.

(\*\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### II. Explanations Related to Credit Risk (continued)

#### Risk profile by Sectors or Counterparties: (continued)

| Prior Period                    | Exposure Categories (**)  |  |  |   |  |   |   |  |   |                  |  |   |                          |  |   |          |                         |                  |                | TL (*)            | FC                | Total              |           |
|---------------------------------|---|--|--|---|--|---|---|--|---|------------------|--|---|--------------------------|--|---|----------|-------------------------|------------------|----------------|-------------------|-------------------|--------------------|-----------|
|                                 | Conditional and unconditional exposures to central governments or central banks | Conditional and unconditional exposures to regional governments or local authorities | Conditional and unconditional receivables from administrative units and non-commercial enterprises | Conditional and unconditional exposures to multilateral development banks | Conditional and unconditional exposures to international organizations | Conditional and unconditional exposures to banks and brokerage houses | Conditional and unconditional exposures to corporates | Conditional and unconditional retail exposures | Conditional and unconditional exposures secured by real estate property | Past due items   | Receivables in regulatory high-risk categories | Exposures in the form of bonds secured by mortgages | Securitization Positions | Short term exposures to banks, brokerage houses and corporates | Exposures in the form of collective investment undertakings | Others   | Investments in equities |                  |                |                   |                   |                    |           |
| Agriculture                     | -   | -  | -  | -   | -  | -   | 360,600   | 534,288  | 204,240   | 64,865           | -  | -   | -                        | -  | -   | -        | -                       | -                | 984,356        | 179,637           | 1,163,993         |                    |           |
| Farming and Stockbreeding       | -   | -  | -  | -   | -  | -   | 354,485   | 526,440  | 203,945   | 64,408           | -  | -   | -                        | -  | -   | -        | -                       | -                | 971,858        | 177,420           | 1,149,278         |                    |           |
| Forestry                        | -   | -  | -  | -   | -  | -   | -   | -  | -   | -                | -  | -   | -                        | -  | -   | -        | -                       | -                | -              | -                 | -                 |                    |           |
| Fishery                         | -   | -  | -  | -   | -  | -   | 6,115   | 7,848  | 295   | 457              | -  | -   | -                        | -  | -   | -        | -                       | -                | 12,498         | 2,217             | 14,715            |                    |           |
| Manufacturing                   | -   | -  | -  | -   | -  | -   | 32,549,138  | 7,192,204                                      | 2,096,117   | 240,097          | -  | -   | -                        | -  | -   | -        | -                       | -                | 23,265,887     | 18,811,669        | 42,077,556        |                    |           |
| Mining and Quarrying            | -   | -  | -  | -   | -  | -   | 1,717,910   | 299,214  | 65,757  | 9,890            | -  | -   | -                        | -  | -   | -        | -                       | -                | 1,335,640      | 757,131           | 2,092,771         |                    |           |
| Production                      | -   | -  | -  | -   | -  | -   | 29,051,517  | 6,859,174                                      | 1,761,171   | 225,924          | -  | -   | -                        | -  | -   | -        | -                       | -                | 20,750,995     | 17,146,791        | 37,897,786        |                    |           |
| Electricity, Gas and Water      | -   | -  | -  | -   | -  | -   | 1,779,711   | 33,816   | 269,189   | 4,283            | -  | -   | -                        | -  | -   | -        | -                       | -                | 1,179,252      | 907,747           | 2,086,999         |                    |           |
| Construction                    | -   | -  | -  | -   | -  | -   | 3,038,191   | 832,160  | 173,420   | 201,763          | -  | -   | -                        | -  | -   | -        | -                       | -                | 1,983,404      | 2,262,131         | 4,245,535         |                    |           |
| Services                        | 886,394   | 589,273  | -  | -   | -  | -   | 13,495,959  | 7,557,452                                      | 2,516,744   | 366,622          | -  | -   | -                        | -  | -   | -        | -                       | 1,563,853        | 233,551        | 19,737,422        | 11,827,252        | 31,564,674         |           |
| Wholesale and Retail Trade      | -   | 18,864   | -  | -   | -  | -   | 5,060,756   | 3,866,784                                      | 915,604   | 148,828          | -  | -   | -                        | -  | -   | -        | -                       | -                | 15             | 8,024,839         | 1,986,012         | 10,010,851         |           |
| Accommodation and Dining        | -   | -  | -  | -   | -  | -   | 791,295   | 488,028  | 694,662   | 52,424           | -  | -   | -                        | -  | -   | -        | -                       | -                | 2              | 900,791           | 1,125,620         | 2,026,411          |           |
| Transportation and Telecom.     | -   | -  | -  | -   | -  | -   | 2,080,440   | 1,595,598                                      | 349,400   | 52,086           | -  | -   | -                        | -  | -   | -        | -                       | -                | 20             | 2,819,707         | 1,257,837         | 4,077,544          |           |
| Financial Institutions          | 886,394   | -  | -  | -   | -  | -   | 2,032,812   | 84,890   | 94,748  | 5,120            | -  | -   | -                        | -  | -   | -        | -                       | -                | 1,563,577      | 233,551           | 4,648,845         | 4,607,073          | 9,255,918 |
| Real Estate and Rental Services | -   | -  | -  | -   | -  | -   | 2,799,445   | 1,050,457                                      | 352,517   | 88,026           | -  | -   | -                        | -  | -   | -        | -                       | -                | 155            | 1,967,799         | 2,322,801         | 4,290,600          |           |
| Self-Employment Services        | -   | -  | -  | -   | -  | -   | 692,050   | 424,839  | 107,831   | 12,280           | -  | -   | -                        | -  | -   | -        | -                       | -                | -              | 709,360           | 527,640           | 1,237,000          |           |
| Educational Services            | -   | -  | -  | -   | -  | -   | 6,242   | 42,307   | 1,699   | 7,842            | -  | -   | -                        | -  | -   | -        | -                       | -                | 45             | 57,938            | 197               | 58,135             |           |
| Health and Social Services      | -   | 570,409  | -  | -   | -  | -   | 32,919  | 4,549  | 283   | 16               | -  | -   | -                        | -  | -   | -        | -                       | -                | 39             | 608,143           | 72                | 608,215            |           |
| Other                           | -   | -  | -  | -   | -  | -   | 338,808   | 27,379,665                                     | 1,041,536   | 75,716           | -  | -   | -                        | -  | -   | -        | -                       | -                | 243            | 28,532,210        | 303,758           | 28,835,968         |           |
| <b>Total</b>                    | <b>886,394</b>  | <b>589,273</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>   | <b>-</b>  | <b>4,354,826</b>                                      | <b>49,782,696</b>                              | <b>43,495,769</b>   | <b>6,032,057</b> | <b>949,063</b>                                 | <b>-</b>  | <b>-</b>                 | <b>-</b>   | <b>-</b>  | <b>-</b> | <b>-</b>                | <b>1,564,097</b> | <b>233,551</b> | <b>74,503,279</b> | <b>33,384,447</b> | <b>107,887,726</b> |           |

(\*) Foreign Currency indexed credits are shown in TL column.

(\*\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### II. Explanations Related to Credit Risk (continued)

#### Analysis of Maturity-Bearing Exposures According to Remaining Maturities:

| Current Period<br>Exposure Categories  | Term to Maturity  |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 1 Month           | 1-3 Months        | 3-6 Months        | 6-12 Months       | Over 1 Year       |
| Conditional and unconditional exposures to central governments or central banks                    | 1,463,903         | -                 | -                 | -                 | -                 |
| Conditional and unconditional exposures to regional governments or local authorities               | 1,596             | 5,745             | 4,175             | 112,250           | 313,539           |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | -                 | -                 | -                 | -                 | -                 |
| Conditional and unconditional exposures to multilateral development banks                          | -                 | -                 | -                 | -                 | -                 |
| Conditional and unconditional exposures to international organizations                             | -                 | -                 | -                 | -                 | -                 |
| Conditional and unconditional exposures to banks and brokerage houses                              | 1,571,861         | 779,678           | 567,668           | 160,873           | 238,563           |
| Conditional and unconditional exposures to corporates  | 5,585,285         | 14,972,902        | 6,919,415         | 17,449,533        | 13,397,568        |
| Conditional and unconditional retail exposures   | 12,780,116        | 1,529,201         | 3,377,050         | 7,638,805         | 7,157,759         |
| Conditional and unconditional exposures secured by real estate property                            | 227,276           | 602,021           | 793,502           | 1,562,971         | 3,330,044         |
| Past due receivables   | -                 | -                 | -                 | -                 | -                 |
| Receivables defined in high-risk category by BRSA  | -                 | -                 | -                 | 2,770,687         | 39,252,358        |
| Exposures in the form of bonds secured by mortgages  | -                 | -                 | -                 | -                 | -                 |
| Securitization Positions   | -                 | -                 | -                 | -                 | -                 |
| Short term exposures to banks, brokerage houses and corporate                                      | -                 | -                 | -                 | -                 | -                 |
| Exposures in the form of collective investment undertakings  | -                 | -                 | -                 | -                 | -                 |
| Other receivables  | 19,336            | -                 | -                 | -                 | -                 |
| Investments in equities  | 331,051           | -                 | -                 | 38,816            | -                 |
| <b>Total</b>   | <b>21,980,424</b> | <b>17,889,547</b> | <b>11,661,810</b> | <b>29,733,935</b> | <b>63,689,831</b> |

| Prior Period<br>Exposure classifications   | Term to Maturity  |                  |                  |                   |                   |
|--|-------------------|------------------|------------------|-------------------|-------------------|
|  | 1 Month           | 1-3 Months       | 3-6 Months       | 6-12 Months       | Over a Year       |
| Conditional and unconditional exposures to central governments or central banks                    | 886,394           | -                | -                | -                 | -                 |
| Conditional and unconditional exposures to regional governments or local authorities               | 688               | 5,527            | 8,645            | 44,394            | 527,873           |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | -                 | -                | -                | -                 | -                 |
| Conditional and unconditional exposures to multilateral development banks                          | -                 | -                | -                | -                 | -                 |
| Conditional and unconditional exposures to international organizations                             | -                 | -                | -                | -                 | -                 |
| Conditional and unconditional exposures to banks and brokerage houses                              | 2,100,781         | 110,798          | 526,541          | 74,515            | 25,368            |
| Conditional and unconditional exposures to corporates  | 3,734,787         | 5,849,527        | 6,184,435        | 12,119,485        | 8,582,615         |
| Conditional and unconditional retail exposures   | 7,615,661         | 1,566,326        | 2,507,550        | 5,258,143         | 23,225,464        |
| Conditional and unconditional exposures secured by real estate property                            | 321,453           | 286,254          | 456,215          | 896,743           | 3,739,373         |
| Past due receivables   | -                 | -                | -                | -                 | -                 |
| Receivables defined in high-risk category by BRSA  | -                 | -                | -                | -                 | -                 |
| Exposures in the form of bonds secured by mortgages  | -                 | -                | -                | -                 | -                 |
| Securitization Positions   | -                 | -                | -                | -                 | -                 |
| Short term exposures to banks, brokerage houses and corporates                                     | -                 | -                | -                | -                 | -                 |
| Exposures in the form of collective investment undertakings  | -                 | -                | -                | -                 | -                 |
| Other receivables  | 14,967            | -                | -                | -                 | -                 |
| Investments in equities  | 225,155           | -                | -                | 8,396             | -                 |
| <b>Total</b>   | <b>14,899,886</b> | <b>7,818,432</b> | <b>9,683,386</b> | <b>18,401,676</b> | <b>36,100,693</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### II. Explanations Related to Credit Risk (continued)

#### Information About the Risk Exposure Categories:

The credit rating of Fitch Ratings International Rating Agency is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment of Capital Adequacy of the Bank, and the country risk classification announced by The Organization for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of 3 months or less, and 50% risk weight is used for receivables with a maturity period of more than 3 months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)’s are presented below:

| Credit Quality Level | Fitch Ratings Long-Term Credit Rating | Risk Weight of Receivables from Central Government or Central Banks | Receivables from Banks and Brokerage Houses |                          | Corporate Receivables(*) |
|----------------------|---------------------------------------|---|---|--------------------------|--------------------------|
|                      |                                       |   | DTM less than 3 months                      | DTM higher than 3 months |                          |
| 0                    | -                                     |   | 20%   | 50%                      | 100%                     |
| 1                    | AAA to AA-                            | 0%  | 20%   | 50%                      | 100%                     |
| 2                    | A+ to A-                              | 20%   | 20%   | 50%                      | 100%                     |
| 3                    | BBB+ to BBB-                          | 50%   | 50%   | 50%                      | 100%                     |
| 4                    | BB+ to BB-                            | 100%  | 100%  | 100%                     | 100%                     |
| 5                    | B+ to B-                              | 100%  | 100%  | 100%                     | 100%                     |
| 6                    | CCC+ and below                        | 150%  | 100%  | 100%                     | 100%                     |
| 7                    | -                                     |   | 150%  | 150%                     | 100%                     |

(\*) In accordance with the Board Decisions numbered 10188 dated 28 April 2022 and numbered 10265 dated 7 July 2022, 200% and 500% risk weights are applied to Corporate Receivables.

#### Exposures by risk weights:

##### Current Period

| Risk Weights                            | 0%         | 10% | 20%       | 25% | 35%       | 50%        | 75%        | 100%       | 150%       | 200%      | 250% | 500%    | Deductions from Equity |
|---|------------|-----|-----------|-----|-----------|------------|------------|------------|------------|-----------|------|---------|------------------------|
| Exposures before Credit Risk Mitigation | 81,064,875 | -   | 8,980,653 | -   | 4,308,592 | 15,055,848 | 40,235,889 | 91,905,546 | 17,187,471 | 7,783,236 | -    | 148,740 | 922,636                |
| Exposures after Credit Risk Mitigation  | 82,566,973 | -   | 9,150,093 | -   | 4,308,592 | 15,477,553 | 38,455,876 | 89,042,075 | 17,191,354 | 7,783,236 | -    | 148,740 | 922,636                |

##### Prior Period

| Risk Weights                            | 0%         | 10% | 20%        | 25% | 35%       | 50%        | 75%        | 100%       | 150%      | 200% | 250% | 500% | Deductions from Equity |
|---|------------|-----|------------|-----|-----------|------------|------------|------------|-----------|------|------|------|------------------------|
| Exposures before Credit Risk Mitigation | 48,767,263 | -   | 10,186,927 | -   | 4,193,761 | 12,198,275 | 40,133,296 | 54,154,328 | 7,999,452 | -    | -    | -    | 650,581                |
| Exposures after Credit Risk Mitigation  | 49,063,835 | -   | 9,560,013  | -   | 4,193,761 | 11,533,535 | 38,823,247 | 51,921,725 | 7,991,594 | -    | -    | -    | 650,581                |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### II. Explanations Related to Credit Risk (continued)

#### Information in Terms of Major Sectors and Type of Counterparties:

| Current Period                        | Credits  |   | Provisions                                    |
|---------------------------------------|--|---|---|
|                                       | Impaired Receivables (TFRS 9)                        |   | Expected Credit<br>Loss Provision<br>(TFRS 9) |
|                                       | Significant<br>Increase in Credit<br>Risk (Stage II) | Credit-<br>Impaired Losses<br>(Stage III) |   |
| <b>Major Sectors / Counterparties</b> |  |   |   |
| Agriculture                           | 51,954   | 93,494                                    | 59,406  |
| Farming and Stockbreeding             | 51,828   | 89,091                                    | 56,490  |
| Forestry                              | -  | 1,832                                     | 1,158   |
| Fishery                               | 126  | 2,571                                     | 1,758   |
| Manufacturing                         | 2,054,591  | 287,362                                   | 544,148                                       |
| Mining and Quarrying                  | 33,962   | 8,303                                     | 8,572   |
| Production                            | 2,018,226  | 270,548                                   | 530,003                                       |
| Electricity, Gas and Water            | 2,403  | 8,511                                     | 5,573   |
| Services                              | 2,529,638  | 1,118,310                                 | 1,333,865                                     |
| Wholesale and Retail Trade            | 591,197  | 588,531                                   | 458,638                                       |
| Accommodation and Dining              | 1,055,013  | 109,604                                   | 322,890                                       |
| Transportation and Telecom.           | 262,237  | 42,098                                    | 76,362  |
| Financial Institutions                | 235,113  | 6,141                                     | 177,101                                       |
| Real Estate and Rental Services       | 353,689  | 272,980                                   | 214,551                                       |
| Self Employed Services                | 25,573   | 40,345                                    | 34,779  |
| Educational Services                  | 4,833  | 8,583                                     | 6,040   |
| Health and Social Services            | 1,983  | 50,028                                    | 43,504  |
| Other                                 | 6,716,459  | 1,126,726                                 | 2,373,526                                     |
| <b>Total</b>                          | <b>11,352,642</b>                                    | <b>2,625,892</b>                          | <b>4,310,945</b>                              |

| Prior Period                          | Credits  |   | Provisions                                    |
|---------------------------------------|--|---|---|
|                                       | Impaired Receivables (TFRS 9)                        |   | Expected Credit<br>Loss Provision<br>(TFRS 9) |
|                                       | Significant<br>Increase in Credit<br>Risk (Stage II) | Credit-<br>Impaired Losses<br>(Stage III) |   |
| <b>Major Sectors / Counterparties</b> |  |   |   |
| Agriculture                           | 90,568   | 166,200                                   | 105,551                                       |
| Farming and Stockbreeding             | 90,246   | 159,100                                   | 100,949                                       |
| Forestry                              | -  | 2,800                                     | 1,500   |
| Fishery                               | 322  | 4,300                                     | 3,102   |
| Manufacturing                         | 1,685,727  | 530,600                                   | 698,868                                       |
| Mining and Quarrying                  | 44,245   | 14,800                                    | 15,091  |
| Production                            | 1,634,558  | 504,100                                   | 675,587                                       |
| Electricity, Gas and Water            | 6,924  | 11,700                                    | 8,190   |
| Services                              | 2,269,449  | 1,834,000                                 | 1,833,109                                     |
| Wholesale and Retail Trade            | 489,456  | 995,300                                   | 746,028                                       |
| Accommodation and Dining              | 843,615  | 122,000                                   | 277,874                                       |
| Transportation and Telecom.           | 293,586  | 77,400                                    | 93,599  |
| Financial Institutions                | 209,805  | 9,600                                     | 173,371                                       |
| Real Estate and Rental Services       | 357,297  | 406,100                                   | 375,933                                       |
| Self Employed Services                | 40,199   | 113,000                                   | 81,815  |
| Educational Services                  | 3,444  | 24,500                                    | 13,689  |
| Health and Social Services            | 32,047   | 86,100                                    | 70,800  |
| Other                                 | 5,638,195  | 794,582                                   | 973,741                                       |
| <b>Total</b>                          | <b>9,683,939</b>                                     | <b>3,325,382</b>                          | <b>3,611,269</b>                              |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### II. Explanations Related to Credit Risk (continued)

#### Information about Value Adjustment and Change in Provisions

|   | 31.12.2021<br>Balance | Provision for<br>Period | Provision<br>Reversals | Written off<br>from Asset | Other<br>Adjustments (*) | 31.12.2022<br>Balance |
|---|-----------------------|-------------------------|------------------------|---------------------------|--------------------------|-----------------------|
| Default (Stage III)<br>Expected Credit Loss<br>(Stage I-II) | 2,303,806             | 1,101,583               | (641,285)              | (757,322)                 | 19,193                   | 2,025,975             |
|   | 2,117,698             | 2,058,272               | (736,307)              | -                         | 314,305                  | 3,753,968             |

(\*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company.

|   | 31.12.2020<br>Balance | Provision for the<br>Period | Provision<br>Reversal | Written off<br>from Asset | Other<br>Adjustments (*) | 31.12.2021<br>Balance |
|---|-----------------------|-----------------------------|-----------------------|---------------------------|--------------------------|-----------------------|
| Default (Stage III)<br>Expected Credit Loss<br>(Stage I-II) | 2,381,897             | 554,833                     | (314,824)             | (349,374)                 | 31,274                   | 2,303,806             |
|   | 1,996,558             | 533,222                     | (804,640)             | -                         | 392,558                  | 2,117,698             |

(\*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company.

### III. Risks Involved in Counter-Cyclical Capital Buffer Calculation

#### Current Period

| Countries where the risk ultimately taken | Private sector loans<br>in banking accounts | Risk weighted amounts<br>calculated in trading<br>accounts | Total              |
|---|---|--|--------------------|
| Turkey                                    | 164,406,619                                 | 2,898,511  | 167,305,130        |
| TRNC                                      | 648,735                                     | -  | 648,735            |
| Egypt                                     | 156,927                                     | -  | 156,927            |
| Switzerland                               | 7,549                                       | -  | 7,549              |
| Germany                                   | 5,085                                       | -  | 5,085              |
| England                                   | 3,600                                       | -  | 3,600              |
| United Arab Emirates                      | 2,532                                       | -  | 2,532              |
| Other                                     | 19,963                                      | -  | 19,963             |
|   | <b>165,251,010</b>                          | <b>2,898,511</b>   | <b>168,149,521</b> |

#### Prior Period

| Countries where the risk ultimately taken | Private sector loans<br>in banking accounts | Risk weighted amounts<br>calculated in trading<br>accounts | Total             |
|---|---|--|-------------------|
| Turkey                                    | 97,009,182                                  | 1,263,046  | 98,272,228        |
| England                                   | 347,812                                     | -  | 347,812           |
| TRNC                                      | 346,827                                     | -  | 346,827           |
| Germany                                   | 4,213                                       | -  | 4,213             |
| France                                    | 1,567                                       | -  | 1,567             |
| Israel                                    | 1,320                                       | -  | 1,320             |
| USA                                       | 1,249                                       | -  | 1,249             |
| Other                                     | 10,568                                      | -  | 10,568            |
|   | <b>97,722,738</b>                           | <b>1,263,046</b>   | <b>98,985,784</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### IV. Explanations Related to Currency Risk

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

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

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

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

As of 31 December 2022, the Bank's balance sheet short position is TL 10,826,155 (31 December 2021: TL 24,020,137 short position) off-balance sheet long position is TL 6,325,402 (31 December 2021: TL 23,747,791 long position) and as a result net foreign currency short position is TL 4,500,753 (31 December 2021: net TL 272,346 short position).

The announced current foreign exchange buying rates of the Bank at 31 December 2022 and the previous five working days in full TL are as follows:

|      | 26.12.2022 | 27.12.2022 | 28.12.2022 | 29.12.2022 | 30.12.2022 | 31.12.2022 |
|------|------------|------------|------------|------------|------------|------------|
| USD  | 18.5577    | 18.6183    | 18.6223    | 18.6278    | 18.6010    | 18.6010    |
| EURO | 19.7212    | 19.7615    | 19.8235    | 19.8386    | 19.8399    | 19.8399    |

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before 31 December 2022 are as follows:

|      | Monthly Average Foreign<br>Buying Rate |
|------|--|
| USD  | 18.5605                                |
| EURO | 19.6455                                |

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

The Bank is exposed to foreign currency risk in large amounts in EURO and USD.

The table below shows the Bank's sensitivity to a 10% change in USD and EURO rates. The rate of 10% used is the rate used to report the currency risk to the senior management within the Bank, and this rate represents the possible change expected by the management in exchange rates. 10% depreciation of USD and EURO against TL affects profit and equity amounts positively in the case of a short position and negatively in the case of a long position.

| Change in FX Rate (%) |             | Effect on<br>Profit / Loss | Effect on<br>Equity (*) |
|-----------------------|-------------|----------------------------|-------------------------|
|                       |             | 31 December 2022           | 31 December 2022        |
| USD                   | 10 increase | 107,311                    | (2,504)                 |
| USD                   | 10 decrease | (107,311)                  | 2,504                   |
| EURO                  | 10 increase | (14,020)                   | 6,272                   |
| EURO                  | 10 decrease | 14,020                     | (6,272)                 |

| Change in FX Rate (%) |             | Effect on<br>Profit / Loss | Effect on<br>Equity (*) |
|-----------------------|-------------|----------------------------|-------------------------|
|                       |             | 31 December 2021           | 31 December 2021        |
| USD                   | 10 increase | 46,648                     | (11,283)                |
| USD                   | 10 decrease | (46,648)                   | 11,283                  |
| EURO                  | 10 increase | 7,278                      | (6,317)                 |
| EURO                  | 10 decrease | (7,278)                    | 6,317                   |

(\*) The effect on equity does not include the effect of the change in exchange rates on the income statement.

The sensitivity of the Bank to the changes in the exchange rates did not change significantly in the current period. Opening or closing positions in line with market expectations may increase the sensitivity to changes in the period's exchange rates.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### IV. Explanations Related to Currency Risk (continued)

#### Information on the Bank's currency risk:

The table below shows the Bank's distribution of balance sheet and derivative foreign exchange transactions taking into account the options transactions with nominal values as indicated in the BRSA regulation on foreign currency position. Besides taking into account this position by monitoring legal limits, the Bank also monitors the delta-adjusted position of the option transactions. As of 31 December 2022, there is a net long position of TL 1,472,842 in USD and a net long position of TL 117,453 in EURO.

| Current Period   | EURO               | USD                 | Other FC           | Total               |
|--|--------------------|---------------------|--------------------|---------------------|
| <b>Assets</b>  |                    |                     |                    |                     |
| Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey <sup>(1)</sup> | 12,445,173         | 19,063,318          | 5,114,911          | 36,623,402          |
| Banks <sup>(2)</sup>   | 1,291,936          | 650,602             | 4,203,295          | 6,145,833           |
| Financial Assets at Fair Value Through Profit or Loss  | 74,443             | 467,196             | -                  | 541,639             |
| Money Market Placements  | -                  | -                   | -                  | -                   |
| Financial Assets at Fair Value through Other Comprehensive Income  | 1,491,046          | 1,522,104           | 49,335             | 3,062,485           |
| Loans <sup>(3)</sup>   | 27,266,757         | 5,888,921           | 1,423,477          | 34,579,155          |
| Subsidiaries, Associates and Entities Under Common Control   | -                  | -                   | -                  | -                   |
| Financial Assets Measured at Amortised Cost <sup>(4)</sup>   | 3,664,924          | 5,944,828           | -                  | 9,609,752           |
| Derivative Financial Assets for Hedging Purposes <sup>(5)</sup>  | 168,148            | 140,016             | -                  | 308,164             |
| Tangible Assets  | -                  | -                   | -                  | -                   |
| Intangible Assets  | -                  | -                   | -                  | -                   |
| Other Assets <sup>(6)</sup>  | 141,020            | 25,875              | 11,144             | 178,039             |
| <b>Total Assets</b>  | <b>46,543,447</b>  | <b>33,702,860</b>   | <b>10,802,162</b>  | <b>91,048,469</b>   |
| <b>Liabilities</b>   |                    |                     |                    |                     |
| Bank Deposits  | 703                | -                   | 50                 | 753                 |
| Foreign Currency Deposits <sup>(7)</sup>   | 23,343,513         | 34,838,906          | 13,523,488         | 71,705,907          |
| Money Market Funds   | 5,706,506          | 1,084,154           | -                  | 6,790,660           |
| Funds Provided from Other Financial Institutions   | 10,749,200         | 9,495,079           | -                  | 20,244,279          |
| Securities Issued  | -                  | -                   | -                  | -                   |
| Derivative Financial Liabilities for Hedging Purposes  | -                  | -                   | -                  | -                   |
| Other Liabilities <sup>(8)</sup>   | 2,518,490          | 593,863             | 20,672             | 3,133,025           |
| <b>Total Liabilities</b>   | <b>42,318,412</b>  | <b>46,012,002</b>   | <b>13,544,210</b>  | <b>101,874,624</b>  |
| <b>Net Balance Sheet Position</b>  | <b>4,225,035</b>   | <b>(12,309,142)</b> | <b>(2,742,048)</b> | <b>(10,826,155)</b> |
| <b>Net Off-Balance Sheet Position</b>  | <b>(5,220,634)</b> | <b>9,769,785</b>    | <b>1,776,251</b>   | <b>6,325,402</b>    |
| Financial Derivative Assets <sup>(9)</sup>   | 32,515,163         | 58,915,548          | 8,465,255          | 99,895,966          |
| Financial Derivative Liabilities <sup>(9)</sup>  | 37,735,797         | 49,145,763          | 6,689,004          | 93,570,564          |
| Non-Cash Loans <sup>(10)</sup>   | 17,515,996         | 19,249,329          | 4,549,939          | 41,315,264          |
| <b>Prior Period</b>  |                    |                     |                    |                     |
| Total Assets   | 37,859,481         | 36,608,764          | 8,267,299          | 82,735,544          |
| Total Liabilities  | 45,945,145         | 49,401,428          | 11,409,108         | 106,755,681         |
| Net Balance Sheet Position   | (8,085,664)        | (12,792,664)        | (3,141,809)        | (24,020,137)        |
| Net Off-Balance Sheet Position   | 7,665,448          | 13,045,910          | 3,036,433          | 23,747,791          |
| Financial Derivative Assets <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          |

(1) Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey TL 5,950 (31 December 2021: TL 4,982) includes the balances of expected credit losses.

(2) The banks include TL 17,100 (31 December 2021: TL 22,153) of expected credit loss provisions.

(3) Foreign currency indexed loans amounting to TL 59,195 (31 December 2021: TL 173,195) are included in the loan portfolio. It includes TL 1,364,418 (31 December 2021: TL 814,077) amounting to expected credit loss.

(4) Financial assets at amortised cost includes expected credit loss amounting to TL 2,163 (31 December 2021: TL 1,839).

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

(6) TL 711,819 (31 December 2021: TL 312,610) income accruals from derivative financial instruments are deducted from other assets.

(7) Precious metal accounts amounting to TL 9,500,243 (31 December 2021: TL 7,954,654) are included in the foreign currency deposits.

(8) TL 529,899 (31 December 2021: TL 155,500) expense accruals from derivative financial instruments are deducted from other liabilities.

(9) Forward asset and marketable securities purchase-sale commitments of TL 2,836,459 (31 December 2021: TL 3,118,150) are added to derivative financial assets and TL 2,213,443 (31 December 2021: TL 4,589,261) has been added to derivative financial assets.

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



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### V. Explanations Related to Interest Rate Risk

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

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

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

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

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

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

|  | Up to 1<br>Month    | 1-3<br>Months      | 3-12<br>Months    | 1-5<br>Years      | Over 5<br>Years  | Non-interest<br>Bearing <sup>(1)</sup> | Total              |
|--|---------------------|--------------------|-------------------|-------------------|------------------|--|--------------------|
| <b>Current Period</b>  |                     |                    |                   |                   |                  |  |                    |
| <b>Assets</b>  |                     |                    |                   |                   |                  |  |                    |
| Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey <sup>(2)</sup> | -                   | -                  | -                 | -                 | -                | 43,832,308                             | 43,832,308         |
| Banks <sup>(3)</sup>   | 4,370,957           | -                  | -                 | -                 | -                | 4,564,430                              | 8,935,387          |
| Financial Assets at Fair Value Through Profit or Loss  | 1,866,362           | 817,219            | 126,562           | 152,208           | 49,451           | 416,777                                | 3,428,579          |
| Money Market Placements <sup>(4)</sup>   | 7,604,278           | -                  | -                 | -                 | -                | (589)                                  | 7,603,689          |
| Financial Assets at Fair Value Through Other Comprehensive Income  | 2,220,139           | 2,111,220          | 1,749,845         | 2,288,787         | -                | 49,313                                 | 8,419,304          |
| Loans <sup>(5)</sup>   | 21,194,070          | 23,869,279         | 60,396,829        | 40,236,470        | 1,010,386        | (2,419,589)                            | 144,287,445        |
| Financial Assets Measured at Amortised Cost <sup>(6)</sup>   | 1,483,985           | 4,986,368          | 16,807,897        | 11,498,454        | 5,679,232        | (9,103)                                | 40,446,833         |
| Other Assets   | 489,699             | 20,932             | 1,241,866         | 1,347,759         | 473,153          | 14,620,462                             | 18,193,871         |
| <b>Total Assets</b>  | <b>39,229,490</b>   | <b>31,805,018</b>  | <b>80,322,999</b> | <b>55,523,678</b> | <b>7,212,222</b> | <b>61,054,009</b>                      | <b>275,147,416</b> |
| <b>Liabilities</b>   |                     |                    |                   |                   |                  |  |                    |
| Bank Deposits  | 1,597,800           | -                  | -                 | -                 | -                | 185,513                                | 1,783,313          |
| Other Deposits   | 83,467,701          | 34,885,992         | 6,979,900         | 46,388            | -                | 73,227,757                             | 198,607,738        |
| Money Market Funds   | 2,500,718           | 3,198,340          | 1,091,602         | -                 | -                | -                                      | 6,790,660          |
| Miscellaneous Payables   | -                   | -                  | -                 | -                 | -                | -                                      | -                  |
| Securities Issued  | -                   | -                  | -                 | -                 | -                | -                                      | -                  |
| Funds Provided from Other Financial Institutions   | 2,561,406           | 7,301,949          | 7,051,082         | -                 | 3,967,195        | -                                      | 20,881,632         |
| Other Liabilities  | 77,357              | 500,838            | 1,625,088         | 484,261           | 55,727           | 44,340,802                             | 47,084,073         |
| <b>Total Liabilities</b>   | <b>90,204,982</b>   | <b>45,887,119</b>  | <b>16,747,672</b> | <b>530,649</b>    | <b>4,022,922</b> | <b>117,754,072</b>                     | <b>275,147,416</b> |
| Balance Sheet Long Position  | -                   | -                  | 63,575,327        | 54,993,029        | 3,189,300        | -                                      | 121,757,656        |
| Balance Sheet Short Position   | (50,975,492)        | (14,082,101)       | -                 | -                 | -                | (56,700,063)                           | (121,757,656)      |
| Off-Balance Sheet Long Position  | 5,489,816           | 8,170,094          | -                 | -                 | 32,304           | -                                      | 13,692,214         |
| Off-Balance Sheet Short Position   | -                   | -                  | (8,668,203)       | (4,384,572)       | -                | -                                      | (13,052,775)       |
| <b>Total Position</b>  | <b>(45,485,676)</b> | <b>(5,912,007)</b> | <b>54,907,124</b> | <b>50,608,457</b> | <b>3,221,604</b> | <b>(56,700,063)</b>                    | <b>639,439</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, Cheques Purchased) and the Central Bank of Turkey include expected loss provisions amounting of TL 7,403.

<sup>(3)</sup> The banks include TL 28,900 of expected loss provisions.

<sup>(4)</sup> Money Market Placement includes expected loss provisions balance amounting to TL 589.

<sup>(5)</sup> The revolving loans amounting to TL 11,454,165 are presented under the “Up to 1 Month” column. It includes expected loss provisions amounting to TL 5,045,481.

<sup>(6)</sup> Financial assets at amortised cost includes expected credit loss amounting to TL 9,103.

The other assets line in the non-interest-bearing column consists of tangible assets amounting to TL 1,251,721 intangible assets amounting to TL 882,517, subsidiaries amounting to TL 116,036 and entities under common control joint venture amounting to TL 5, assets held for sale amounting to TL 100,370 while the other liabilities line includes the shareholders’ equity of TL 25,341,172.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### V. Explanations Related to Interest Rate Risk (continued)

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

|  | Up to 1<br>Month   | 1-3<br>Months     | 3-12<br>Months    | 1-5<br>Years      | Over 5<br>Years    | Non-interest<br>Bearing <sup>(1)</sup> | Total              |
|--|--------------------|-------------------|-------------------|-------------------|--------------------|--|--------------------|
| <b>Prior Period</b>  |                    |                   |                   |                   |                    |  |                    |
| <b>Assets</b>  |                    |                   |                   |                   |                    |  |                    |
| Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey <sup>(2)</sup> | 22,959,105         | -                 | -                 | -                 | -                  | 12,826,030                             | 35,785,135         |
| Banks <sup>(3)</sup>   | 6,570,302          | -                 | -                 | -                 | -                  | 4,986,490                              | 11,556,792         |
| Financial Assets at Fair Value Through Profit or Loss  | 252,946            | 718,169           | 619,019           | 805,158           | 96,136             | 302,359                                | 2,793,787          |
| Money Market Placements  | -                  | -                 | -                 | -                 | -                  | -                                      | -                  |
| Financial Assets at Fair Value Through Other Comprehensive Income  | 502,497            | 476,140           | 1,672,084         | 4,511,113         | -                  | 13,250                                 | 7,175,084          |
| Loans <sup>(4)</sup>   | 30,270,588         | 12,019,328        | 35,157,117        | 25,756,608        | 1,293,973          | (714,613)                              | 103,783,001        |
| Financial Assets Measured at Amortised Cost <sup>(5)</sup>   | 663,358            | 576,192           | 10,699,178        | 7,571,596         | 41,376             | (4,399)                                | 19,547,301         |
| Other Assets   | 6,052              | 45,500            | 1,663,129         | 1,698,491         | 285,616            | 9,717,134                              | 13,415,922         |
| <b>Total Assets</b>  | <b>61,224,848</b>  | <b>13,835,329</b> | <b>49,810,527</b> | <b>40,342,966</b> | <b>1,717,101</b>   | <b>27,126,251</b>                      | <b>194,057,022</b> |
| <b>Liabilities</b>   |                    |                   |                   |                   |                    |  |                    |
| Bank Deposits  | 1,962,166          | -                 | -                 | -                 | -                  | 37,570                                 | 1,999,736          |
| Other Deposits   | 60,696,336         | 10,374,268        | 287,263           | 1,378             | -                  | 58,480,268                             | 129,839,513        |
| Money Market Funds   | 4,679,049          | 2,575,838         | 1,586,822         | -                 | -                  | -                                      | 8,841,709          |
| Miscellaneous Payables   | -                  | -                 | -                 | -                 | -                  | -                                      | -                  |
| Securities Issued  | 1,049,232          | 145,293           | -                 | -                 | -                  | -                                      | 1,194,525          |
| Funds Provided from Other Financial Institutions   | 3,546,147          | 11,544,778        | 4,888,330         | -                 | 2,857,546          | -                                      | 22,836,801         |
| Other Liabilities  | 147,226            | 538,774           | 177,900           | 1,318,413         | 51,968             | 27,110,457                             | 29,344,738         |
| <b>Total Liabilities</b>   | <b>72,080,156</b>  | <b>25,178,951</b> | <b>6,940,315</b>  | <b>1,319,791</b>  | <b>2,909,514</b>   | <b>85,628,295</b>                      | <b>194,057,022</b> |
| Balance Sheet Long Position  | -                  | -                 | 42,870,212        | 39,023,175        | -                  | -                                      | 81,893,387         |
| Balance Sheet Short Position   | (10,855,308)       | (11,343,622)      | -                 | -                 | (1,192,413)        | (58,502,044)                           | (81,893,387)       |
| Off-Balance Sheet Long Position  | 5,039,168          | 11,003,202        | -                 | -                 | -                  | -                                      | 16,042,370         |
| Off-Balance Sheet Short Position   | -                  | -                 | (12,243,494)      | (2,104,686)       | (233,696)          | -                                      | (14,581,876)       |
| <b>Total Position</b>  | <b>(5,816,140)</b> | <b>(340,420)</b>  | <b>30,626,718</b> | <b>36,918,489</b> | <b>(1,426,109)</b> | <b>(58,502,044)</b>                    | <b>1,460,494</b>   |

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

(2) Cash Balances (Cash, Effective Deposit, Money in transit, Cheques Purchased) and the Central Bank of Turkey include expected loss provisions amounting of TL 6,160.

(3) The banks include TL 23,547 of expected loss provisions.

(4) The revolving loans amounting to TL 13,983,435 are presented under the “Up to 1 Month” column. It includes expected loss provisions amounting to TL 4,039,995.

(5) Financial assets at amortised cost includes expected credit loss amounting to TL 4,399.

The other assets line in the non-interest-bearing column consists of tangible assets amounting to TL 915,504, intangible assets amounting to TL 601,609, subsidiaries amounting to TL 116,036 and entities under common control joint venture amounting to TL 5, assets held for sale amounting to TL 65,933 while other liabilities line includes the shareholders’ equity of TL 13,617,819.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### V. Explanations Related to Interest Rate Risk (continued)

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

|  | EURO   | USD  | YEN  | TL    |
|--|--------|------|------|-------|
|  | %      | %    | %    | %     |
| <b>Current Period</b>  |        |      |      |       |
| Assets   |        |      |      |       |
| Cash Balances (Cash, Effective Deposit,<br>Money in Transit, Cheques Purchased) and the Central Bank of Turkey | -      | -    | -    | -     |
| Banks  | 1.75   | 4.25 | -    | 10.05 |
| Financial Assets at Fair Value Through Profit or Loss  | 5.01   | 7.71 | -    | 11.41 |
| Money Market Placements  | -      | -    | -    | 10.27 |
| Financial Assets at Fair Value Through Other Comprehensive Income  | 2.71   | 3.50 | -    | 36.20 |
| Loans  | 4.60   | 7.75 | 5.65 | 19.76 |
| Financial Assets Measured at Amortised Cost  | 3.16   | 5.18 | -    | 42.86 |
| Liabilities  |        |      |      |       |
| Bank Deposits  | -      | -    | -    | 3.74  |
| Other Deposits   | 0.70   | 3.02 | -    | 17.96 |
| Money Market Funds   | 1.88   | 3.00 | -    | -     |
| Miscellaneous Payables   | -      | -    | -    | -     |
| Securities Issued  | -      | -    | -    | -     |
| Funds Provided from Other Financial Institutions   | 6.75   | 7.65 | -    | 19.39 |
|  | EURO   | USD  | YEN  | TL    |
|  | %      | %    | %    | %     |
| <b>Prior Period</b>  |        |      |      |       |
| Assets   |        |      |      |       |
| Cash Balances (Cash, Effective Deposit,<br>Money in Transit, Cheques Purchased) and the Central Bank of Turkey | -      | -    | -    | 8.50  |
| Banks  | (0.70) | 0.05 | -    | 14.06 |
| Financial Assets at Fair Value Through Profit or Loss  | 3.36   | 5.24 | -    | 20.14 |
| Money Market Placements  | -      | -    | -    | -     |
| Financial Assets at Fair Value Through Other Comprehensive Income  | 2.70   | 3.84 | -    | 17.48 |
| Loans  | 2.82   | 3.36 | 5.45 | 20.00 |
| Financial Assets Measured at Amortised Cost  | 3.16   | 5.46 | -    | 27.53 |
| Liabilities  |        |      |      |       |
| Bank Deposits  | -      | -    | -    | 10.37 |
| Other Deposits   | 0.11   | 0.32 | -    | 17.41 |
| Money Market Funds   | 1.04   | -    | -    | 14.00 |
| Miscellaneous Payables   | -      | -    | -    | -     |
| Securities Issued  | -      | -    | -    | 16.59 |
| Funds Provided from Other Financial Institutions   | 1.98   | 4.89 | -    | 15.82 |

#### Interest rate risk arising from banking accounts:

- a) Significant assumptions and frequency of measurement of interest rate risk, including the nature of interest rate risk arising from banking accounts and those related to the movement of deposits other than loan early repayments and time deposits:

Interest rate risk arising from banking accounts is monitored through different scenarios, and the interest risk exposed by presenting the results to the relevant committees is evaluated from different perspectives. There is a limit determined by the Board of Directors regarding the risk amount. It is taken care to ensure a certain harmony between assets and liabilities on the basis of currency, taking into account the market expectations of the bank.

Early repayment rates of loans were determined by examining the historic reaction of housing loans to interest movements in the previous periods. By analysing the movements of demand deposits on the basis of branches and accounts, it has been determined the duration of demand deposits that remain in the Bank on account basis. Assumptions accepted in parallel with the results reached are reflected in the above-mentioned products in interest rate sensitivity calculations.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### V. Explanations Related to Interest Rate Risk (continued)

#### Interest rate risk arising from banking accounts: (continued)

- b) Economic value differences arising from fluctuations in interest rates in accordance with the “Regulation on Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts by Standard Shock Method”:

| Currency                          | Shock Applied<br>(+/- x basis point) | Gains/<br>(Losses) | Gains/Equity-<br>(Losses)/ Equity |
|-----------------------------------|--------------------------------------|--------------------|-----------------------------------|
| TL                                | (400)                                | 1,964,724          | 5.47%                             |
| TL                                | 500                                  | (2,133,523)        | (5.94) %                          |
| EURO                              | (200)                                | 346,055            | 0.96%                             |
| EURO                              | 200                                  | (323,842)          | (0.90)%                           |
| USD                               | (200)                                | 52,328             | 0.15%                             |
| USD                               | 200                                  | (48,091)           | (0.13) %                          |
| <b>Total (Of negative shocks)</b> | <b>(800)</b>                         | <b>2,363,107</b>   | <b>6.58%</b>                      |
| <b>Total (Of positive shocks)</b> | <b>900</b>                           | <b>(2,505,456)</b> | <b>(6.98)%</b>                    |

### VI. Explanations Related to Certificates Share Position Risk from Banking Book:

Equity securities which are not publicly traded in the Bank’s financial statements are booked as their fair value, or otherwise booked as their cost value whereby fair value cannot be calculated properly.

The Bank has no shares traded on Borsa Istanbul.

### VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio

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

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

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

- d) Information on liquidity management based on currency which constituting at least five percent of the Bank's total liabilities:

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

- e) Information on liquidity risk mitigation techniques:

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

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

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

- f) Explanation on the usage of the stress test:

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

- g) General information on liquidity emergency and contingency plans:

The extraordinary liquidity situation is evaluated to determine.

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### Liquidity Coverage Ratio:

|  | Rate of Percentage to Be Taken<br>into Account not Implemented<br>Total Value (*) |                   | Rate of Percentage to Be<br>Taken into Account<br>Implemented Total Value (*) |                   |
|--|---|-------------------|---|-------------------|
|  | TL+FC   | FC                | TL+FC   | FC                |
| <b>Current Period – 31 December 2022</b>   |   |                   |   |                   |
| <b>High Quality Liquid Assets</b>  |   |                   |   |                   |
| 1 High Quality Liquid Assets   |   |                   | 85,094,656  | 40,305,054        |
| <b>Cash Outflows</b>   |   |                   |   |                   |
| 2 Real Person and Retail Deposits  | 137,419,843   | 59,142,355        | 12,546,042  | 5,914,235         |
| 3 Stable Deposits  | 23,918,844  | -                 | 1,195,942   | -                 |
| 4 Less Stable Deposits   | 113,500,999   | 59,142,355        | 11,350,100  | 5,914,235         |
| 5 Unsecured Debts Other than Real person and Retail Deposits   | 63,920,679  | 29,122,940        | 36,871,281  | 14,593,965        |
| 6 Operational Deposits   | 1,589,348   | 338,183           | 397,337   | 84,546            |
| 7 Non-operational Deposits   | 53,250,938  | 24,788,342        | 28,433,796  | 10,814,353        |
| 8 Other Unsecured Funding  | 9,080,393   | 3,996,415         | 8,040,148   | 3,695,066         |
| 9 Secured Funding  | -   | -                 | -   | -                 |
| 10 Other Cash Outflows   | 2,258,023   | 10,237,534        | 2,258,023   | 10,237,534        |
| 11 Outflows Related to Derivative Exposures  | 2,258,023   | 10,237,534        | 2,258,023   | 10,237,534        |
| 12 Outflows Related to Restructured Financial Instruments  | -   | -                 | -   | -                 |
| 13 Payment Commitments and Other Off-balance Sheet Commitments<br>Granted for Debts to Financial Markets | -   | -                 | -   | -                 |
| 14 Other Revocable Off-balance Sheet Commitments and Contractual<br>Obligations                          | -   | -                 | -   | -                 |
| 15 Other Irrevocable or Conditionally Revocable Off-balance Sheet<br>Obligations                         | 83,340,258  | 34,809,972        | 7,085,241   | 3,780,806         |
| <b>16 Total Cash Outflows</b>  |   |                   | <b>58,760,587</b>   | <b>34,526,540</b> |
| <b>Cash Inflows</b>  |   |                   |   |                   |
| 17 Secured Receivables   | -   | -                 | -   | -                 |
| 18 Unsecured Receivables   | 24,235,910  | 13,198,677        | 18,136,700  | 11,960,697        |
| 19 Other Cash Inflows  | 302,282   | 29,318,691        | 302,282   | 29,318,691        |
| <b>20 Total Cash Inflows</b>   | <b>24,538,192</b>   | <b>42,517,368</b> | <b>18,438,982</b>   | <b>41,279,388</b> |
| <b>21 Total High Quality Liquid Assets</b>   |   |                   | <b>85,094,656</b>   | <b>40,305,054</b> |
| <b>22 Total Net Cash Outflows</b>  |   |                   | <b>40,321,605</b>   | <b>8,631,635</b>  |
| <b>23 Liquidity Coverage Ratio (%)</b>   |   |                   | <b>211.04</b>   | <b>466.95</b>     |

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

|  | Rate of Percentage to Be Taken<br>into Account not Implemented<br>Total Value(*) |                   | Rate of Percentage to Be<br>Taken into Account<br>Implemented Total Value(*) |                   |
|--|--|-------------------|--|-------------------|
|  | TL+FC  | FC                | TL+FC  | FC                |
| <b>Prior Period – 31 December 2021</b>   |  |                   |  |                   |
| <b>High Quality Liquid Assets</b>  |  |                   |  |                   |
| 1 High quality liquid assets   |  |                   | 47,286,292   | 29,716,957        |
| <b>Cash Outflows</b>   |  |                   |  |                   |
| 2 Real Person and Retail Deposits  | 81,720,904   | 42,598,230        | 7,319,602  | 4,259,823         |
| 3 Stable Deposits  | 17,049,779   | -                 | 852,489  | -                 |
| 4 Less Stable Deposits   | 64,671,125   | 42,598,230        | 6,467,113  | 4,259,823         |
| 5 Unsecured Debts Other than Real Person and Retail Deposits   | 44,581,451   | 22,525,874        | 25,823,594   | 12,484,715        |
| 6 Operational Deposits   | 217,442  | -                 | 54,360   | -                 |
| 7 Non-operational Deposits   | 35,096,625   | 16,813,316        | 16,547,063   | 6,772,318         |
| 8 Other Unsecured Funding  | 9,267,384  | 5,712,558         | 9,222,171  | 5,712,397         |
| 9 Secured Funding  | -  | -                 | -  | -                 |
| 10 Other Cash Outflows   | 1,286,330  | 4,867,615         | 1,286,330  | 4,867,615         |
| 11 Outflows Related to Derivative Exposures  | 1,286,330  | 4,867,615         | 1,286,330  | 4,867,615         |
| 12 Outflows Related to Restructured Financial Instruments  | -  | -                 | -  | -                 |
| 13 Payment Commitments and Other Off-balance Sheet Commitments<br>Granted for Debts to Financial Markets | -  | -                 | -  | -                 |
| 14 Other Revocable Off-balance Sheet Commitments and Contractual<br>Obligations                          | -  | -                 | -  | -                 |
| 15 Other Irrevocable or Conditionally Revocable Off-balance Sheet<br>Obligations                         | 44,271,920   | 17,702,242        | 3,521,975  | 1,773,047         |
| <b>16 Total Cash Outflows</b>  |  |                   | <b>37,951,501</b>  | <b>23,385,200</b> |
| <b>Cash Inflows</b>  |  |                   |  |                   |
| 17 Secured Receivables   | -  | -                 | -  | -                 |
| 18 Unsecured Receivables   | 16,559,885   | 9,715,410         | 12,819,913   | 8,976,337         |
| 19 Other Cash Inflows  | 561,220  | 12,279,927        | 561,220  | 12,279,927        |
| <b>20 Total Cash Inflows</b>   | <b>17,121,105</b>  | <b>21,995,337</b> | <b>13,381,133</b>  | <b>21,256,264</b> |
| <b>21 Total High Quality Liquid Assets Inventory</b>   |  |                   | <b>47,286,292</b>  | <b>29,716,957</b> |
| <b>22 Total Net Cash Outflows</b>  |  |                   | <b>24,570,368</b>  | <b>5,846,300</b>  |
| <b>23 Liquidity Coverage Ratio (%)</b>   |  |                   | <b>192.45</b>  | <b>508.30</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 UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### Liquidity Coverage Ratio: (continued)

The amount of high-quality liquid assets, distribution of deposits based on segment, maturity types of borrowings and the share of revolving loans in loan portfolio can be considered as the most important factors affecting Liquidity Coverage Ratio.

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

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

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

The weeks with lowest and highest liquidity coverage ratio for the last three months calculated by using weekly simple arithmetic averages are presented below:

|                 | Current Period        |                       | Prior Period          |                       |
|-----------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                 | TL+FC                 | FC                    | TL+FC                 | FC                    |
| Lowest<br>Week  | 191.09%<br>04.11.2022 | 391.37%<br>28.10.2022 | 153.36%<br>15.10.2021 | 400.72%<br>15.10.2021 |
| Highest<br>Week | 241.34%<br>16.12.2022 | 538.11%<br>18.11.2022 | 236.00%<br>17.12.2021 | 564.43%<br>01.10.2021 |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

Presentation of assets and liabilities according to their remaining maturities:

| Current Period   | Demand              | Up to 1 Month       | 1-3 Months          | 3-12 Months       | 1-5 Years         | Over 5 Years       | Undistributed <sup>(1)</sup> | Total              |
|--|---------------------|---------------------|---------------------|-------------------|-------------------|--------------------|------------------------------|--------------------|
| <b>Assets</b>  |                     |                     |                     |                   |                   |                    |                              |                    |
| Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey <sup>(2)</sup> | 17,776,014          | 26,063,697          | -                   | -                 | -                 | -                  | (7,403)                      | 43,832,308         |
| Banks <sup>(3)</sup>   | 6,231,616           | 2,732,671           | -                   | -                 | -                 | -                  | (28,900)                     | 8,935,387          |
| Financial Assets at Fair Value Through Profit and Loss   | -                   | 1,597,749           | 105,815             | 498,962           | 759,825           | 49,451             | 416,777                      | 3,428,579          |
| Money Market Placements <sup>(4)</sup>   | -                   | 7,604,278           | -                   | -                 | -                 | -                  | (589)                        | 7,603,689          |
| Financial Assets at Fair Value Through Other Comprehensive Income  | 49,313              | 49,266              | 948,230             | 959,653           | 4,175,140         | 2,237,702          | -                            | 8,419,304          |
| Loans Given <sup>(5)</sup>   | -                   | 18,960,045          | 23,871,183          | 60,493,918        | 42,371,502        | 1,010,386          | (2,419,589)                  | 144,287,445        |
| Financial Assets Measured at Amortised Cost <sup>(6)</sup>   | -                   | 202,928             | 187,153             | 14,413,600        | 15,018,688        | 10,633,567         | (9,103)                      | 40,446,833         |
| Other Assets   | -                   | 2,824,270           | 685,492             | 2,102,614         | 1,578,109         | 678,386            | 10,325,000                   | 18,193,871         |
| <b>Total Assets</b>  | <b>24,056,943</b>   | <b>60,034,904</b>   | <b>25,797,873</b>   | <b>78,468,747</b> | <b>63,903,264</b> | <b>14,609,492</b>  | <b>8,276,193</b>             | <b>275,147,416</b> |
| <b>Liabilities</b>   |                     |                     |                     |                   |                   |                    |                              |                    |
| Bank Deposits  | 185,513             | 1,597,800           | -                   | -                 | -                 | -                  | -                            | 1,783,313          |
| Other Deposit  | 73,227,757          | 83,467,701          | 34,885,992          | 6,979,900         | 46,388            | -                  | -                            | 198,607,738        |
| Funds Provided from Other Financial Institutions   | -                   | 443,123             | 1,657,312           | 9,055,804         | 17,175            | 9,708,218          | -                            | 20,881,632         |
| Money Market Funds   | -                   | 2,500,718           | 3,198,340           | 1,091,602         | -                 | -                  | -                            | 6,790,660          |
| Securities Issued  | -                   | -                   | -                   | -                 | -                 | -                  | -                            | -                  |
| Miscellaneous Payables   | -                   | -                   | -                   | -                 | -                 | -                  | -                            | -                  |
| Other Liabilities  | -                   | 12,892,672          | 646,107             | 3,230,910         | 1,186,589         | 427,872            | 28,699,923                   | 47,084,073         |
| <b>Total Liabilities</b>   | <b>73,413,270</b>   | <b>100,902,014</b>  | <b>40,387,751</b>   | <b>20,358,216</b> | <b>1,250,152</b>  | <b>10,136,090</b>  | <b>28,699,923</b>            | <b>275,147,416</b> |
| <b>Liquidity Gap</b>   | <b>(49,356,327)</b> | <b>(40,867,110)</b> | <b>(14,589,878)</b> | <b>58,110,531</b> | <b>62,653,112</b> | <b>4,473,402</b>   | <b>(20,423,730)</b>          | <b>-</b>           |
| <b>Net Off-Balance Sheet Position</b>  | <b>-</b>            | <b>(591,987)</b>    | <b>393,817</b>      | <b>1,196,457</b>  | <b>954,774</b>    | <b>307,126</b>     | <b>-</b>                     | <b>2,260,187</b>   |
| Financial Derivative Assets  | -                   | 44,409,942          | 57,618,886          | 39,771,836        | 20,496,290        | 4,034,812          | -                            | 166,331,766        |
| Financial Derivative Liabilities   | -                   | 45,001,929          | 57,225,069          | 38,575,379        | 19,541,516        | 3,727,686          | -                            | 164,071,579        |
| Non-Cash Loans   | 13,124,512          | 3,497,894           | 7,413,856           | 18,952,925        | 12,278,183        | -                  | -                            | 55,267,370         |
| <b>Prior Period</b>  |                     |                     |                     |                   |                   |                    |                              |                    |
| Total Assets   | 19,090,091          | 59,853,565          | 14,999,165          | 42,109,876        | 51,721,019        | 2,353,091          | 3,930,215                    | 194,057,022        |
| Total Liabilities  | 58,517,838          | 79,549,459          | 21,051,575          | 10,732,666        | 1,842,697         | 7,520,200          | 14,842,587                   | 194,057,022        |
| <b>Liquidity Gap</b>   | <b>(39,427,747)</b> | <b>(19,695,894)</b> | <b>(6,052,410)</b>  | <b>31,377,210</b> | <b>49,878,322</b> | <b>(5,167,109)</b> | <b>(10,912,372)</b>          | <b>-</b>           |
| <b>Net Off-Balance Sheet Position</b>  | <b>-</b>            | <b>1,157,348</b>    | <b>180,560</b>      | <b>1,768,166</b>  | <b>231,463</b>    | <b>180,567</b>     | <b>-</b>                     | <b>3,518,104</b>   |
| Financial Derivative Assets  | -                   | 29,886,074          | 29,745,541          | 26,100,385        | 18,145,761        | 2,968,553          | -                            | 106,846,314        |
| Financial Derivative Liabilities   | -                   | 28,728,726          | 29,564,981          | 24,332,219        | 17,914,298        | 2,787,986          | -                            | 103,328,210        |
| Non-Cash Loans   | 10,182,618          | 2,203,512           | 5,450,781           | 13,364,312        | 7,332,490         | -                  | -                            | 38,533,713         |

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

(2) Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey include expected loss provisions amounting of TL 7,403.

(3) The banks include TL 28,900 of expected loss provisions.

(4) Money Market Placement includes expected loss provisions balance amounting to TL 589.

(5) The revolving loans amounting to TL 11,454,165 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 5,045,481.

(6) Financial assets at amortised cost includes expected credit loss amounting to TL 9,103.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### Analysis of financial liabilities by remaining contractual maturities:

|                           | Demand            | Up to 1<br>Month  | 1-3<br>Months     | 3-12<br>Months    | 1-5<br>Years     | 5 Years<br>and Over | Adjustments         | Total              |
|---------------------------|-------------------|-------------------|-------------------|-------------------|------------------|---------------------|---------------------|--------------------|
| <b>31 December 2022</b>   |                   |                   |                   |                   |                  |                     |                     |                    |
| Money Market Funds        | -                 | 1,084,154         | 60,598            | 3,058,871         | 2,626,629        | -                   | (39,592)            | 6,790,660          |
| Other Deposits            | 73,227,757        | 83,891,817        | 35,584,573        | 7,524,987         | 52,135           | -                   | (1,673,531)         | 198,607,738        |
| Banks Deposits            | 185,513           | 1,598,124         | -                 | -                 | -                | -                   | (324)               | 1,783,313          |
| Funds Provided from Other |                   |                   |                   |                   |                  |                     |                     |                    |
| Financial Institutions    | -                 | 3,940,073         | 1,978,712         | 9,941,981         | 3,480,698        | 10,665,376          | (9,125,208)         | 20,881,632         |
| Issued Securities         | -                 | -                 | -                 | -                 | -                | -                   | -                   | -                  |
| <b>Total</b>              | <b>73,413,270</b> | <b>90,514,168</b> | <b>37,623,883</b> | <b>20,525,839</b> | <b>6,159,462</b> | <b>10,665,376</b>   | <b>(10,838,655)</b> | <b>228,063,343</b> |
| <b>31 December 2021</b>   |                   |                   |                   |                   |                  |                     |                     |                    |
| Money Market Funds        | -                 | 4,680,792         | 2,598,569         | 1,593,351         | -                | -                   | (31,003)            | 8,841,709          |
| Other Deposits            | 58,480,268        | 60,828,467        | 10,562,978        | 303,238           | 1,427            | -                   | (336,865)           | 129,839,513        |
| Banks Deposits            | 37,570            | 1,963,832         | -                 | -                 | -                | -                   | (1,666)             | 1,999,736          |
| Funds Provided from Other |                   |                   |                   |                   |                  |                     |                     |                    |
| Financial Institutions    | -                 | 1,397,492         | 6,509,638         | 9,590,927         | 1,968,338        | 8,991,685           | (5,621,279)         | 22,836,801         |
| Issued Securities         | -                 | 1,078,661         | 150,058           | -                 | -                | -                   | (34,194)            | 1,194,525          |
| <b>Total</b>              | <b>58,517,838</b> | <b>69,949,244</b> | <b>19,821,243</b> | <b>11,487,516</b> | <b>1,969,765</b> | <b>8,991,685</b>    | <b>(6,025,007)</b>  | <b>164,712,284</b> |

#### The contract-based maturity analysis of the Bank's derivative instruments is as follows:

|  | Up to 1<br>Month  | 1-3<br>Month      | 3-12<br>Month     | 1-5<br>Year       | 5 Years and<br>Over | Total              |
|--|-------------------|-------------------|-------------------|-------------------|---------------------|--------------------|
| <b>31 December 2022</b>                                      |                   |                   |                   |                   |                     |                    |
| <b>Derivative Financial Instruments for Hedging Purposes</b> |                   |                   |                   |                   |                     |                    |
| Fair Value Hedge   | -                 | -                 | -                 | -                 | -                   | -                  |
| Cash Flow Hedge  | 2,043             | 35,935            | 8,885,847         | 6,909,227         | -                   | 15,833,052         |
| <b>Trading Transactions</b>                                  |                   |                   |                   |                   |                     |                    |
| Foreign Exchange Forward                                     | 5,584,195         | 5,621,390         | 9,271,270         | 202,726           | -                   | 20,679,581         |
| Swap Money Selling Agreement                                 | 28,853,242        | 28,436,597        | 5,729,997         | 9,044,195         | 340,851             | 72,404,882         |
| Interest Rate Swaps-Sell                                     | -                 | -                 | -                 | -                 | -                   | -                  |
| Futures Monetary Agreement                                   | -                 | 1,614,567         | 287,832           | -                 | -                   | 1,902,399          |
| Money Exchange Options Contract                              | 5,681,660         | 16,474,998        | 4,214,429         | 1,231,979         | -                   | 27,603,066         |
| <b>Total</b>   | <b>40,121,140</b> | <b>52,183,487</b> | <b>28,389,375</b> | <b>17,388,127</b> | <b>340,851</b>      | <b>138,422,980</b> |
| <b>31 December 2021</b>                                      |                   |                   |                   |                   |                     |                    |
| <b>Derivative Financial Instruments for Hedging Purposes</b> |                   |                   |                   |                   |                     |                    |
| Fair Value Hedge   | -                 | -                 | -                 | -                 | -                   | -                  |
| Cash Flow Hedge  | -                 | 35,186            | 3,887,312         | 636,913           | -                   | 4,559,411          |
| <b>Trading Transactions</b>                                  |                   |                   |                   |                   |                     |                    |
| Foreign Exchange Forward                                     | 4,716,764         | 3,435,743         | 5,101,585         | 217,898           | -                   | 13,471,990         |
| Swap Money Selling Agreement                                 | 19,240,938        | 25,863,945        | 4,280,649         | 9,392,381         | 217,139             | 58,995,052         |
| Interest Rate Swaps-Sell                                     | -                 | -                 | -                 | -                 | -                   | -                  |
| Futures Monetary Agreement                                   | -                 | 321,698           | 42,622            | -                 | -                   | 364,320            |
| Money Exchange Options Contract                              | 1,471,166         | 693,877           | 1,465,943         | -                 | -                   | 3,630,986          |
| <b>Total</b>   | <b>25,428,868</b> | <b>30,350,449</b> | <b>14,778,111</b> | <b>10,247,192</b> | <b>217,139</b>      | <b>81,021,759</b>  |

Cash outflows of derivative instruments are shown in the tables above.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### VIII. Explanations Related to Leverage Ratio

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

Leverage ratio increased due to the increase in Tier 1 capital.

- b) Leverage ratio:

|   |  | <b>Current<br/>Period (*)</b> | <b>Prior<br/>Period (*)</b> |
|---|--|-------------------------------|-----------------------------|
| <b>Assets on the balance sheet</b>                                |  |                               |                             |
| 1   | Assets on the balance sheet (Excluding derivative financial instruments and loan derivatives, including collaterals) | 272,122,148                   | 175,665,512                 |
| 2   | (Assets deducted from core capital)  | (837,102)                     | (598,378)                   |
| 3   | Total risk amount for assets on the balance sheet  | 271,285,046                   | 175,067,134                 |
| <b>Derivative financial instruments and credit derivatives</b>    |  |                               |                             |
| 4   | Renewal cost of derivative financial instruments and loan derivatives  | 3,233,772                     | 2,456,964                   |
| 5   | Potential credit risk amount of derivative financial instruments and loan derivatives                                | 1,205,781                     | 612,168                     |
| 6   | Total risk amount of derivative financial instruments and loan derivatives   | 4,439,553                     | 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)     | 2,727,317                     | 854,257                     |
| 8   | Risk amount arising from intermediated transactions  | -                             | -                           |
| 9   | Total risk amount of financing transactions with securities or goods warranties                                      | 2,727,317                     | 854,257                     |
| <b>Off-the-balance sheet transactions</b>                         |  |                               |                             |
| 10  | Gross nominal amount of the off-balance sheet transactions   | 102,937,518                   | 66,385,645                  |
| 11  | (Adjustment amount arising from multiplying by the credit conversion rate)   | -                             | -                           |
| 12  | Total risk amount for off-balance sheet transactions   | 102,937,518                   | 66,385,645                  |
| <b>Capital and total risk</b>                                     |  |                               |                             |
| 13  | Tier 1 Capital   | 23,809,553                    | 12,506,263                  |
| 14  | Total risk amount  | 381,389,434                   | 245,376,168                 |
| <b>Leverage ratio</b>   |  |                               |                             |
| 15  | Leverage ratio   | 6.24%                         | 5.10%                       |

(\*) The amounts in the table are calculated by using the 3 months average amounts.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values

|  | Book Value         |                    | Fair Value         |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | Current Period     | Prior Period       | Current Period     | Prior Period       |
| <b>Financial Assets</b>  | <b>209,692,658</b> | <b>142,062,178</b> | <b>214,605,162</b> | <b>141,503,491</b> |
| Money Market Placement   | 7,603,689          | -                  | 7,603,689          | -                  |
| Banks  | 8,935,387          | 11,556,792         | 8,935,387          | 11,556,792         |
| Financial Assets at Fair Value Through Other<br>Comprehensive Income | 8,419,304          | 7,175,084          | 8,419,304          | 7,175,084          |
| Financial Assets Valued Over Amortised Cost                          | 40,446,833         | 19,547,301         | 45,255,331         | 20,080,824         |
| Loans  | 144,287,445        | 103,783,001        | 144,391,451        | 102,690,791        |
| <b>Financial Liabilities</b>   | <b>240,220,131</b> | <b>173,919,747</b> | <b>241,418,646</b> | <b>174,339,515</b> |
| Banks Deposits   | 1,783,313          | 1,999,736          | 1,783,313          | 1,999,736          |
| Other Deposits   | 198,607,738        | 129,839,513        | 199,631,714        | 130,080,520        |
| Funds Received from Other Financial Institutions (*)                 | 27,672,292         | 31,678,510         | 27,846,831         | 31,857,271         |
| Securities Issued  | -                  | 1,194,525          | -                  | 1,194,525          |
| Other Liabilities  | 12,156,788         | 9,207,463          | 12,156,788         | 9,207,463          |

(\*) Money market funds and subordinated loans are included in the line of funds from other financial institutions.

Investment securities in the current period include financial assets valued at their amortised cost and at fair value through other comprehensive income. The fair value of assets held to maturity assets are determined based on market prices or quoted market prices of other securities subject to redemption in terms of interest, maturity and other similar circumstances, where their prices cannot be determined.

Due to the fact that demand deposits, variable rate placements and overnight deposits are short-term, hence their carrying value reflects their fair value. Estimated fair value of fixed interest deposits and funds provided from other financial institutions, is calculated with the presence of discounted cash flow using the current interest rates used for other debts of similar quality and similar maturity structure; by finding the discounted cash flow using the fair value of loans and the current interest rates used for receivables with similar and similar maturities. As the miscellaneous debts are short term, their carrying value approximately reflects their fair value.

The fair value of financial assets and liabilities are determined as follows:

- First level: Financial assets and liabilities are valued at the stock market prices traded in the active market for the same assets and liabilities.
- Second level: Financial assets and liabilities are valued from the inputs used to find the price of the relevant asset or liability directly or indirectly, which can be observed in the market other than the stock exchange price specified in the first level.
- Third level: Financial assets and liabilities are valued from inputs that are not based on any observable data in the market used to find the fair value of the asset or liability.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values (continued)

The following table contains the analysis of the fair values of the financial instruments carried at fair values, including the stock market prices, valuation techniques, all model data of which can be measured in the market, or using valuation techniques whose data cannot be measured in the market:

| 31 December 2022   | Level 1           | Level 2          | Level 3        | Total             |
|--|-------------------|------------------|----------------|-------------------|
| <b>Financial Assets</b>  | <b>11,408,744</b> | <b>6,110,927</b> | <b>127,016</b> | <b>17,646,687</b> |
| Financial Assets at Fair Value Through Profit or Loss  | 3,088,088         | 5,327,500        | 77,703         | 8,493,291         |
| <i>Government Debt Securities</i>  | 3,011,802         | -                | -              | 3,011,802         |
| <i>Derivative Financial Assets at Fair Value Through Profit or Loss</i>                      | -                 | 5,064,712        | -              | 5,064,712         |
| <i>Other Financial Assets at Fair Value Through Profit or Loss</i>                           | 76,286            | 262,788          | 77,703         | 416,777           |
| Derivative Financial Assets for Hedging Purposes   | -                 | 734,092          | -              | 734,092           |
| Financial Assets at Fair Value Through Other Comprehensive Income                            | 8,320,656         | 49,335           | 49,313         | 8,419,304         |
| <i>Government Debt Securities</i>  | 8,320,656         | 49,335           | -              | 8,369,991         |
| <i>Other Financial Assets at Fair Value Through Other Comprehensive Income</i>               | -                 | -                | 49,313         | 49,313            |
| <b>Financial Liabilities</b>   | -                 | <b>3,567,233</b> | -              | <b>3,567,233</b>  |
| Derivative Financial Liabilities at Fair Value Through Profit or Loss                        | -                 | 3,497,620        | -              | 3,497,620         |
| Derivative Financial Liabilities for Hedging Purposes  | -                 | 69,613           | -              | 69,613            |
| <b>31 December 2021</b>  | <b>9,721,647</b>  | <b>8,308,644</b> | <b>73,025</b>  | <b>18,103,316</b> |
| <b>Financial Assets</b>  |                   |                  |                |                   |
| Financial Assets at Fair Value Through Profit or Loss  | 2,599,074         | 6,466,914        | 59,775         | 9,125,763         |
| <i>Government Debt Securities</i>  | 2,491,428         | -                | -              | 2,491,428         |
| <i>Derivative Financial Assets at Fair Value Through Profit or Loss</i>                      | -                 | 6,331,976        | -              | 6,331,976         |
| <i>Financial Assets at Fair Value Through Other Comprehensive Income</i>                     | 107,646           | 134,938          | 59,775         | 302,359           |
| Derivative Financial Assets for Hedging Purposes   | -                 | 1,802,469        | -              | 1,802,469         |
| Financial Assets at Fair Value Through Other Comprehensive Income                            | 7,122,573         | 39,261           | 13,250         | 7,175,084         |
| <i>Government Debt Securities</i>  | 7,122,573         | 39,261           | -              | 7,161,834         |
| <i>Other Fair Value Differences Financial Assets Reflected to Other Comprehensive Income</i> | -                 | -                | 13,250         | 13,250            |
| <b>Financial Liabilities</b>   | -                 | <b>4,489,788</b> | -              | <b>4,489,788</b>  |
| Derivative Financial Liabilities at Fair Value Through Profit or Loss                        | -                 | 4,159,177        | -              | 4,159,177         |
| Derivative Financial Liabilities for Hedging Purposes  | -                 | 330,611          | -              | 330,611           |

There is no transition between levels in the current year.

The table below shows the movement table of financial assets at Level 3:

|   | Current Period | Prior Period  |
|---|----------------|---------------|
| <b>Balance at the Beginning of the Period</b> | <b>73,025</b>  | <b>58,651</b> |
| Purchases                                     | 30,420         | -             |
| Redemption or Sale                            | -              | -             |
| Valuation Difference                          | 23,571         | 14,374        |
| Transfers                                     | -              | -             |
| <b>Balance at the End of the Period</b>       | <b>127,016</b> | <b>73,025</b> |

### X. Explanations Related to Transactions Carried Out on Behalf of Other Parties and Fiduciary Assets

The Bank performs trading transactions on behalf of customers, and gives custody, administration and consultancy services.

The Bank does not deal with fiduciary transactions.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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### XI. Explanations Related to Consolidated Risk Management

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

#### 1. Risk management approach and risk weighted amounts

##### 1.1 Bank’s risk management approach

The objective of the Risk Management system is to provide that the risks that are derived from the bank’s activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Risk Management functions of the Bank and all of its subsidiaries have been gathered under the Group Risk Management. Group Risk Management reports to the Boards of Directors of TEB Group through the Risk Committee and Audit Committee within the TEB A.Ş. and is responsible for fulfilling its duties of general supervision, notification and recommendation on behalf of the Boards of Directors in line with the principles laid down in this Regulation.

With Risk Policies, the Bank aims to,

- i) Identify the main risks to which bank is exposed and identified risks are within the controlled range,
- ii) Define roles and responsibilities to identify, analyse, measure, monitor, and control the main risks bank faces and other risks which may arise as a consequence of changes in activity structure and economic conditions,
- iii) Identify the volume of transactions which may cause non-controllable risks by considering equity strength or decrease the activities affected by such risks.

Risk policies and the procedures related there to contain written standards set by the Board of Directors and the “Senior Management” consisting of General Manager, Assistant General Managers and Chief Risk Officer.

Risk policies and related procedures are prepared in compliance with the Banking Law, external legislation and general banking practices and presented to the Senior Management / Board of Directors for approval.

It is the principal duty of all managers of the Bank to provide compliance with risk policies containing the criteria required for each unit.

Risk Management Operations consist of;

- i) risk measurement,
- ii) monitoring of risks,
- iii) control of risk and reporting operations

Risk management operations are conducted by Group Risk Management and personnel.

Group Risk Management applies second order controls for quantifiable risks as part of continuous control system.

Head of Group Risk Management reports to the Board of Directors via Risk Committee and Audit Committee.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 1. Risk management approach and risk weighted amounts (continued)

##### 1.2. Overview of Risk Weighted Amounts

|   | Risk Weighted Amounts |                    | Minimum Capital Requirement |
|---|-----------------------|--------------------|-----------------------------|
|   | Current Period        | Prior Period       | Current Period              |
| 1 Credit Risk (Excluding Counterparty Credit Risk) (CCR)                      | 171,057,988           | 102,173,138        | 13,684,639                  |
| 2 Of which Standardized Approach (SA)   | 171,057,988           | 102,173,138        | 13,684,639                  |
| 3 Of which Internal Rating-Based (IRB) Approach                               | -                     | -                  | -                           |
| 4 Counterparty Credit risk  | 5,339,572             | 2,882,445          | 427,166                     |
| 5 Of which Standardized Approach for Counterparty Credit Risk (SA-CCR)        | 5,339,572             | 2,882,445          | 427,166                     |
| 6 Of which Internal Model Method (IMM)  | -                     | -                  | -                           |
| 7 Equity positions in banking accounts 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  | 5,790,594             | 3,002,158          | 463,248                     |
| 17 Standardized approach (SA)   | 5,790,594             | 3,002,158          | 463,248                     |
| 18 Internal model approaches (IMM)  | -                     | -                  | -                           |
| 19 Operational Risk   | 11,231,643            | 10,508,918         | 898,531                     |
| 20 Of which Basic Indicator Approach  | 11,231,643            | 10,508,918         | 898,531                     |
| 21 Of which Standard Approach   | -                     | -                  | -                           |
| 22 Of which Advanced Measurement Approach                                     | -                     | -                  | -                           |
| 23 Amounts Below the Thresholds for Deduction (Subject to a 250% Risk Weight) | -                     | -                  | -                           |
| 24 Floor Adjustment   | -                     | -                  | -                           |
| <b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>                              | <b>193,419,797</b>    | <b>118,566,659</b> | <b>15,473,584</b>           |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 2. Linkages between financial statements and regulatory exposures

##### 2.1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

| Current Period  | Amount valued in accordance with TAS within the scope of legal consolidation (*) | Valued amount of items in accordance with TAS |   |                          |                                      | Not subject to capital requirements or subject to deduction from capital |
|---|--|---|---|--------------------------|--------------------------------------|--|
|   |  | Subject to credit risk framework              | Subject to counterparty credit risk framework | Securitization positions | Subject to the market risk framework |  |
| <b>Assets</b>   |  |   |   |                          |                                      |  |
| Cash Balances and the Central Bank  | 43,839,711   | 43,839,711                                    | -   | -                        | -                                    | -  |
| Banks   | 8,964,287  | 8,964,302                                     | -   | -                        | -                                    | -  |
| Money Market Placement  | 7,604,278  | -   | 7,604,278                                     | -                        | -                                    | -  |
| Financial Assets at Fair Value through Profit Loss                              | 3,428,579  | 416,777                                       | -   | -                        | 3,011,802                            | -  |
| Financial Assets at Fair Value Through Other Comprehensive Income               | 8,419,304  | 8,420,980                                     | -   | -                        | -                                    | -  |
| Financial Assets Measured at Amortised Cost                                     | 40,455,936   | 40,455,936                                    | -   | -                        | -                                    | -  |
| Derivative Financial Assets at Fair Value Through Profit and Loss               | 5,064,712  | -   | 5,064,712                                     | -                        | 5,064,712                            | -  |
| Derivative Financial Assets at Fair Value Through Other Comprehensive Income    | 734,092  | -   | 734,092                                       | -                        | 734,092                              | -  |
| Non-Performing Financial Assets   | -  | -   | -   | -                        | -                                    | -  |
| Expected credit loss (-)  | (5,091,476)  | (1,892,354)                                   | -   | -                        | -                                    | -  |
| Loans (*)   | 149,332,926  | 149,332,926                                   | -   | -                        | -                                    | -  |
| Factoring Receivables   | -  | -   | -   | -                        | -                                    | -  |
| Non-Current Assets Held For Sale and Discontinued Operations (Net)              | 100,370  | 100,370                                       | -   | -                        | -                                    | -  |
| Affiliates (Net)  | -  | -   | -   | -                        | -                                    | -  |
| Subsidiaries (Net)  | 116,036  | 116,036                                       | -   | -                        | -                                    | -  |
| Joint Ventures (Joint Ventures) (Net)   | 5  | 5   | -   | -                        | -                                    | -  |
| Tangible Assets (Net)   | 1,251,721  | 1,206,899                                     | -   | -                        | -                                    | 44,822   |
| Intangible Assets (Net)   | 882,517  | -   | -   | -                        | -                                    | 882,517  |
| Investment Properties (Net)   | -  | -   | -   | -                        | -                                    | -  |
| Current Tax Asset   | 28,388   | 28,388  | -   | -                        | -                                    | -  |
| Deferred Tax Asset  | 1,599,145  | 1,599,145                                     | -   | -                        | -                                    | -  |
| Other Assets (*)  | 8,416,885  | 7,858,727                                     | 558,158                                       | -                        | -                                    | -  |
| <b>Total assets</b>   | <b>275,147,416</b>   | <b>260,447,848</b>                            | <b>13,961,240</b>                             | <b>-</b>                 | <b>8,810,606</b>                     | <b>927,339</b>   |
| <b>Liabilities</b>  |  |   |   |                          |                                      |  |
| Deposit   | 200,391,051  | -   | -   | -                        | -                                    | -  |
| Loans Received  | 11,173,414   | -   | -   | -                        | -                                    | -  |
| Money Market Funds  | 6,790,660  | -   | 6,790,660                                     | -                        | -                                    | -  |
| Issued securities   | -  | -   | -   | -                        | -                                    | -  |
| Financial Liabilities with Fair Value Through Profit or Loss                    | -  | -   | -   | -                        | -                                    | -  |
| Derivative Financial Liabilities  | 3,567,233  | -   | 2,296,084                                     | -                        | -                                    | -  |
| Factoring debts   | -  | -   | -   | -                        | -                                    | -  |
| Lease Liabilities   | 695,894  | -   | -   | -                        | -                                    | -  |
| Provisions  | 3,358,751  | -   | -   | -                        | -                                    | -  |
| Current Tax Liability   | 1,964,235  | -   | -   | -                        | -                                    | -  |
| Deferred Tax Liability  | -  | -   | -   | -                        | -                                    | -  |
| Fixed asset payables related to activities held and discontinued for sale (net) | -  | -   | -   | -                        | -                                    | -  |
| Subordinated loans  | 9,708,218  | -   | -   | -                        | -                                    | -  |
| Other Liabilities   | 12,156,788   | -   | 1,864,451                                     | -                        | -                                    | -  |
| Equity  | 25,341,172   | -   | -   | -                        | -                                    | -  |
| <b>Total liabilities</b>  | <b>275,147,416</b>   | <b>-</b>                                      | <b>10,951,195</b>                             | <b>-</b>                 | <b>-</b>                             | <b>-</b>   |

(\*) Refers to the Bank's unconsolidated financial statement.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 2. Linkages between financial statements and regulatory exposures (continued)

##### 2.1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories (continued)

| Prior Period  | Valued amount of items in accordance with TAS                                    |                                  |   |                          |                                      | Not subject to capital requirements or subject to deduction from capital |
|---|--|----------------------------------|---|--------------------------|--------------------------------------|--|
|   | Amount valued in accordance with TAS within the scope of legal consolidation (*) | Subject to credit risk framework | Subject to counterparty credit risk framework | Securitization positions | Subject to the market risk framework |  |
| <b>Assets</b>   |  |                                  |   |                          |                                      |  |
| Cash Balances and the Central Bank  | 35,791,295   | 35,791,295                       | -   | -                        | -                                    | -  |
| Banks   | 11,580,339   | 11,581,986                       | -   | -                        | -                                    | -  |
| Money Market Placement  | -  | -                                | -   | -                        | -                                    | -  |
| Financial Assets at Fair Value through Profit Loss                              | 2,793,787  | 302,359                          | -   | -                        | 2,491,428                            | -  |
| Financial Assets at Fair Value Through Other Comprehensive Income               | 7,175,084  | 7,176,752                        | -   | -                        | -                                    | -  |
| Financial Assets Measured at Amortised Cost                                     | 19,551,700   | 19,551,700                       | -   | -                        | -                                    | -  |
| Derivative Financial Assets at Fair Value Through Profit and Loss               | 6,331,976  | -                                | 6,331,976                                     | -                        | 6,331,976                            | -  |
| Derivative Financial Assets at Fair Value Through Other Comprehensive Income    | 1,802,469  | -                                | 1,802,469                                     | -                        | 1,802,469                            | -  |
| Non-Performing Financial Assets   | -  | -                                | -   | -                        | -                                    | -  |
| Expected credit loss (-)  | (4,074,101)  | (2,259,372)                      | -   | -                        | -                                    | -  |
| Loans (*)   | 107,822,996  | 107,822,996                      | -   | -                        | -                                    | -  |
| Factoring Receivables   | -  | -                                | -   | -                        | -                                    | -  |
| Non-Current Assets Held For Sale and Discontinued Operations (Net)              | 65,933   | 65,933                           | -   | -                        | -                                    | -  |
| Affiliates (Net)  | -  | -                                | -   | -                        | -                                    | -  |
| Subsidiaries (Net)  | 116,036  | 116,036                          | -   | -                        | -                                    | -  |
| Joint Ventures (Joint Ventures) (Net)   | 5  | 5                                | -   | -                        | -                                    | -  |
| Tangible Assets (Net)   | 915,504  | 879,821                          | -   | -                        | -                                    | 35,683   |
| Intangible Assets (Net)   | 601,609  | -                                | -   | -                        | -                                    | 601,609  |
| Investment Properties (Net)   | -  | -                                | -   | -                        | -                                    | -  |
| Current Tax Asset   | 133,380  | 133,380                          | -   | -                        | -                                    | -  |
| Deferred Tax Asset  | 133,323  | 133,323                          | -   | -                        | -                                    | -  |
| Other Assets (*)  | 3,315,687  | 3,037,998                        | 277,689                                       | -                        | -                                    | -  |
| <b>Total assets</b>   | <b>194,057,022</b>   | <b>184,334,212</b>               | <b>8,412,134</b>                              | <b>-</b>                 | <b>10,625,873</b>                    | <b>637,292</b>   |
| <b>Liabilities</b>  |  |                                  |   |                          |                                      |  |
| Deposit   | 131,839,249  | -                                | -   | -                        | -                                    | -  |
| Loans Received  | 15,597,765   | -                                | -   | -                        | -                                    | -  |
| Money Market Funds  | 8,841,709  | -                                | 8,841,709                                     | -                        | -                                    | -  |
| Issued securities   | 1,194,525  | -                                | -   | -                        | -                                    | -  |
| Financial Liabilities with Fair Value Through Profit or Loss                    | -  | -                                | -   | -                        | -                                    | -  |
| Derivative Financial Liabilities  | 4,489,788  | -                                | 2,065,014                                     | -                        | -                                    | -  |
| Factoring debts   | -  | -                                | -   | -                        | -                                    | -  |
| Lease Liabilities   | 564,489  | -                                | -   | -                        | -                                    | -  |
| Provisions  | 1,224,768  | -                                | -   | -                        | -                                    | -  |
| Current Tax Liability   | 240,411  | -                                | -   | -                        | -                                    | -  |
| Deferred Tax Liability  | -  | -                                | -   | -                        | -                                    | -  |
| Fixed asset payables related to activities held and discontinued for sale (net) | -  | -                                | -   | -                        | -                                    | -  |
| Subordinated loans  | 7,239,036  | -                                | -   | -                        | -                                    | -  |
| Other Liabilities   | 9,207,463  | -                                | 1,700,528                                     | -                        | -                                    | -  |
| Equity  | 13,617,819   | -                                | -   | -                        | -                                    | -  |
| <b>Total liabilities</b>  | <b>194,057,022</b>   | <b>-</b>                         | <b>12,607,251</b>                             | <b>-</b>                 | <b>-</b>                             | <b>-</b>   |

(\*) Refers to the Bank's unconsolidated financial statements.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 2. Linkages between financial statements and regulatory exposures (continued)

##### 2.2. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

| <b>Current Period</b> |  | <b>Total</b>       | <b>Items subject to credit risk framework</b> | <b>Items subject to counterparty credit risk framework</b> | <b>Items subject to market risk framework</b> |
|-----------------------|--|--------------------|---|--|---|
| <b>1</b>              | <b>Valued amounts of assets within the scope of legal consolidation in accordance with TAS</b> | <b>275,147,416</b> | <b>260,447,848</b>                            | <b>13,961,240</b>  | <b>8,810,606</b>                              |
| 2                     | Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS   | 10,951,195         | -   | 10,951,195   | -   |
| <b>3</b>              | <b>Total net amount under legal consolidation</b>  | <b>264,196,221</b> | <b>260,447,848</b>                            | <b>3,010,045</b>   | <b>8,810,606</b>                              |
| 4                     | Off-balance sheet amounts  | 100,844,262        | 36,043,145                                    | 1,338,450  | -   |
| 5                     | Differences in valuations  | -                  | -   | -  | -   |
| 6                     | Differences due to different netting rules (other than those already included in row 2)        | -                  | -   | -  | -   |
| 7                     | Differences due to consideration of provisions   | -                  | -   | -  | -   |
| 8                     | Differences due to prudential filters  | -                  | -   | -  | -   |
| <b>9</b>              | <b>Exposure amounts</b>  | <b>365,040,483</b> | <b>296,490,993</b>                            | <b>4,348,495</b>   | <b>8,810,606</b>                              |

| <b>Prior Period</b> |  | <b>Total</b>       | <b>Items subject to credit risk framework</b> | <b>Items subject to counterparty credit risk framework</b> | <b>Items subject to market risk framework</b> |
|---------------------|--|--------------------|---|--|---|
| <b>1</b>            | <b>Valued amounts of assets within the scope of legal consolidation in accordance with TAS</b> | <b>194,057,022</b> | <b>184,334,212</b>                            | <b>8,412,134</b>   | <b>10,625,873</b>                             |
| 2                   | Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS   | 12,607,251         | -   | 12,607,251   | -   |
| <b>3</b>            | <b>Total net amount under legal consolidation</b>  | <b>181,449,771</b> | <b>184,334,212</b>                            | <b>(4,195,117)</b>   | <b>10,625,873</b>                             |
| 4                   | Off-balance sheet amounts  | 75,923,377         | 26,462,490                                    | 1,112,202  | -   |
| 5                   | Differences in valuations  | -                  | -   | -  | -   |
| 6                   | Differences due to different netting rules (other than those already included in row 2)        | -                  | -   | -  | -   |
| 7                   | Differences due to consideration of provisions   | -                  | -   | -  | -   |
| 8                   | Differences due to prudential filters  | -                  | -   | -  | -   |
| <b>9</b>            | <b>Exposure amounts</b>  | <b>257,373,148</b> | <b>210,796,702</b>                            | <b>(3,082,915)</b>   | <b>10,625,873</b>                             |

##### 2.3. Explanations of differences between accounting and regulatory exposure amounts in accordance with TAS

The market value approach is used to make valuation of the positions in the Bank portfolios. The market data sources used for valuations are identified, defined in the Market Risk Policy, and reviewed annually. The relevant action is taken immediately when it is determined that the data does not reflect the market condition other than annual data source evaluation. Product valuations are checked by using sources such as Reuters and Bloomberg.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosure

##### 3.1. General information about credit risk

###### 3.1.1. General qualitative information about credit risk

The objective of the Risk Management system is to provide that the risks that are derived from the bank’s activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Credit Risk Management reports aim to supply risk level trends and risk expectations for the future. Details and content vary depending on the requirements of meetings and are presented in graphs and figures for ease of explanation and taking decisions.

The main report presented to Senior Management is the Credit Risk General Overview report, which is prepared monthly and discussed by the Risk Policies Committee. This report is also presented to the Board of Directors, Risk Committee and to the Audit Committee. Additionally, Group Risk Management prepares reports with special titles less frequently. Most of these reports are presented to the Risk Policies Committee. These reports may also be used in irregular meetings where emergent subjects are discussed or in meetings where the attendance of Senior Management is not required.

Credit risk policies are prepared in line with the Banking Law, external regulations, and general banking practices, and are approved by the Risk Policies Committee, Risk Committee, and Board of Directors.

The Bank’s credit activities are managed according to the General Credit Policy that is approved by the Risk Policies Committee, Risk Committee and the Board of Directors.

The Risk Appetite Declaration is approved by the Board of Directors and audited once a year. The Bank combines existing risk management tools, processes, principles, and policies, using a consistent approach with risk appetite declaration, and ensures that risks taken are within the agreed upon limits. In this way, the consistency of risk practices is improved across the Bank.

The Bank controls the credit risk by monitoring loan receivables, limiting certain transactions with counter parties, evaluating the creditworthiness of the counter party regularly, diversifying loan types and products separately based on customer groups and industry to prevent the concentration of deferred payments and receiving guarantees when appropriate.

###### 3.1.2. Credit quality of assets

| Current Period              | Gross carrying value in unconsolidated financial statements prepared as per TAS |                         | Allowances/depreciation/ and impairment | Net Value          |
|-----------------------------|---|-------------------------|---|--------------------|
|                             | Defaulted exposures   | Non-defaulted exposures |   |                    |
| Loans                       | 2,625,892   | 146,707,034             | 5,045,481                               | 144,287,445        |
| Debt Securities             | -   | 48,825,927              | 9,103                                   | 48,816,824         |
| Off-balance sheet exposures | -   | 99,505,811              | 686,515                                 | 98,819,296         |
| <b>Total</b>                | <b>2,625,892</b>  | <b>295,038,772</b>      | <b>5,741,099</b>                        | <b>291,923,565</b> |

| Prior Period                | Gross carrying value in unconsolidated financial statements prepared as per TAS |                         | Allowances/depreciation/ and impairment | Net Value          |
|-----------------------------|---|-------------------------|---|--------------------|
|                             | Defaulted exposures   | Non-defaulted exposures |   |                    |
| Loans                       | 3,325,382   | 104,497,614             | 4,039,995                               | 103,783,001        |
| Debt Securities             | -   | 26,713,534              | 4,399                                   | 26,709,135         |
| Off-balance sheet exposures | -   | 72,032,389              | 345,560                                 | 71,686,829         |
| <b>Total</b>                | <b>3,325,382</b>  | <b>203,243,537</b>      | <b>4,389,954</b>                        | <b>202,178,965</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosure (continued)

##### 3.1. General information about credit risk (continued)

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

|   |                  |
|---|------------------|
| <b>1 Defaulted loans and debt securities at end of the 31 December 2021</b>         | <b>3,325,382</b> |
| 2 Loans and debt securities that have defaulted since the last reporting period     | 1,535,199        |
| 3 Returned to non-defaulted status  | -                |
| 4 Amounts written off (*)   | (873,816)        |
| 5 Other changes (**)  | (1,360,873)      |
| <b>6 Defaulted loans and debt securities at end of 31 December 2022 (1+2-3-4-5)</b> | <b>2,625,892</b> |

(\*) The Bank wrote off TL 454,825 of its non-performing loans. Additionally, the portion of the Bank's non-performing loan portfolio amounting to TL 418,991 for which a provision of TL 390,257 was provided, was sold in 2022 with a price of TL 115,221 and after following the completion of the necessary procedures, non-performing loans were written off from the records.

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

|   |                  |
|---|------------------|
| <b>1 Defaulted loans and debt securities at end of the 31 December 2020</b>         | <b>3,501,882</b> |
| 2 Loans and debt securities that have defaulted since the last reporting period     | 1,272,553        |
| 3 Returned to non-defaulted status  | -                |
| 4 Amounts written off (*)   | (392,947)        |
| 5 Other changes (**)  | (1,056,106)      |
| <b>6 Defaulted loans and debt securities at end of 31 December 2021 (1+2-3-4-5)</b> | <b>3,325,382</b> |

(\*) The Bank wrote off TL 57,671 of its non-performing loans. Additionally, the portion of the Bank's non-performing loan portfolio amounting to TL 335,276 for which a provision of TL 328,704 was provided, was sold in 2021 with a price of TL 43,096 and after following the completion of the necessary procedures, non-performing loans were written off from the records.

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

##### 3.1.4. Additional disclosure related to the credit quality

- a) The scope and definitions of “past due” and “impaired” exposures used for accounting purposes and the differences, if any, between the definition of “past due” and “impaired” for accounting purposes

According to the “Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”, non-required delay time loans that is not classified as Stage III Loans, whose principal and interest payment collection delayed more than 30 days are considered as “non-performing loan” in the Accounting Practice.

Receivables past due more than 90 days are considered as “impaired receivables”, and they are classified as group III, IV, and V in accordance with Communiqué. A specific reserve is allocated for such receivables.

- b) The extent of past due exposures (more than 90 days) that are not considered to be “impaired” and the reasons for this

A specific provision is allocated for receivables which are overdue for more than 90 days in accordance with the Communiqué.

- c) Description of methods used for determining impairments

Provision amount is determined in accordance with the regulation on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”.

- d) The definition of the restructured exposure

If the borrower fails to make payment to the Bank due to a temporary lack of liquidity, loans and other receivables including deferred interest payments may be restructured to provide the borrower with additional liquidity to enable the Bank to collect its receivables, or a new repayment schedule may be arranged.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosure (continued)

##### 3.1. General information about credit risk (continued)

##### 3.1.4. Additional disclosure related to the credit quality (continued)

e) Breakdown of exposures by geographical areas, industry and residual maturity:

Breakdown of Loans and Receivables by sector:

|                                 | Current Period     |               |                   |               |
|---------------------------------|--------------------|---------------|-------------------|---------------|
|                                 | TL                 | (%)           | FC                | (%)           |
| Agriculture                     | 1,734,311          | 1.57          | 401,403           | 1.12          |
| Farming and Stockbreeding       | 1,724,972          | 1.56          | 42,995            | 0.12          |
| Forestry                        | -                  | -             | -                 | -             |
| Fishery                         | 9,339              | 0.01          | 358,408           | 1.00          |
| Manufacturing                   | 39,545,252         | 35.65         | 22,814,075        | 63.74         |
| Mining and Quarrying            | 1,675,445          | 1.51          | 2,412,570         | 6.74          |
| Production                      | 36,653,369         | 33.05         | 19,105,887        | 53.38         |
| Electricity, Gas and Water      | 1,216,438          | 1.10          | 1,295,618         | 3.62          |
| Construction                    | 1,697,024          | 1.53          | 143,420           | 0.40          |
| Services                        | 23,749,547         | 21.41         | 11,590,315        | 32.38         |
| Wholesale and Retail Trade      | 9,180,121          | 8.28          | 2,893,897         | 8.09          |
| Accommodation and Dining        | 990,077            | 0.89          | 1,386,086         | 3.87          |
| Transportation and Telecom.     | 3,288,272          | 2.97          | 4,153,772         | 11.61         |
| Financial Institutions          | 5,030,541          | 4.54          | 1,066,312         | 2.98          |
| Real Estate and Rental Services | 2,826,998          | 2.55          | 1,979,518         | 5.53          |
| Self-Employment Services        | 946,049            | 0.85          | 110,730           | 0.31          |
| Educational Services            | 51,177             | 0.05          | -                 | -             |
| Health and Social Services      | 1,436,312          | 1.30          | -                 | -             |
| Other                           | 44,190,229         | 39.83         | 841,458           | 2.36          |
| <b>Total</b>                    | <b>110,916,363</b> | <b>100.00</b> | <b>35,790,671</b> | <b>100.00</b> |

|                                 | Prior Period      |               |                   |               |
|---------------------------------|-------------------|---------------|-------------------|---------------|
|                                 | TL                | (%)           | FC                | (%)           |
| Agriculture                     | 1,088,620         | 1.45          | 259,236           | 0.88          |
| Farming and Stockbreeding       | 1,076,105         | 1.43          | 255,888           | 0.87          |
| Forestry                        | -                 | -             | -                 | -             |
| Fishery                         | 12,515            | 0.02          | 3,348             | 0.01          |
| Manufacturing                   | 22,605,119        | 30.09         | 19,130,113        | 65.15         |
| Mining and Quarrying            | 1,347,357         | 1.79          | 826,110           | 2.81          |
| Production                      | 20,134,133        | 26.80         | 17,001,541        | 57.90         |
| Electricity, Gas and Water      | 1,123,629         | 1.50          | 1,302,462         | 4.44          |
| Construction                    | 1,395,766         | 1.86          | 452,767           | 1.54          |
| Services                        | 17,935,715        | 23.87         | 8,627,042         | 29.38         |
| Wholesale and Retail Trade      | 7,449,061         | 9.92          | 1,279,168         | 4.36          |
| Accommodation and Dining        | 898,003           | 1.20          | 1,762,358         | 6.00          |
| Transportation and Telecom.     | 2,776,789         | 3.70          | 1,192,698         | 4.06          |
| Financial Institutions          | 3,078,844         | 4.10          | 2,389,845         | 8.14          |
| Real Estate and Rental Services | 1,830,712         | 2.44          | 1,729,265         | 5.89          |
| Self-Employment Services        | 682,252           | 0.91          | 273,708           | 0.93          |
| Educational Services            | 46,740            | 0.06          | -                 | -             |
| Health and Social Services      | 1,173,314         | 1.56          | -                 | -             |
| Other                           | 32,107,044        | 42.73         | 896,192           | 3.05          |
| <b>Total</b>                    | <b>75,132,264</b> | <b>100.00</b> | <b>29,365,350</b> | <b>100.00</b> |

Breakdown of loans and receivables according to remaining maturities is provided in the note VII. of section four under the “Presentation of assets and liabilities according to their remaining maturities”.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosure (continued)

##### 3.1. General information about credit risk (continued)

##### 3.1.4. Additional disclosure related to the credit quality (continued)

f) Amounts of impaired exposures on geographical areas and industry basis (according to the definition used by the Bank for accounting purposes) and write-offs with related allowances.

All of the Bank’s loans under follow up is in Turkey. Amounts of provision allocated receivables based on sector are presented in the note II of section 4 under “Information in terms of major sectors and type of counterparties”.

g) Aging analysis of loans under close monitoring

| <b>31 December 2022</b> | <b>1-30 Day</b>  | <b>31-60 Day</b> | <b>61-90 Day</b> | <b>Total</b>     |
|-------------------------|------------------|------------------|------------------|------------------|
| Loans and Receivables   |                  |                  |                  |                  |
| Commercial Loans        | 122,898          | 40,277           | 141,447          | 304,622          |
| Consumer Loans          | 772,248          | 194,074          | 355,270          | 1,321,592        |
| Credit Cards            | 271,136          | 121,307          | 71,418           | 463,861          |
| <b>Total</b>            | <b>1,166,282</b> | <b>355,658</b>   | <b>568,135</b>   | <b>2,090,075</b> |

| <b>31 December 2021</b> | <b>1-30 Day</b> | <b>31-60 Day</b> | <b>61-90 Day</b> | <b>Total</b>     |
|-------------------------|-----------------|------------------|------------------|------------------|
| Loans and Receivables   |                 |                  |                  |                  |
| Commercial Loans        | 107,880         | 146,438          | 365,250          | 619,568          |
| Consumer Loans          | 724,640         | 271,266          | 356,435          | 1,352,341        |
| Credit Cards            | 157,470         | 94,918           | 63,437           | 315,825          |
| <b>Total</b>            | <b>989,990</b>  | <b>512,622</b>   | <b>785,122</b>   | <b>2,287,734</b> |

h) Breakdown of restructured exposures between impaired and not impaired exposures

Not impaired loans:

| <b>Current Period</b> | <b>Gross Amount</b> | <b>Significant Increase in Credit Risk (Stage II)</b> | <b>Net Amount</b> |
|-----------------------|---------------------|---|-------------------|
| Commercial Loans      | 949,303             | 488,458   | 460,845           |
| Consumer Loans        | 129,903             | 10,678  | 119,225           |
| Credit Cards          | 37,549              | 6,004   | 31,545            |
| <b>Total</b>          | <b>1,116,755</b>    | <b>505,140</b>  | <b>611,615</b>    |

| <b>Prior Period</b> | <b>Gross Amount</b> | <b>Significant Increase in Credit Risk (Stage II)</b> | <b>Net Amount</b> |
|---------------------|---------------------|---|-------------------|
| Commercial Loans    | 1,643,640           | 721,330   | 922,310           |
| Consumer Loans      | 171,148             | 14,821  | 156,327           |
| Credit Cards        | 17,629              | 1,142   | 16,487            |
| <b>Total</b>        | <b>1,832,417</b>    | <b>737,293</b>  | <b>1,095,124</b>  |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosure (continued)

##### 3.1. General information about credit risk (continued)

##### 3.1.4. Additional disclosure related to the credit quality (continued)

Impaired loans:

| <b>Current Period</b> | <b>Gross Amount</b> | <b>Default<br/>(Stage III)</b> | <b>Net Amount</b> |
|-----------------------|---------------------|--------------------------------|-------------------|
| Commercial Loans      | 24,320              | 16,277                         | 8,043             |
| Consumer Loans        | 87,437              | 62,413                         | 25,024            |
| Credit Cards          | 13,028              | 10,452                         | 2,576             |
| <b>Total</b>          | <b>124,785</b>      | <b>89,142</b>                  | <b>35,643</b>     |

| <b>Prior Period</b> | <b>Gross Amount</b> | <b>Default<br/>(Stage III)</b> | <b>Net Amount</b> |
|---------------------|---------------------|--------------------------------|-------------------|
| Commercial Loans    | 50,907              | 25,962                         | 24,945            |
| Consumer Loans      | 65,156              | 41,393                         | 23,763            |
| Credit Cards        | 12,712              | 9,707                          | 3,005             |
| <b>Total</b>        | <b>128,775</b>      | <b>77,062</b>                  | <b>51,713</b>     |

#### 3.2. Credit Risk Mitigation

##### 3.2.1. Qualitative disclosure requirements related to credit risk mitigation techniques

- a) Core features of policies and processes for which the Bank makes on and off-balance sheet netting

The Bank does not perform on and off-balance sheet offsetting to decrease credit risk, and credit derivatives are not used.

- b) Core features of policies and processes for collateral evaluation and management

Financial collaterals are measured at fair value as of reporting date and are included in the risk mitigation process. When allocating the collateral amount to loans provided, the Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals. The legal validity of the mortgage is ensured by duly registering the mortgage in a timely manner, and significant changes in market conditions are monitored.

In terms of credit risk mitigation, the Bank uses cash, government and treasury bonds, fund, gold, bank guarantee, stock and derivatives as main collateral type. Mortgages on residential and commercial real estate reported under different risk class are other main types of collaterals.

- c) Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e.by guarantor type, collateral and credit derivative providers).

Guarantor entity’s credit risk value is to be considered in credit risk mitigation process in cases where Bank credit customers obtained guarantee from other entities.

The Bank mostly prefers cash, securities such as government and Treasury bond for collateral which have low market and credit risk concentration risk.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosure (continued)

##### 3.2. Credit risk mitigation (continued)

##### 3.2.2. Credit risk mitigation techniques – Overview

| Current Period           | Exposures<br>unsecured:<br>valued<br>amount in<br>accordance<br>with TAS | Exposures<br>secured<br>by<br>collateral | Exposures<br>secured by<br>collateral,<br>of which:<br>secured<br>amount | Exposures<br>secured<br>by<br>financial<br>guarantees | Exposures<br>secured by<br>financial<br>guarantees,<br>of which:<br>secured<br>amount | Exposures<br>secured by<br>credit<br>derivatives | Exposures<br>secured by<br>credit derivatives<br>of which: secured<br>amount |
|--------------------------|--|--|--|---|---|--|--|
| 1 Loans (*)              | 130,177,495  | 11,267,710                               | 9,965,616  | 6,011,170   | 4,083,693   | -  | -  |
| 2 Debt securities (*)    | 48,827,603   | -  | -  | -   | -   | -  | -  |
| <b>3 Total</b>           | <b>179,005,098</b>   | <b>11,267,710</b>                        | <b>9,965,616</b>   | <b>6,011,170</b>                                      | <b>4,083,693</b>  | -  | -  |
| 4 Of which defaulted (*) | 2,583,180  | 25,935                                   | 16,749   | 16,777  | 78  | -  | -  |

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

| Prior Period             | Exposures<br>unsecured:<br>valued<br>amount in<br>accordance<br>with TAS | Exposures<br>secured<br>by<br>collateral | Exposures<br>secured by<br>collateral,<br>of which:<br>secured<br>amount | Exposures<br>secured<br>by<br>financial<br>guarantees | Exposures<br>secured by<br>financial<br>guarantees,<br>of which:<br>secured<br>amount | Exposures<br>secured by<br>credit<br>derivatives | Exposures<br>secured by<br>credit derivatives<br>of which: secured<br>amount |
|--------------------------|--|--|--|---|---|--|--|
| 1 Loans (*)              | 82,571,176   | 9,173,629                                | 8,178,323  | 4,396,706   | 3,193,947   | -  | -  |
| 2 Debt securities (*)    | 22,654,571   | -  | -  | -   | -   | -  | -  |
| <b>3 Total</b>           | <b>105,225,747</b>   | <b>9,173,629</b>                         | <b>8,178,323</b>   | <b>4,396,706</b>                                      | <b>3,193,947</b>  | -  | -  |
| 4 Of which defaulted (*) | 3,118,326  | 25,138                                   | 16,168   | 53,540  | 101   | -  | -  |

(\*) With the BRSA decision dated 21 December 2021 and 9996, the average of the Central Bank's foreign exchange buying rates for the last 252 business days was used in the calculations of credit risk.

#### 3.3. Credit risk under standardized approach

##### 3.3.1. Disclosures on banks' use of credit ratings under the standard approach for credit risk

For portfolios that are risk-weighted under the standardized approach for credit risk, banks must disclose the following information:

- a) Names of the External Credit Assessment Institutions (ECAIs) and Export Credit Agencies (ECAs) used by the bank, and the reasons for any changes over the reporting period

The Bank uses Fitch Ratings International Rating Agency's external ratings.

- b) The risk classes for which each ECAI or ECA is used

The credit rating of Fitch International Rating is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment of Capital Adequacy of the Bank, and the country risk classification announced by The Organization for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% risk weight on is used for receivables from non-rated banks and intermediary agencies with a maturity period of three months or less, and 50% risk weight is used for receivables with a maturity period of more than three months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

- c) A description of the process used to apply the issuer to issue credit ratings onto other issuer comparable assets in the banking book

20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of 3 months or less, and a 50% risk weight is used for receivables with a maturity period of more than 3 months. According to the regulation on capital adequacy, corporates where the counterparties are domestic, the related exposures are included in the calculation of capital adequacy as unrated.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosure (continued)

##### 3.3. Credit risk under standardized approach (continued)

###### 3.3.1. Disclosures on banks’ use of credit ratings under the standard approach for credit risk (continued)

- d) The alignment of the alphanumeric scale of each agency used with risk buckets. (except where Agency (BRSA) publishes a standard mapping with which the bank has to comply)

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)’s are presented below:

| Credit Quality Level | Fitch Ratings Long- Term Credit Rating | Risk Weight of Receivables from Central Government or Central Banks | Receivables from Banks and Brokerage Houses |                          | Corporate Receivables (*) |
|----------------------|--|---|---|--------------------------|---------------------------|
|                      |  |   | DTM less than 3 months                      | DTM higher than 3 months |                           |
| 0                    | -                                      |   | 20%   | 50%                      | 100%                      |
| 1                    | AAA to AA-                             | 0%  | 20%   | 50%                      | 100%                      |
| 2                    | A+ to A-                               | 20%   | 20%   | 50%                      | 100%                      |
| 3                    | BBB+ to BBB-                           | 50%   | 50%   | 50%                      | 100%                      |
| 4                    | BB+ to BB-                             | 100%  | 100%  | 100%                     | 100%                      |
| 5                    | B+ to B-                               | 100%  | 100%  | 100%                     | 100%                      |
| 6                    | CCC+ and below                         | 150%  | 100%  | 100%                     | 100%                      |
| 7                    | -                                      |   | 150%  | 150%                     | 100%                      |

(\*) In accordance with the Board Decisions No. 10188 dated 28 April 2022 and No 10265 dated 07 July 2022, 200% and 500% risk weights are applied to Corporate Receivables.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosure (continued)

##### 3.3. Credit risk under standardized approach (continued)

##### 3.3.2. Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

| Current Period   | Exposures before CCF and CRM |                          | Exposures post-CCF and CRM |                          | Risk Weighted Amounts and Risk Weighted Amounts density |                               |
|--|------------------------------|--------------------------|----------------------------|--------------------------|---|-------------------------------|
|  | On-balance sheet amount      | Off-balance sheet amount | On-balance sheet amount    | Off-balance sheet amount | Risk Weighted amounts                                   | Risk Weighted amounts density |
| <b>Asset classes</b>   |                              |                          |                            |                          |   |                               |
| 1 Exposures to central governments or central banks                                      | 74,064,538                   | -                        | 75,566,634                 | -                        | 1,463,903   | 2%                            |
| 2 Exposures to regional governments or local authorities                                 | 874,800                      | 7,308                    | 839,040                    | 3,597                    | 421,323   | 50%                           |
| 3 Exposures to administrative units and non-commercial enterprises                       | -                            | -                        | -                          | -                        | -   | -                             |
| 4 Exposures to multilateral development banks  | -                            | -                        | -                          | -                        | -   | -                             |
| 5 Exposures to international organizations   | -                            | -                        | -                          | -                        | -   | -                             |
| 6 Exposures to banks and brokerage firms   | 10,261,599                   | 3,713,730                | 10,261,597                 | 2,698,877                | 4,182,684   | 32%                           |
| 7 Exposures to corporates  | 58,515,404                   | 38,532,529               | 57,071,654                 | 19,932,259               | 74,113,755  | 96%                           |
| 8 Retail exposures   | 40,786,805                   | 36,431,162               | 39,053,434                 | 6,026,144                | 35,465,106  | 79%                           |
| 9 Exposures secured by residential property  | 4,096,063                    | 508,048                  | 4,096,063                  | 212,529                  | 1,508,007   | 35%                           |
| 10 Exposures secured by commercial real estate   | 7,595,359                    | 1,816,699                | 7,322,006                  | 758,038                  | 5,377,786   | 67%                           |
| 11 Past-due loans  | 712,121                      | 116,612                  | 712,043                    | 30,346                   | 579,951   | 78%                           |
| 12 Higher-risk categories by the Agency Board  | 25,073,892                   | -                        | 24,971,452                 | -                        | 41,869,386  | 168%                          |
| 13 Exposures in the form of covered bonds  | -                            | -                        | -                          | -                        | -   | -                             |
| 14 Exposures to institutions and corporates with a short-term credit assessment          | -                            | -                        | -                          | -                        | -   | -                             |
| 15 Exposures in the form of units or shares in collective investment undertakings (CIUs) | -                            | -                        | -                          | -                        | -   | -                             |
| 16 Other Receivables   | 14,197,846                   | 6,248,310                | 14,197,834                 | 1,075                    | 5,706,217   | 40%                           |
| 17 Investments in equities   | 369,867                      | -                        | 369,870                    | -                        | 369,870   | 100%                          |
| <b>18 Total</b>  | <b>236,548,294</b>           | <b>87,374,398</b>        | <b>234,461,627</b>         | <b>29,662,865</b>        | <b>171,057,988</b>                                      | <b>65%</b>                    |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosure (continued)

##### 3.3. Credit risk under standardized approach (continued)

##### 3.3.2. Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects (continued)

| Prior Period | Exposures before CCF and CRM  |                          | Exposures post-CCF and CRM |                          | Risk Weighted Amounts and Risk Weighted Amounts density |                               |            |
|--------------|---|--------------------------|----------------------------|--------------------------|---|-------------------------------|------------|
|              | On-balance sheet Amount   | Off-balance sheet amount | On-balance sheet amount    | Off-balance sheet amount | Risk Weighted Amounts                                   | Risk Weighted Amounts density |            |
| 1            | Exposures to central governments or central banks                                     | 44,390,447               | -                          | 44,687,019               | -   | 886,394                       | 2%         |
| 2            | Exposures to regional governments or local authorities                                | 1,174,357                | 8,474                      | 1,103,988                | 3,078   | 553,537                       | 50%        |
| 3            | Exposures to administrative units and non-commercial enterprises                      | -                        | -                          | -                        | -   | -                             | -          |
| 4            | Exposures to multilateral development Banks   | -                        | -                          | -                        | -   | -                             | -          |
| 5            | Exposures to international organizations  | -                        | -                          | -                        | -   | -                             | -          |
| 6            | Exposures to banks and brokerage firms  | 10,904,211               | 3,780,085                  | 10,235,313               | 2,215,643   | 3,564,014                     | 29%        |
| 7            | Exposures to corporates   | 37,246,347               | 22,963,054                 | 35,482,638               | 12,234,059  | 46,132,367                    | 97%        |
| 8            | Retail exposures  | 45,139,642               | 22,387,583                 | 43,973,871               | 4,281,706   | 42,471,916                    | 88%        |
| 9            | Exposures secured by residential Property   | 4,086,174                | 297,344                    | 4,086,174                | 107,587   | 1,467,816                     | 35%        |
| 10           | Exposures secured by commercial real Estate   | 6,308,592                | 974,668                    | 6,115,491                | 377,729   | 4,361,885                     | 67%        |
| 11           | Past-due loans  | 1,036,930                | 193,065                    | 1,036,831                | 53,813  | 937,561                       | 86%        |
| 12           | Higher-risk categories by the Agency Board  | -                        | -                          | -                        | -   | -                             | -          |
| 13           | Exposures in the form of covered bonds  | -                        | -                          | -                        | -   | -                             | -          |
| 14           | Exposures to institutions and corporates with a short-term credit assessment          | -                        | -                          | -                        | -   | -                             | -          |
| 15           | Exposures in the form of units or shares in collective investment undertakings (CIUs) | -                        | -                          | -                        | -   | -                             | -          |
| 16           | Other Receivables   | 6,856,320                | 8,791,478                  | 6,856,317                | 2,902   | 1,564,097                     | 23%        |
| 17           | Investments in equities   | 233,551                  | -                          | 233,551                  | -   | 233,551                       | 100%       |
| <b>18</b>    | <b>Total</b>  | <b>157,376,571</b>       | <b>59,395,751</b>          | <b>153,811,193</b>       | <b>19,276,517</b>                                       | <b>102,173,138</b>            | <b>59%</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosure (continued)

##### 3.3. Credit risk under standardized approach (continued)

##### 3.3.3. Receivables by risk classes and risk weights

| Current Period               |   | 0%                | 10%      | 20%              | 25%      | 35%              | 50% secured<br>by real estate (*) | 75%               | 100%              | 150%              | 250%     | 500%           | Others (**)      | Total credit risk<br>exposure amount<br>(after CCF and<br>CRM) |
|------------------------------|---|-------------------|----------|------------------|----------|------------------|-----------------------------------|-------------------|-------------------|-------------------|----------|----------------|------------------|--|
| Asset Classes / Risk Weights |   |                   |          |                  |          |                  |                                   |                   |                   |                   |          |                |                  |  |
| 1                            | Exposures to regional governments or local authorities                                | 74,102,731        | -        | -                | -        | -                | -                                 | -                 | 1,463,903         | -                 | -        | -              | -                | 75,566,634   |
| 2                            | Exposures to regional governments or local authorities                                | -                 | -        | -                | -        | -                | 842,628                           | -                 | 9                 | -                 | -        | -              | -                | 842,637  |
| 3                            | Exposures to administrative units and non-commercial enterprises                      | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                 | -        | -              | -                | -  |
| 4                            | Exposures to multilateral development banks   | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                 | -        | -              | -                | -  |
| 5                            | Exposures to international organizations  | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                 | -        | -              | -                | -  |
| 6                            | Exposures to banks and financial intermediaries                                       | -                 | -        | 8,225,778        | -        | -                | 4,533,765                         | -                 | 61,504            | 139,427           | -        | -              | -                | 12,960,474   |
| 7                            | Exposures to corporates   | -                 | -        | 888,733          | -        | -                | 4,358,344                         | -                 | 71,756,836        | -                 | -        | -              | -                | 77,003,913   |
| 8                            | Retail exposures  | -                 | -        | 21               | -        | -                | 972                               | 38,455,876        | 6,622,709         | -                 | -        | -              | -                | 45,079,578   |
| 9                            | Exposures secured by residential property   | -                 | -        | -                | -        | 4,308,592        | -                                 | -                 | -                 | -                 | -        | -              | -                | 4,308,592  |
| 10                           | Exposures secured by commercial real estate   | -                 | -        | -                | -        | -                | 5,404,516                         | -                 | 2,675,528         | -                 | -        | -              | -                | 8,080,044  |
| 11                           | Past-due loans  | -                 | -        | -                | -        | -                | 337,328                           | -                 | 392,610           | 12,451            | -        | -              | -                | 742,389  |
| 12                           | Higher-risk categories by the Agency Board  | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | 17,039,476        | -        | 148,740        | 7,783,236        | 24,971,452   |
| 13                           | Exposures in the form of covered bonds  | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                 | -        | -              | -                | -  |
| 14                           | Exposures to institutions and corporates with a short-term credit assessment          | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                 | -        | -              | -                | -  |
| 15                           | Exposures in the form of units or shares in collective investment undertakings (CIUs) | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                 | -        | -              | -                | -  |
| 16                           | Investments in equities   | -                 | -        | -                | -        | -                | -                                 | -                 | 369,870           | -                 | -        | -              | -                | 369,870  |
| 17                           | Other Receivables   | 8,464,242         | -        | 35,561           | -        | -                | -                                 | -                 | 5,699,106         | -                 | -        | -              | -                | 14,198,909   |
| <b>18</b>                    | <b>Total</b>  | <b>82,566,973</b> | <b>-</b> | <b>9,150,093</b> | <b>-</b> | <b>4,308,592</b> | <b>15,477,553</b>                 | <b>38,455,876</b> | <b>89,042,075</b> | <b>17,191,354</b> | <b>-</b> | <b>148,740</b> | <b>7,783,236</b> | <b>264,124,492</b>   |

(\*) The amount shown in the line "Receivables collateralised by mortgages on commercial real estate" is "Collateralised by mortgages on real estate" and the other amounts in this column represent the receivables 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 as per the decision) and shown in the “Others” column.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 3. Credit Risk Disclosure (continued)

##### 3.3. Credit risk under standardized approach (continued)

##### 3.3.4. Receivables by risk classes and risk weights (continued)

| Prior Period | Asset Classes / Risk Weights  | 0%                | 10%      | 20%              | 25%      | 35%              | 50% secured<br>by real estate (*) | 75%               | 100%              | 150%             | 250%     | Others   | Total credit risk<br>exposure amount<br>(after CCF and<br>CRM) |
|--------------|---|-------------------|----------|------------------|----------|------------------|-----------------------------------|-------------------|-------------------|------------------|----------|----------|--|
|              |   |                   |          |                  |          |                  |                                   |                   |                   |                  |          |          |  |
| 1            | Exposures to regional governments or local authorities                                | 43,800,625        | -        | -                | -        | -                | -                                 | -                 | 886,394           | -                | -        | -        | 44,687,019   |
| 2            | Exposures to regional governments or local authorities                                | -                 | -        | -                | -        | -                | 1,107,058                         | -                 | 8                 | -                | -        | -        | 1,107,066  |
| 3            | Exposures to administrative units and non-commercial enterprises                      | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 4            | Exposures to multilateral development banks   | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 5            | Exposures to international organizations  | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 6            | Exposures to banks and financial intermediaries                                       | -                 | -        | 8,932,935        | -        | -                | 3,481,957                         | -                 | 35,297            | 767              | -        | -        | 12,450,956   |
| 7            | Exposures to corporates   | -                 | -        | 586,701          | -        | -                | 2,229,939                         | -                 | 44,900,057        | -                | -        | -        | 47,716,697   |
| 8            | Retail exposures  | -                 | -        | 487              | -        | -                | 33,863                            | 38,823,247        | 1,519,036         | 7,878,944        | -        | -        | 48,255,577   |
| 9            | Exposures secured by residential property   | -                 | -        | -                | -        | 4,193,761        | -                                 | -                 | -                 | -                | -        | -        | 4,193,761  |
| 10           | Exposures secured by commercial real estate   | -                 | -        | -                | -        | -                | 4,262,668                         | -                 | 2,230,552         | -                | -        | -        | 6,493,220  |
| 11           | Past-due loans  | -                 | -        | -                | -        | -                | 418,050                           | -                 | 560,711           | 111,883          | -        | -        | 1,090,644  |
| 12           | Higher-risk categories by the Agency Board  | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 13           | Exposures in the form of covered bonds  | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 14           | Exposures to institutions and corporates with a short-term credit assessment          | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 15           | Exposures in the form of units or shares in collective investment undertakings (CIUs) | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 16           | Investments in equities   | -                 | -        | -                | -        | -                | -                                 | -                 | 233,551           | -                | -        | -        | 233,551  |
| 17           | Other Receivables   | 5,263,210         | -        | 39,890           | -        | -                | -                                 | -                 | 1,556,119         | -                | -        | -        | 6,859,219  |
| <b>18</b>    | <b>Total</b>  | <b>49,063,835</b> | <b>-</b> | <b>9,560,013</b> | <b>-</b> | <b>4,193,761</b> | <b>11,533,535</b>                 | <b>38,823,247</b> | <b>51,921,725</b> | <b>7,991,594</b> | <b>-</b> | <b>-</b> | <b>173,087,710</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 UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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### XI. Explanations Related to Risk Management (continued)

#### 4. Counterparty Credit Risk

##### 4.1. Qualitative disclosure related to counterparty credit risk

Limit requests of clients demanding derivative transactions are evaluated based on the related line of business in different credit committees. Limit amounts approved by credit committee are risk weighted limits. In calculation of risk amount that traced to risk weighted limits is multiplied by ratios based on each factor’s historical movement that varies according to transaction’s nominal amount, transaction’s maturity, type, currency and purpose. Updates are generally conducted on a yearly basis except for the times of strict market fluctuations. In other words, if current tables do not cover risk calculations efficiently in case of strict market volatility, all tables are reviewed without waiting for annual period.

In table calculations, different time periods are considered while making analyses. If there is a period in data set with strictly fluctuating period, historical period after this period might be crucial. Also, in historical fluctuations, similar work meant for a data is organized separately. References provided by BNPP are also considered in the process. Eventually, all results are discussed firstly among line of business and then in the Market Risk Committee. Final decision is made by Risk Policy Committee and one of the alternatives is chosen. Approval of the Board of Directors members is obtained if the Risk Policy Committee members deem necessary.

Customers demanding derivative transactions are separated into two based on the purpose of the transaction. Decision of allocating the client to a group is given with taking into consideration client’s all transactions. Related Credit Department decides on the evaluation of client either in trading derivative transaction limit or in hedging derivative transaction limit.

In principle, all individual customers are evaluated as in trading portfolio, and the Bank works with 100% cash and cash equivalent collaterals. Commercial and corporate customers are evaluated different for each firm and based on the decision given, are subject to different collateral conditions. Risks are monitored daily based on the collateral conditions set with the client, and additional collaterals are demanded when a necessity arises according to internally set principles.

For derivative transactions made with banks, ISDA, CSA, VM and GMRA agreements are requested from counterparties in principle, derivative transactions are not made with banks that do not sign these agreements. Collateral management is made on a daily basis with banks considering agreement conditions so that counterparty risk is minimized.

All open derivative transactions are evaluated daily by using market data and resulting evaluation amount is installed to system. As a new transaction is made, risk amount calculated with risk weights is reflected automatically to the system. In other words, counterparty risk regarding all derivative transactions is monitored on banking system. Collateral amount required for customer transactions, transaction evaluation amount and risk weighted nominal amount is monitored daily by considering collateral condition and limit monitoring principles set up by the Bank.

Simulations of transactions are conducted in order to be able to see the level of capital consumption on transaction basis. Ratings and Basel risk classes of derivative customers and banks are reviewed and updated monthly. These are considered in the calculation of capital requirement and evaluation of collateral conditions.

As of 1 July 2022, the “Standard Approach” method has been used in the calculation of counterparty credit risk.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 4. Counterparty Credit Risk (continued)

##### 4.2. Analysis of counterparty credit risk (CCR) exposure by approach

| <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 Amounts</b> |
|---|-------------------------|----------------------------------|----------------|--|--|------------------------------|
| Standardized Approach - CCR (For Derivatives)   | 3,213,569               | 1,338,450                        |                | 1.4  | 4,335,874  | 3,151,291                    |
| 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   |                         |                                  |                |  | 2,416,681  | 1,175,625                    |
| <b>Total</b>  |                         |                                  |                |  |  | <b>4,326,916</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 Amounts</b> |
|---|-------------------------|----------------------------------|----------------|--|--|------------------------------|
| Standardized Approach - CCR (For Derivatives)   | 3,523,661               | 839,905                          |                | 1.4  | 4,357,589  | 1,571,129                    |
| Internal Model Method (for derivatives, repo transactions , marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)               |                         |                                  | -              | -  | -  | -                            |
| Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)             |                         |                                  |                |  | -  | -                            |
| Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) |                         |                                  |                |  | -  | -                            |
| VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions   |                         |                                  |                |  | 1,087,752  | 454,032                      |
| <b>Total</b>  |                         |                                  |                |  |  | <b>2,025,161</b>             |

(\*) Effective Expected Positive Exposure

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 4. Counterparty Credit Risk (continued)

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

| <b>Current Period</b>  | <b>Exposure at Default post-Credit<br/>Risk Mitigation</b> | <b>Risk Weighted<br/>Amounts</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      | 4,335,874  | 1,012,656                        |
| <b>Total subject to the CVA capital charge</b>                     | <b>4,335,874</b>   | <b>1,012,656</b>                 |

| <b>Prior Period</b>  | <b>Exposure at Default post-Credit<br/>Risk Mitigation</b> | <b>Risk Weighted<br/>Amounts</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  | 857,284                          |
| <b>Total subject to the CVA capital charge</b>                     | <b>4,357,589</b>   | <b>857,284</b>                   |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 4. Counterparty Credit Risk (continued)

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

| Current Period  |                |          |                |                  |                |                  |          |          |          | Total credit exposure (*) |
|---|----------------|----------|----------------|------------------|----------------|------------------|----------|----------|----------|---------------------------|
| Risk Weight / Regulatory portfolio                        | 0%             | 10%      | 20%            | 50%              | 75%            | 100%             | 150%     | 500%     | Others   |                           |
| Receivables from central governments and central banks    | 604,505        | -        | -              | -                | -              | -                | -        | -        | -        | 604,505                   |
| Receivables from regional and local governments           | -              | -        | -              | -                | -              | -                | -        | -        | -        | -                         |
| Receivables from administration and non-commercial entity | -              | -        | -              | -                | -              | -                | -        | -        | -        | -                         |
| Receivables from multilateral development banks           | -              | -        | -              | -                | -              | -                | -        | -        | -        | -                         |
| Receivables from international organizations              | -              | -        | -              | -                | -              | -                | -        | -        | -        | -                         |
| Receivables from banks and financial intermediaries       | -              | -        | 188,417        | 3,102,217        | -              | -                | -        | -        | -        | 3,290,634                 |
| Corporates receivables                                    | -              | -        | 10,495         | 154,955          | -              | 2,558,292        | -        | -        | -        | 2,723,742                 |
| Retail receivables  | -              | -        | -              | -                | 133,674        | -                | -        | -        | -        | 133,674                   |
| Other receivables (**)                                    | -              | -        | -              | -                | -              | -                | -        | -        | -        | -                         |
| <b>Total</b>  | <b>604,505</b> | <b>-</b> | <b>198,912</b> | <b>3,257,172</b> | <b>133,674</b> | <b>2,558,292</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>6,752,555</b>          |

(\*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

(\*\*) Other assets: The amounts not included in the credit risk of the counterparty reported in the risks table to the Central Counterparty.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 4. Counterparty Credit Risk (continued)

##### 4.4. Counterparty credit risk by risk classes and risk weights (continued)

| Prior Period  |                  |          |                |                  |               |                  |          |          |                     | Total            |
|---|------------------|----------|----------------|------------------|---------------|------------------|----------|----------|---------------------|------------------|
| Risk Weight / Regulatory portfolio                        | 0%               | 10%      | 20%            | 50%              | 75%           | 100%             | 150%     | Others   | credit exposure (*) |                  |
| Receivables from central governments and central banks    | 2,485,616        | -        | -              | -                | -             | -                | -        | -        | -                   | 2,485,616        |
| Receivables from regional and local governments           | -                | -        | -              | -                | -             | -                | -        | -        | -                   | -                |
| Receivables from administration and non-commercial entity | -                | -        | -              | -                | -             | -                | -        | -        | -                   | -                |
| Receivables from multilateral development banks           | -                | -        | -              | -                | -             | -                | -        | -        | -                   | -                |
| Receivables from international organizations              | -                | -        | -              | -                | -             | -                | -        | -        | -                   | -                |
| Receivables from banks and financial intermediaries       | -                | -        | 142,519        | 1,467,226        | -             | -                | -        | -        | -                   | 1,609,745        |
| Corporate receivables                                     | -                | -        | 12,010         | 128,680          | -             | 1,158,672        | -        | -        | -                   | 1,299,362        |
| Retail receivables  | -                | -        | 599            | 18               | 50,001        | -                | -        | -        | -                   | 50,618           |
| Other receivables (**)                                    | -                | -        | -              | -                | -             | -                | -        | -        | -                   | -                |
| <b>Total</b>  | <b>2,485,616</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>-</b>            | <b>5,445,341</b> |

(\*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

(\*\*) Other assets: The amounts not included in the credit risk of the counterparty reported in the risks table to the Central Counterparty.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 4. Counterparty Credit Risk (continued)

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

| Current Period           | Collateral used in derivative transactions |                |                   |              | Collateral used in other transactions |                   |
|--------------------------|--|----------------|-------------------|--------------|---------------------------------------|-------------------|
|                          | Collateral received                        |                | Posted collateral |              | Collateral received                   | Posted collateral |
|                          | Segregated                                 | Unsegregated   | Segregated        | Unsegregated |                                       |                   |
| Cash – domestic currency | -  | 205,815        | -                 | -            | -                                     | -                 |
| Cash – other currencies  | -  | 5,786          | -                 | -            | -                                     | -                 |
| Domestic sovereign debt  | -  | 4,544          | -                 | -            | -                                     | -                 |
| Other sovereign debt     | -  | -              | -                 | -            | -                                     | -                 |
| Government agency debt   | -  | -              | -                 | -            | -                                     | -                 |
| Corporate bonds          | -  | -              | -                 | -            | -                                     | -                 |
| Equity securities        | -  | -              | -                 | -            | -                                     | -                 |
| Other collateral         | -  | -              | -                 | -            | -                                     | -                 |
| <b>Total</b>             | -  | <b>216,145</b> | -                 | -            | -                                     | -                 |

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

#### 4.6. Credit Derivatives

None.

#### 4.7. Exposures to central counterparties

None.

#### 5. Securitization Disclosures

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

#### 6. Market Risk Disclosures

The market risk section includes the market risk capital requirements calculated for trading book and banking book exposures that are subject to a market risk charge. It also includes capital requirements for securitization positions held in the trading book. However, it excludes the counterparty credit risk capital charges that apply to the same exposures, which are reported in Section 5 – Counterparty credit risk.

Notes and explanations prepared in accordance with the “Communiqué on Disclosures about Risk Management to be announced to Public by Banks” published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this note.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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### XI. Explanations Related to Risk Management (continued)

#### 6. Market Risk Disclosures (continued)

##### 6.1. Qualitative disclosure requirements related to market risk (continued)

Interest rate and foreign exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Bank related to balance sheet and off-balance sheet accounts are measured and while calculating the capital adequacy and the amount subject to Value at Risk (VAR), as summarized below, is taken into consideration by the standard method. Beside the standard method, VAR is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by historic simulation. These results are also reported daily to the management.

For FX position, limits in different breakdowns are determined by Board of Directors and option operations are considered with delta conjugates.

In regular analysis, net interest income effects originating from interest rates changes are calculated for all interest rates sensitive products and the results are followed up in limits determined by Board of Directors. The shocks which are given to interest rates are changes by each currency and in linear scenario analysis, not only linear but also sudden shocks are evaluated. These analyses may be performed for both current and targeted financial figures.

According to economic cost approach, changes in market interest rates may affect the Bank’s assets, liabilities and off-balance sheet items values. The Bank’s economic value’s sensitivity to interest rate is an important issue for stockholders, management and auditors.

Economic value of a product is net present value that is calculated by discounting expected cash flow.

Economic value of the Bank is the net present value of the cash flows that is subtracting expected cash flows of liabilities from net present value of assets and adding off balance sheet items expected cash flows. Economic value approach represents value of the Bank’s sensitivity to interest rate fluctuations.

Market value of equity is defined as the difference between the market value of assets and liabilities. The Board of Directors predefines a limit for market value of equity; shock method is applied to all items to be able to see equity’s influence on market value. Shocks applied may vary based on currencies.

As Economical Value approach considers effects of interest rate changes on all future cash flows, it enables to comprehensively understand effects of interest rate changes in the long run.

In addition to these analyses, Group Risk Management, based on current position, conducts stress testing to be able to predict possible losses as a consequence of exceptional fluctuations. Stress testings are prepared by BNP Paribas and TEB Group Risk Management measure the sensitivity created as a result of market price changes based on scenarios. Scenario analysis both on historical and hypothetical basis are conducted. Both historical and hypothetical scenario analyzes are performed.

Scenario analysis is applied both to currency and interest rates to be able to understand the effects on current portfolio.

Other than scenario analysis, various stress testings are applied to current portfolio; in order to see the effects of prior events on current position.

Nominal amount limits defined for bond portfolio, Value at Risk (“VAR”) limit for trading portfolio, and PV01 limits set for tracking interest rate risk are calculated daily, tracked, and reported to the management. Both interest rate and liquidity gap calculations are made for each item of the balance sheet. For both calculations, as product-based cash flows are formed, repricing, maturity and product-based acceptances are also considered.

Monthly reports are prepared for Market and Liquidity Risk Committees. Reports include end of the day positions, monthly/annual cumulative profit/loss balances and some positions taken in that month.

All Limit and risk positions are represented to Risk Policies Committee, Risk Committee and to The Board of Directors.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Risk Management (continued)

#### 6. Market Risk Disclosures (continued)

##### 6.2. Standardized Approach

| <b>Current Period</b> |   | <b>Risk Weighted<br/>Amounts</b> |
|-----------------------|---|----------------------------------|
| Outright products     |   |                                  |
| 1                     | Interest rate risk (general and specific) | 1,559,644                        |
| 2                     | Equity risk (general and specific)        | -                                |
| 3                     | Foreign exchange risk                     | 1,752,580                        |
| 4                     | Commodity risk                            | 1,778,832                        |
| Options               |   |                                  |
| 5                     | Simplified approach                       | -                                |
| 6                     | Delta-plus method                         | 699,538                          |
| 7                     | Scenario approach                         | -                                |
| 8                     | Securitization                            | -                                |
| <b>9</b>              | <b>Total</b>                              | <b>5,790,594</b>                 |

| <b>Prior Period</b> |   | <b>Risk Weighted<br/>Amounts</b> |
|---------------------|---|----------------------------------|
| Outright products   |   |                                  |
| 1                   | Interest rate risk (general and specific) | 1,377,017                        |
| 2                   | Equity risk (general and specific)        | -                                |
| 3                   | Foreign exchange risk                     | 538,925                          |
| 4                   | Commodity risk                            | 945,141                          |
| Options             |   |                                  |
| 5                   | Simplified approach                       | -                                |
| 6                   | Delta-plus method                         | 141,075                          |
| 7                   | Scenario approach                         | -                                |
| 8                   | Securitization                            | -                                |
| <b>9</b>            | <b>Total</b>                              | <b>3,002,158</b>                 |

#### 7. Explanations Related to Operational Risk

- a) Operational risk has been calculated using the basic indicator approach. Market risk measurements are performed annually.
- b) In case of Basic Indicator Approach the following:

|  | <b>31.12.2019</b> | <b>31.12.2020</b> | <b>31.12.2021</b> | <b>Total/Number of<br/>positive gross<br/>income years</b> | <b>Rate (%)</b> | <b>Total</b> |
|--|-------------------|-------------------|-------------------|--|-----------------|--------------|
| Gross income   | 5,972,922         | 5,663,120         | 6,334,586         | 5,990,210  | 15              | 898,531      |
| Operational Risk Capital<br>Requirement (Total*12.5) |                   |                   |                   |  |                 | 11,231,643   |

|  | <b>31.12.2018</b> | <b>31.12.2019</b> | <b>31.12.2020</b> | <b>Total/Number of<br/>positive gross<br/>income years</b> | <b>Rate (%)</b> | <b>Total</b> |
|--|-------------------|-------------------|-------------------|--|-----------------|--------------|
| Gross income   | 5,159,211         | 5,982,919         | 5,672,140         | 5,604,757  | 15              | 840,713      |
| Operational Risk Capital<br>Requirement (Total*12.5) |                   |                   |                   |  |                 | 10,508,918   |

- c) The Bank does not use the standard method.
- d) The Bank does not use any alternative approach in standard method.
- e) The Bank does not use advanced measurement approach.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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### XI. Explanations Related to Risk Management (continued)

#### 8. Explanations Related to Remuneration Policy in Banks

TEB pays net salaries on the last working day of each month, after the required legal deductions are made. In addition to receiving a monthly salary, all TEB employees are assessed based on meeting their qualitative and quantitative targets, and the Bank may pay performance-based success and sales premiums or annual performance bonuses to reward employees’ collective and individual success.

An annual performance bonus is determined based on the Bank’s profitability, the results of Bank activities, and the realization of targets in line with market practices (local and/or professional). A performance bonus is only paid when the target realized in a particular year is at least 80%. Employees included in the success and sales premium scheme are paid success and sales premiums based to the targets realized during the year.

The remuneration policy of the Bank was prepared in line with the BRSA’s “Communiqué on Corporate Management of Banks” and “Guidance on Good Remuneration Practices in Banks”, and within the scope of the principle of proportionality, the content, structure, and strategies of the Bank’s activities, long-term targets, the risk management structure of the Bank and local regulations. These regulations aim to prevent taking excessive risks and evaluate actual contributions to the risk management.

The remuneration policy supports the Bank in managing risks in line with the principles and parameters determined and approved by the Board of Directors. The remuneration policy aims to attract and retain expert employees who will contribute to the Bank reaching its strategic targets in both business line and support functions.

SECOM (Selection and Compensation Committee) is responsible, on behalf of the Board of Directors, for ensuring that the remuneration policy is prepared in line with local and BNP Paribas regulations. SECOM manages the principles of the remuneration policy, taking opinions from the Human Resources, Financial Affairs, Risk, Compliance, and Internal Control Groups. The remuneration policy is reviewed and approved by SECOM and submitted to the Board of Directors. The remuneration policy is reviewed annually.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### SECTION FIVE

#### EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

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

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

|  | Current Period   |                   | Prior Period     |                   |
|--|------------------|-------------------|------------------|-------------------|
|  | TL               | FC                | TL               | FC                |
| Cash in TL/Foreign Currency              | 752,200          | 10,004,814        | 480,825          | 6,992,493         |
| Balances with the Central Bank of Turkey | 6,458,159        | 26,063,697        | 5,237,670        | 22,851,875        |
| Other                                    | -                | 560,841           | -                | 228,432           |
| <b>Total</b>                             | <b>7,210,359</b> | <b>36,629,352</b> | <b>5,718,495</b> | <b>30,072,800</b> |

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

|                             | Current Period   |                   | Prior Period     |                   |
|-----------------------------|------------------|-------------------|------------------|-------------------|
|                             | TL               | FC                | TL               | FC                |
| Unrestricted Demand Deposit | 6,458,159        | -                 | 5,130,440        | -                 |
| Unrestricted Time Deposit   | -                | 7,868,041         | -                | 7,072,426         |
| Restricted Time Deposit     | -                | 18,195,656        | 107,230          | 15,779,449        |
| <b>Total</b>                | <b>6,458,159</b> | <b>26,063,697</b> | <b>5,237,670</b> | <b>22,851,875</b> |

The FC unrestricted amount is TL 7,868,041 (31 December 2021: TL 7,072,426), the FC restricted amount is TL 18,195,656 (31 December 2021: TL 15,779,449), the TL unrestricted amount is TL 6,458,159 (31 December 2021: TL 5,130,440), there is no restricted TL amount (31 December 2021: TL 107,230).

As of 31 December 2022, the applicable rates for the reserve requirements established at the CBRT are between 3% and 8% (31 December 2021: between 3% and 8%) in Turkish currency, and between 5% and 26% in foreign currency, depending on the maturity structure (31 December 2021: between 5% and 26%).

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

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

Net book value of unrestricted financial assets at fair value through profit or loss is TL 3,011,802 (31 December 2021: TL 2,491,428).

|  | Current Period   |                | Prior Period     |                |
|--|------------------|----------------|------------------|----------------|
|  | TL               | FC             | TL               | FC             |
| Government Debt Securities               | 2,809,744        | 202,058        | 1,942,260        | 549,168        |
| Securities Representing Share in Capital | 77,196           | 263,295        | 59,387           | 135,326        |
| Other Financial Assets                   | -                | 76,286         | -                | 107,646        |
| <b>Total</b>                             | <b>2,886,940</b> | <b>541,639</b> | <b>2,001,647</b> | <b>792,140</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

|                      | Current Period   |                | Prior Period     |                |
|----------------------|------------------|----------------|------------------|----------------|
|                      | TL               | FC             | TL               | FC             |
| Forward Transactions | 1,089,391        | 47,443         | 739,292          | 23,542         |
| Swap Transactions    | 2,953,184        | 228,144        | 5,160,990        | 258,119        |
| Futures Transactions | -                | -              | -                | -              |
| Options              | 357,592          | 388,958        | 106,295          | 43,738         |
| Other                | -                | -              | -                | -              |
| <b>Total</b>         | <b>4,400,167</b> | <b>664,545</b> | <b>6,006,577</b> | <b>325,399</b> |

#### 4. Information on banks:

##### a) Information on banks:

|                                   | Current Period   |                  | Prior Period     |                  |
|-----------------------------------|------------------|------------------|------------------|------------------|
|                                   | TL               | FC               | TL               | FC               |
| Banks                             |                  |                  |                  |                  |
| Domestic                          | 2,102,878        | 505              | 1,531,570        | 1,248,381        |
| Foreign                           | 698,476          | 6,162,428        | 86,455           | 8,713,933        |
| Foreign Head Offices and Branches | -                | -                | -                | -                |
| <b>Total</b>                      | <b>2,801,354</b> | <b>6,162,933</b> | <b>1,618,025</b> | <b>9,962,314</b> |

An expected loss provision of TL 28,900 (31 December 2021: TL 23,547) has been set aside for receivables from banks.

##### b) Information on foreign banks account:

|                           | Unrestricted Amount |                  | Restricted Amount |                |
|---------------------------|---------------------|------------------|-------------------|----------------|
|                           | Current Period      | Prior Period     | Current Period    | Prior Period   |
| EU Countries              | 985,011             | 1,640,507        | -                 | 380,464        |
| USA, Canada               | 2,765,267           | 3,192,869        | -                 | -              |
| OECD Countries (*)        | 878,376             | 2,332,760        | -                 | -              |
| Off-Shore Banking Regions | 20                  | 16               | -                 | -              |
| Other                     | 1,578,685           | 1,096,610        | 653,545           | 157,162        |
| <b>Total</b>              | <b>6,207,359</b>    | <b>8,262,762</b> | <b>653,545</b>    | <b>537,626</b> |

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

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

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

|   | Current Period   |          | Prior Period     |                  |
|---|------------------|----------|------------------|------------------|
|   | TL               | FC       | TL               | FC               |
| Equity Securities                                     | -                | -        | -                | -                |
| Bond, Treasury Bill and Similar Investment Securities | 1,411,005        | -        | 1,448,659        | 1,739,641        |
| Other   | -                | -        | -                | -                |
| <b>Total</b>  | <b>1,411,005</b> | <b>-</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                     | -              | 3,013,150        | 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>3,013,150</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 3,995,149 (31 December 2021: TL 1,282,716).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

|                              | Current Period   | Prior Period     |
|------------------------------|------------------|------------------|
| Debt Securities              | 8,369,991        | 7,161,834        |
| Quoted on a Stock Exchange   | 8,320,656        | 7,122,573        |
| Unquoted on a Stock Exchange | 49,335           | 39,261           |
| Equity Securities            | 49,313           | 13,250           |
| Quoted on a Stock Exchange   | -                | -                |
| Unquoted on a Stock Exchange | 49,313           | 13,250           |
| Impairment Provision (-)     | -                | -                |
| <b>Total</b>                 | <b>8,419,304</b> | <b>7,175,084</b> |

An expected loss provision of TL 1,676 (31 December 2021: TL 1,668) has been reserved for financial assets at fair value through other comprehensive income).

#### 6. Information on loans:

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

|  | Current Period |                  | Prior Period   |                |
|--|----------------|------------------|----------------|----------------|
|  | Cash           | Non-Cash         | Cash           | Non-Cash       |
| Direct Loans Granted to Shareholders   | -              | 1,118,603        | -              | 389,230        |
| Corporate Shareholders                 | -              | 1,118,603        | -              | 389,230        |
| Real Person Shareholders               | -              | -                | -              | -              |
| Indirect Loans Granted to Shareholders | -              | -                | -              | -              |
| Loans Granted to Employees             | 212,298        | -                | 116,057        | -              |
| <b>Total</b>                           | <b>212,298</b> | <b>1,118,603</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               |   |                  |
|---------------------------------|--------------------|--|---|------------------|
|                                 |                    | Not Under the<br>Scope of<br>Restructuring | Loans Under Restructuring               |                  |
|                                 |                    |  | Loans with<br>Revised Contract<br>Terms | Refinancing      |
| Non-specialized Loans           | 135,354,392        | 10,235,887                                 | 49,531                                  | 1,067,224        |
| Working Capital Loans           | 12,825,030         | 1,920,186                                  | -                                       | 772,445          |
| Export Loans                    | 30,414,865         | 296,549                                    | -                                       | 2,366            |
| Import Loans                    | -                  | -  | -                                       | -                |
| Loans Given to Financial Sector | 5,290,513          | -  | -                                       | -                |
| Consumer Loans                  | 24,973,760         | 4,727,764                                  | 7,431                                   | 122,472          |
| Credit Cards                    | 12,700,358         | 1,669,035                                  | 37,549                                  | -                |
| Other                           | 49,149,866         | 1,622,353                                  | 4,551                                   | 169,941          |
| Specialized Loans               | -                  | -  | -                                       | -                |
| Other Receivables               | -                  | -  | -                                       | -                |
| <b>Total</b>                    | <b>135,354,392</b> | <b>10,235,887</b>                          | <b>49,531</b>                           | <b>1,067,224</b> |



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 6. Information on loans: (continued)

b) Information on the standard loans and loans under close monitoring and restructured loans under close monitoring:  
(continued)

##### Prior Period:

| Cash Loans                      | Standard Loans    | Loans under Close Monitoring         |                                   |                                       |
|---------------------------------|-------------------|--------------------------------------|-----------------------------------|---------------------------------------|
|                                 |                   | Not Under the Scope of Restructuring | Loans with Revised Contract Terms | Loans Under Restructuring Refinancing |
| Non-specialized Loans           | 94,813,675        | 7,851,522                            | 106,238                           | 1,726,179                             |
| Working Capital Loans           | 8,292,445         | 938,278                              | 68,954                            | 1,191,876                             |
| Export Loans                    | 15,734,234        | 150,052                              | -                                 | 4,939                                 |
| Import Loans                    | -                 | -                                    | -                                 | -                                     |
| Loans Given to Financial Sector | 4,592,585         | -                                    | -                                 | -                                     |
| Consumer Loans                  | 19,586,048        | 4,218,653                            | 12,207                            | 158,941                               |
| Credit Cards                    | 7,079,515         | 1,069,945                            | 17,629                            | -                                     |
| Other                           | 39,528,848        | 1,474,594                            | 7,448                             | 370,423                               |
| Specialized Loans               | -                 | -                                    | -                                 | -                                     |
| Other Receivables               | -                 | -                                    | -                                 | -                                     |
| <b>Total</b>                    | <b>94,813,675</b> | <b>7,851,522</b>                     | <b>106,238</b>                    | <b>1,726,179</b>                      |

|                                     | Current Period |                              | Prior Period   |                              |
|-------------------------------------|----------------|------------------------------|----------------|------------------------------|
|                                     | Standard Loans | Loans Under Close Monitoring | Standard Loans | Loans Under Close Monitoring |
| 12 Month Expected Credit Losses     | 734,536        | -                            | 428,726        | -                            |
| Significant Increase in Credit Risk | -              | 2,418,591                    | -              | 1,351,897                    |
| <b>Total</b>                        | <b>734,536</b> | <b>2,418,591</b>             | <b>428,726</b> | <b>1,351,897</b>             |

c) Distribution of cash loans by maturity structure:

| Current Period              | Loans under Close Monitoring |                                      |                  |
|-----------------------------|------------------------------|--------------------------------------|------------------|
|                             | Standard Loans               | Not under the Scope of Restructuring | Restructured     |
| Short Term Loans            | 81,111,891                   | 3,329,771                            | 21,414           |
| Medium- and Long-Term Loans | 54,242,501                   | 6,906,116                            | 1,095,341        |
| <b>Total</b>                | <b>135,354,392</b>           | <b>10,235,887</b>                    | <b>1,116,755</b> |

| Prior Period                | Loans under Close Monitoring |                                      |                  |
|-----------------------------|------------------------------|--------------------------------------|------------------|
|                             | Standard Loans               | Not under the Scope of Restructuring | Restructured     |
| Short Term Loans            | 49,217,439                   | 2,130,065                            | 57,948           |
| Medium- and Long-Term Loans | 45,596,236                   | 5,721,457                            | 1,774,469        |
| <b>Total</b>                | <b>94,813,675</b>            | <b>7,851,522</b>                     | <b>1,832,417</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 6. Information on loans: (continued)

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

| Current Period                                  | Short Term        | Medium and Long Term | Total             |
|---|-------------------|----------------------|-------------------|
| <b>Consumer Loans-TL</b>                        | <b>3,035,284</b>  | <b>24,646,725</b>    | <b>27,682,009</b> |
| Housing Loans                                   | 13,586            | 3,421,072            | 3,434,658         |
| Vehicle Loans                                   | 38,477            | 356,529              | 395,006           |
| General Purpose Loans                           | 2,983,221         | 20,869,124           | 23,852,345        |
| Other   | -                 | -                    | -                 |
| <b>Consumer Loans –Indexed to FC</b>            | -                 | <b>5,243</b>         | <b>5,243</b>      |
| Housing Loans                                   | -                 | 5,243                | 5,243             |
| Vehicle Loans                                   | -                 | -                    | -                 |
| General Purpose Loans                           | -                 | -                    | -                 |
| Other   | -                 | -                    | -                 |
| <b>Consumer Loans-FC (**)</b>                   | -                 | <b>12,322</b>        | <b>12,322</b>     |
| Housing Loans                                   | -                 | 3,612                | 3,612             |
| Vehicle Loans                                   | -                 | -                    | -                 |
| General Purpose Loans                           | -                 | 8,710                | 8,710             |
| Other   | -                 | -                    | -                 |
| <b>Individual Credit Cards-TL</b>               | <b>9,899,605</b>  | <b>33,500</b>        | <b>9,933,105</b>  |
| With Instalments                                | 3,773,824         | 33,500               | 3,807,324         |
| Without Instalments                             | 6,125,781         | -                    | 6,125,781         |
| <b>Individual Credit Cards-FC</b>               | <b>33,398</b>     | -                    | <b>33,398</b>     |
| With Instalments                                | -                 | -                    | -                 |
| Without Instalments                             | 33,398            | -                    | 33,398            |
| <b>Personnel Loans-TL</b>                       | <b>37,523</b>     | <b>98,869</b>        | <b>136,392</b>    |
| Housing Loans                                   | -                 | 326                  | 326               |
| Vehicle Loans                                   | -                 | -                    | -                 |
| General Purpose Loans                           | 37,523            | 98,543               | 136,066           |
| 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>68,406</b>     | <b>18</b>            | <b>68,424</b>     |
| With Instalments                                | 27,336            | 18                   | 27,354            |
| Without Instalments                             | 41,070            | -                    | 41,070            |
| <b>Personnel Credit Cards-FC</b>                | <b>652</b>        | -                    | <b>652</b>        |
| With Instalments                                | -                 | -                    | -                 |
| Without Instalments                             | 652               | -                    | 652               |
| <b>Overdraft Accounts-TL (Real Persons) (*)</b> | <b>1,995,461</b>  | -                    | <b>1,995,461</b>  |
| <b>Overdraft Accounts-FC (Real Persons)</b>     | -                 | -                    | -                 |
| <b>Total</b>                                    | <b>15,070,329</b> | <b>24,796,677</b>    | <b>39,867,006</b> |

(\*) Overdraft accounts include personnel loans amounting to TL 6,830.

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 6. Information on loans: (continued)

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

| 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 UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 6. Information on loans: (continued)

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

| <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>2,378,337</b>  | <b>10,547,993</b>           | <b>12,926,330</b> |
| Business Loans  | 4,639             | 160,686                     | 165,325           |
| Vehicle Loans   | 344,111           | 2,564,430                   | 2,908,541         |
| General Purpose Loans                                   | 2,029,587         | 7,822,877                   | 9,852,464         |
| Other   | -                 | -                           | -                 |
| <b>Commercial loans with instalment - Indexed to FC</b> | <b>-</b>          | <b>20,114</b>               | <b>20,114</b>     |
| Business Loans  | -                 | 6,082                       | 6,082             |
| Vehicle Loans   | -                 | -                           | -                 |
| General Purpose Loans                                   | -                 | 14,032                      | 14,032            |
| Other   | -                 | -                           | -                 |
| <b>Commercial loans with instalment – FC</b>            | <b>939</b>        | <b>-</b>                    | <b>939</b>        |
| Business Loans  | -                 | -                           | -                 |
| Vehicle Loans   | -                 | -                           | -                 |
| General Purpose Loans                                   | 939               | -                           | 939               |
| Other   | -                 | -                           | -                 |
| <b>Corporate Credit Cards-TL</b>                        | <b>4,364,826</b>  | <b>36</b>                   | <b>4,364,862</b>  |
| With Instalments  | 1,655,525         | 36                          | 1,655,561         |
| Without Instalments                                     | 2,709,301         | -                           | 2,709,301         |
| <b>Corporate Credit Cards-FC</b>                        | <b>6,501</b>      | <b>-</b>                    | <b>6,501</b>      |
| With Instalments  | -                 | -                           | -                 |
| Without Instalments                                     | 6,501             | -                           | 6,501             |
| <b>Overdraft Accounts-TL (Legal Entities)</b>           | <b>985,557</b>    | <b>-</b>                    | <b>985,557</b>    |
| <b>Overdraft Accounts-FC (Legal Entities)</b>           | <b>-</b>          | <b>-</b>                    | <b>-</b>          |
| <b>Total</b>  | <b>7,736,160</b>  | <b>10,568,143</b>           | <b>18,304,303</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> |

f) Distribution of loans by users:

|              | <b>Current Period</b> | <b>Prior Period</b> |
|--------------|-----------------------|---------------------|
| Public       | 1,686,191             | 1,974,740           |
| Private      | 145,020,843           | 102,522,874         |
| <b>Total</b> | <b>146,707,034</b>    | <b>104,497,614</b>  |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 6. Information on loans: (continued)

g) Distribution of domestic and foreign loans:

|                | Current Period     | Prior Period       |
|----------------|--------------------|--------------------|
| Domestic Loans | 145,849,516        | 103,816,710        |
| Foreign Loans  | 857,518            | 680,904            |
| <b>Total</b>   | <b>146,707,034</b> | <b>104,497,614</b> |

h) Loans granted to subsidiaries and associates:

|   | Current Period | Prior Period   |
|---|----------------|----------------|
| Direct Loans Given to Subsidiaries and Associates   | 437,163        | 366,942        |
| Indirect Loans Given to Subsidiaries and Associates | -              | -              |
| <b>Total</b>  | <b>437,163</b> | <b>366,942</b> |

i) Specific or non-performing loan (Stage 3) provisions for loans:

|                                    | Current Period   | Prior Period     |
|------------------------------------|------------------|------------------|
| Loans with Limited Collectability  | 197,372          | 275,137          |
| Loans with Doubtful Collectability | 359,210          | 250,384          |
| Uncollectible Loans                | 1,335,772        | 1,733,851        |
| <b>Total</b>                       | <b>1,892,354</b> | <b>2,259,372</b> |

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

j.1) Information on non-performing loans and restructured loans:

|                                 | Group III<br>Loans with Limited<br>Collectability | Group IV<br>Loans with Doubtful<br>Collectability | Group V<br>Uncollectible<br>Loans |
|---------------------------------|---|---|-----------------------------------|
| <b>Current Period</b>           |   |   |                                   |
| Gross Amounts before Provisions | 51,719  | 38,533  | 34,533                            |
| Restructured Loans              | 51,719  | 38,533  | 34,533                            |
| <b>Prior Period</b>             |   |   |                                   |
| Gross Amounts before Provisions | 72,529  | 14,239  | 42,007                            |
| Restructured Loans              | 72,529  | 14,239  | 42,007                            |

j.2) Movement of non-performing loans:

|   | Group III<br>Loans with Limited<br>Collectability | Group IV<br>Loans with Doubtful<br>Collectability | Group V<br>Uncollectible<br>Loans |
|---|---|---|-----------------------------------|
| <b>Prior period end balance</b>                     | <b>448,493</b>                                    | <b>390,670</b>                                    | <b>2,486,219</b>                  |
| Additions (+)                                       | 1,486,236   | 15,022  | 33,941                            |
| Transfers from other accounts of Non-performing (+) | -   | 1,265,449   | 939,862                           |
| Transfers to other accounts of Non-performing (-)   | 1,267,584   | 937,727   | -                                 |
| Collections (-)                                     | 310,354   | 252,097   | 802,825                           |
| Write-Offs (-)                                      | 50,967  | -   | 403,858                           |
| Sold Portfolio (-) (*)                              | 34  | 1,968   | 416,989                           |
| Corporate and Commercial Loans                      | 4   | 1,587   | 60,510                            |
| Retail Loans  | 1   | 20  | 267,490                           |
| Credit Cards  | 29  | 361   | 88,989                            |
| Other   | 9,976   | 25,484  | (31,057)                          |
| <b>Current Period End Balance</b>                   | <b>315,766</b>                                    | <b>504,833</b>                                    | <b>1,805,293</b>                  |
| Provision (-)                                       | 197,372   | 359,210   | 1,335,772                         |
| <b>Net Balance on Balance Sheet</b>                 | <b>118,394</b>                                    | <b>145,623</b>                                    | <b>469,521</b>                    |

(\*) Non-performing loans amounting to TL 418,991 for which TL 390,257 of provision had been allocated, is sold for TL 115,221 during 2022 and after all sales procedures were completed, these non-performing loans have been written off from the portfolio.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 6. Information on loans: (continued)

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

j.3) Information on foreign currency non-performing loans:

|                                     | Group III<br>Loans and Receivables<br>with Limited<br>Collectability | Group IV<br>Loans and Receivables<br>with Doubtful<br>Collectability | Group V<br>Uncollectable<br>Loans and<br>Receivables |
|-------------------------------------|--|--|--|
| <b>31 December 2022</b>             |  |  |  |
| Current Period End Balance          | 92,224   | 3,070  | 99,092   |
| Provision Amount (-)                | 64,461   | 1,354  | 72,617   |
| <b>Net Balance on Balance Sheet</b> | <b>27,763</b>  | <b>1,716</b>   | <b>26,475</b>  |
| <b>31 December 2021</b>             |  |  |  |
| Current Period End Balance          | 90,621   | 19,011   | 181,764  |
| Provision Amount (-)                | 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>  |

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

|   | Group III<br>Loans and Receivables<br>with Limited<br>Collectability | Group IV<br>Loans and Receivables<br>with Doubtful<br>Collectability | Group V<br>Uncollectable<br>Loans and<br>Receivables |
|---|--|--|--|
| <b>Current Period (Net)</b>                           |  |  |  |
| Loans to Real Persons and Legal Entities (Gross)      | 315,766  | 504,833  | 1,805,293  |
| Provision Amount (-)                                  | 197,372  | 359,210  | 1,335,772  |
| <b>Loans to Real Persons and Legal Entities (Net)</b> | <b>118,394</b>   | <b>145,623</b>   | <b>469,521</b>                                       |
| Banks (Gross)   | -  | -  | -  |
| Provision Amount (-)                                  | -  | -  | -  |
| <b>Banks (Net)</b>                                    | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| Other Loans and Receivables (Gross)                   | -  | -  | -  |
| Provision Amount (-)                                  | -  | -  | -  |
| <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  | 390,670  | 2,486,219  |
| Provision Amount (-)                                  | 275,137  | 250,384  | 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 Amount (-)                                  | -  | -  | -  |
| <b>Banks (Net)</b>                                    | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| Other Loans and Receivables (Gross)                   | -  | -  | -  |
| Provision Amount (-)                                  | -  | -  | -  |
| <b>Other Loans and Receivables (Net)</b>              | <b>-</b>   | <b>-</b>   | <b>-</b>   |

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

|  | Group III<br>Loans with Limited<br>Collectability | Group IV<br>Loans with Doubtful<br>Collectability | Group V<br>Uncollectable<br>Loans |
|--|---|---|-----------------------------------|
| <b>Current Period (Net)</b>                              |   |   |                                   |
| Interest Accruals, Rediscounts and Valuation Differences | 699   | 83  | 7,659                             |
| Provision Amount (-)                                     | 28,808  | 58,354  | 457,827                           |
|  | 28,109  | 58,271  | 450,168                           |
| <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 Amount (-)                                     | 44,100  | 48,747  | 539,403                           |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 6. Information on loans: (continued)

k) Disclosures regarding the unregistered policy:

Loans that will be subject to write-off are applied for loans that are classified as 5 Group - Loans classified as Bad Debt and provided with life-long expected credit loss provision due to the debtor’s default and there is no reasonable expectation of their recovery within the scope of TFRS 9 standard Write-off is an accounting practice and does not result in giving up the right on the receivable. Loans which are written-off do not affect the legal follow-up of the Parent Bank. Indicators are utilized concerning the absence of reasonable expectations regarding the recovery of loans. The write-off is examined on an incident basis with predefined criteria’s and the following write-off criteria’s are considered:

- The possibility of recovery is limited: Loans with low collateralization, limited collateral capability, limited assets that provide foreclosure collection, and less than expected cost income for collection are evaluated.

- Financial indicators: Financial indicators that show that the entire loan does not have the ability to recover, or that the monetary cost to be incurred due to lawsuit/prosecution to be filed is higher than the collection to be made, are evaluated.

- Long-term follow-up: Those who do not have reasonable collection expectations are evaluated in order to recover the loans that have been pursuing for a long time.

The following practices for the loans bank monitors, although the loans have been written-off by the Bank, cannot be different from its registered loans.

- The methods applied for legal collection of loans from debtors,
- Decisions to be subjected to the sale of non-performing loans,
- Decisions to waive the credit by waiving the loans.

Within the scope of TFRS 9, the deducted amount during the period is TL 454,825 (31 December 2021: TL 57,671) and its effect on NPL ratio is 0.30% (31 December 2021: 0.06%). The follow-up conversion rate, after deductions, is 1.76% (31 December 2021: 3.08%) in the current period non-performing loan figures, while the calculated rate including the loans deducted during the year is 2.06% (31 December 2021: 3.14%).

l) Other explanations and disclosures:

| <b>Current Period</b>                              | <b>Commercial</b>  | <b>Consumer</b>   | <b>Credit Cards</b> | <b>Total</b>       |
|--|--------------------|-------------------|---------------------|--------------------|
| Standard Loans                                     | 97,680,274         | 24,973,760        | 12,700,358          | 135,354,392        |
| Loans Under Close Monitoring                       | 4,788,391          | 4,857,667         | 1,706,584           | 11,352,642         |
| Loans Under Follow Up                              | 856,916            | 1,606,859         | 162,117             | 2,625,892          |
| <b>Total</b>                                       | <b>103,325,581</b> | <b>31,438,286</b> | <b>14,569,059</b>   | <b>149,332,926</b> |
| 12 Month Expected Credit Loss (Stage I) (-)        | 365,454            | 231,139           | 137,943             | 734,536            |
| Significant Increase in Credit Risk (Stage II) (-) | 1,775,605          | 385,520           | 257,466             | 2,418,591          |
| Default (Stage III) (-)                            | 590,043            | 1,173,192         | 129,119             | 1,892,354          |
| <b>Total</b>                                       | <b>2,731,102</b>   | <b>1,789,851</b>  | <b>524,528</b>      | <b>5,045,481</b>   |
| <b>Net Credit Balance on Balance Sheet</b>         | <b>100,594,479</b> | <b>29,648,435</b> | <b>14,044,531</b>   | <b>144,287,445</b> |
| <b>Prior Period</b>                                | <b>Commercial</b>  | <b>Consumer</b>   | <b>Credit Cards</b> | <b>Total</b>       |
| Standard Loans                                     | 68,148,112         | 19,586,048        | 7,079,515           | 94,813,675         |
| Loans Under Close Monitoring                       | 4,206,564          | 4,389,801         | 1,087,574           | 9,683,939          |
| Loans Under Follow Up                              | 1,274,995          | 1,808,745         | 241,642             | 3,325,382          |
| <b>Total</b>                                       | <b>73,629,671</b>  | <b>25,784,594</b> | <b>8,408,731</b>    | <b>107,822,996</b> |
| 12 Month Expected Credit Loss (Stage I) (-)        | 203,624            | 160,661           | 64,441              | 428,726            |
| Significant Increase in Credit Risk (Stage II) (-) | 1,091,318          | 209,746           | 50,833              | 1,351,897          |
| Default (Stage III) (-)                            | 849,940            | 1,221,062         | 188,370             | 2,259,372          |
| <b>Total</b>                                       | <b>2,144,882</b>   | <b>1,591,469</b>  | <b>303,644</b>      | <b>4,039,995</b>   |
| <b>Net Credit Balance on Balance Sheet</b>         | <b>71,484,789</b>  | <b>24,193,125</b> | <b>8,105,087</b>    | <b>103,783,001</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

The following is a reclassification of provision for impairment on loans by stage;

#### Current Period

| <b>Commercial</b>                                       | <b>Standard Loans<br/>(Stage 1)</b> | <b>Loans Under Close<br/>Monitoring (Stage 2)</b> | <b>Loans Under<br/>Follow Up (Stage 3)</b> | <b>Total</b>     |
|---|-------------------------------------|---|--|------------------|
| 31 December 2021  | 203,624                             | 1,091,318   | 849,940                                    | 2,144,882        |
| Transfers;  |                                     |   |  |                  |
| - Stage 1 to Stage 2                                    | (8,312)                             | 38,492  | -  | 30,180           |
| - Stage 1 to Stage 3                                    | (1,438)                             | -   | 59,763                                     | 58,325           |
| - Stage 2 to Stage 3                                    | -                                   | (26,383)  | 80,297                                     | 53,914           |
| - Stage 2 to Stage 1                                    | 1,105                               | (7,514)   | -  | (6,409)          |
| - Stage 3 to Stage 2                                    | -                                   | -   | -  | -                |
| Transferred within the period                           | 283,428                             | 606,714   | 629,176                                    | 1,519,318        |
| Collections   | (135,016)                           | (131,055)   | (548,378)                                  | (814,449)        |
| Sold Portfolio  | -                                   | -   | (47,297)                                   | (47,297)         |
| Write-offs  | -                                   | -   | (452,651)                                  | (452,651)        |
| Currency differences                                    | 22,063                              | 204,033   | 19,193                                     | 245,289          |
| <b>Total Expected Loss Provision - 31 December 2022</b> | <b>365,454</b>                      | <b>1,775,605</b>                                  | <b>590,043</b>                             | <b>2,731,102</b> |

#### Prior Period

| <b>Commercial</b>                                       | <b>Standard Loans<br/>(Stage 1)</b> | <b>Loans Under Close<br/>Monitoring (Stage 2)</b> | <b>Loans Under<br/>Follow Up (Stage 3)</b> | <b>Total</b>     |
|---|-------------------------------------|---|--|------------------|
| 31 December 2020  | 176,623                             | 1,033,284   | 1,996,399                                  | 3,206,306        |
| Transfers;  |                                     |   |  |                  |
| - Stage 1 to Stage 2                                    | (6,296)                             | 17,266  | -  | 10,970           |
| - Stage 1 to Stage 3                                    | (775)                               | -   | 24,630                                     | 23,855           |
| - Stage 2 to Stage 3                                    | -                                   | (88,038)  | 90,252                                     | 2,214            |
| - Stage 2 to Stage 1                                    | 3,960                               | (20,577)  | -  | (16,617)         |
| - Stage 3 to Stage 2                                    | -                                   | -   | -  | -                |
| Transferred within the period                           | 104,257                             | 211,577   | (874,935)                                  | (559,101)        |
| Collections   | (101,505)                           | (326,605)   | (239,832)                                  | (667,942)        |
| Sold Portfolio  | -                                   | -   | (112,757)                                  | (112,757)        |
| Write-offs  | -                                   | -   | (55,520)                                   | (55,520)         |
| Currency differences                                    | 27,360                              | 264,411   | 21,703                                     | 313,474          |
| <b>Total Expected Loss Provision - 31 December 2021</b> | <b>203,624</b>                      | <b>1,091,318</b>                                  | <b>849,940</b>                             | <b>2,144,882</b> |



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 6. Information on loans: (continued)

##### 1) Other explanations and disclosures: (continued)

#### Current Period

| Consumer  | Standard Loans<br>(Stage 1) | Loans Under Close<br>Monitoring (Stage 2) | Loans Under<br>Follow Up (Stage 3) | Total            |
|---|-----------------------------|---|------------------------------------|------------------|
| 31 December 2021  | 160,661                     | 209,746                                   | 1,221,062                          | 1,591,469        |
| Transfers;  |                             |   |                                    |                  |
| - Stage 1 to Stage 2                                    | (10,183)                    | 58,020                                    | -                                  | 47,837           |
| - Stage 1 to Stage 3                                    | (6,038)                     | -   | 272,728                            | 266,690          |
| - Stage 2 to Stage 3                                    | -                           | (42,527)                                  | 285,430                            | 242,903          |
| - Stage 2 to Stage 1                                    | 7,548                       | (47,903)                                  | -                                  | (40,355)         |
| - Stage 3 to Stage 2                                    | -                           | -   | -                                  | -                |
| Transferred within the period                           | 120,047                     | 258,623                                   | (377,532)                          | 1,138            |
| Collections   | (40,896)                    | (50,439)                                  | (36,569)                           | (127,904)        |
| Sold Portfolio  | -                           | -   | (189,753)                          | (189,753)        |
| Write-offs  | -                           | -   | (2,174)                            | (2,174)          |
| Currency differences                                    | -                           | -   | -                                  | -                |
| <b>Total Expected Loss Provision - 31 December 2022</b> | <b>231,139</b>              | <b>385,520</b>                            | <b>1,173,192</b>                   | <b>1,789,851</b> |

#### Prior Period

| Consumer  | Standard Loans<br>(Stage 1) | Loans Under Close<br>Monitoring (Stage 2) | Loans Under<br>Follow Up (Stage 3) | Total            |
|---|-----------------------------|---|------------------------------------|------------------|
| 31 December 2020  | 162,525                     | 263,142                                   | 228,731                            | 654,398          |
| Transfers;  |                             |   |                                    |                  |
| - Stage 1 to Stage 2                                    | (11,426)                    | 52,675                                    | -                                  | 41,249           |
| - Stage 1 to Stage 3                                    | (2,574)                     | -   | 71,107                             | 68,533           |
| - Stage 2 to Stage 3                                    | -                           | (58,101)                                  | 114,361                            | 56,260           |
| - Stage 2 to Stage 1                                    | 4,100                       | (35,657)                                  | -                                  | (31,557)         |
| - Stage 3 to Stage 2                                    | -                           | -   | -                                  | -                |
| Transferred within the period                           | 39,799                      | 59,480                                    | 951,475                            | 1,050,754        |
| Collections   | (31,763)                    | (71,793)                                  | (23,338)                           | (126,894)        |
| Sold Portfolio  | -                           | -   | (119,123)                          | (119,123)        |
| Write-offs  | -                           | -   | (2,151)                            | (2,151)          |
| Currency differences                                    | -                           | -   | -                                  | -                |
| <b>Total Expected Loss Provision - 31 December 2021</b> | <b>160,661</b>              | <b>209,746</b>                            | <b>1,221,062</b>                   | <b>1,591,469</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 6. Information on loans: (continued)

##### 1) Other explanations and disclosures: (continued)

#### Current Period

| Credit Cards  | Standard Loans<br>(Stage 1) | Loans Under Close<br>Monitoring (Stage 2) | Loans Under<br>Follow Up (Stage 3) | Total          |
|---|-----------------------------|---|------------------------------------|----------------|
| 31 December 2021  | 64,441                      | 50,833                                    | 188,370                            | 303,644        |
| Transfers;  |                             |   |                                    |                |
| - Stage 1 to Stage 2                                    | (5,435)                     | 104,931                                   | -                                  | 99,496         |
| - Stage 1 to Stage 3                                    | (1,659)                     | -   | 62,282                             | 60,623         |
| - Stage 2 to Stage 3                                    | -                           | (9,503)                                   | 48,019                             | 38,516         |
| - Stage 2 to Stage 1                                    | 13,394                      | (21,936)                                  | -                                  | (8,542)        |
| - Stage 3 to Stage 2                                    | -                           | -   | -                                  | -              |
| Transferred within the period                           | 74,569                      | 146,765                                   | (53,220)                           | 168,114        |
| Collections   | (7,367)                     | (13,624)                                  | (50,885)                           | (71,876)       |
| Sold Portfolio  | -                           | -   | (65,447)                           | (65,447)       |
| Write-offs  | -                           | -   | -                                  | -              |
| Currency differences                                    | -                           | -   | -                                  | -              |
| <b>Total Expected Loss Provision - 31 December 2022</b> | <b>137,943</b>              | <b>257,466</b>                            | <b>129,119</b>                     | <b>524,528</b> |

#### Prior Period

| Credit Cards  | Standard Loans<br>(Stage 1) | Loans Under Close<br>Monitoring (Stage 2) | Loans Under<br>Follow Up (Stage 3) | Total          |
|---|-----------------------------|---|------------------------------------|----------------|
| 31 December 2020  | 54,298                      | 63,826                                    | 68,943                             | 187,067        |
| Transfers;  |                             |   |                                    |                |
| - Stage 1 to Stage 2                                    | (5,019)                     | 26,181                                    | -                                  | 21,162         |
| - Stage 1 to Stage 3                                    | (1,490)                     | -   | 41,681                             | 40,191         |
| - Stage 2 to Stage 3                                    | -                           | (19,857)                                  | 44,873                             | 25,016         |
| - Stage 2 to Stage 1                                    | 6,064                       | (18,256)                                  | -                                  | (12,192)       |
| - Stage 3 to Stage 2                                    | -                           | -   | -                                  | -              |
| Transferred within the period                           | 15,726                      | 12,638                                    | 92,696                             | 121,060        |
| Collections   | (5,138)                     | (13,699)                                  | -                                  | (18,837)       |
| Sold Portfolio  | -                           | -   | (59,823)                           | (59,823)       |
| Write-offs  | -                           | -   | -                                  | -              |
| Currency differences                                    | -                           | -   | -                                  | -              |
| <b>Total Expected Loss Provision - 31 December 2021</b> | <b>64,441</b>               | <b>50,833</b>                             | <b>188,370</b>                     | <b>303,644</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

The fair value of collaterals of non-performing loans, capped with the respective outstanding loan balance as of 31 December 2022 is TL 842,665 (31 December 2021: TL 1,453,443).

#### The fair value of the collateral of non-performing loans that do not exceed the risk:

|              | Current Period | Prior Period     |
|--------------|----------------|------------------|
| Mortgage     | 668,114        | 1,080,929        |
| Vehicle      | 63,499         | 129,617          |
| Cash         | 113            | 440              |
| Other (*)    | 110,939        | 242,457          |
| <b>Total</b> | <b>842,665</b> | <b>1,453,443</b> |

(\*) Other amount includes Treasury backed and Portfolio guaranteed CGF guarantee amounting to TL 110,939 (31 December 2021: TL 242,457).

As of 31 December 2022, the fair value of the collaterals of the customers' total principal risk related to the loans under close monitoring that do not exceed the risk is TL 3,767,830 (31 December 2021: TL 3,742,470).

#### Fair value of the part of the collaterals of the closely monitored loans that do not exceed the risk:

|                        | Current Period   | Prior Period     |
|------------------------|------------------|------------------|
| Mortgage               | 3,182,343        | 3,171,659        |
| Vehicle                | 466,367          | 328,721          |
| Cash, Government Bonds | 116,555          | 207,134          |
| Other                  | 2,565            | 34,956           |
| <b>Total</b>           | <b>3,767,830</b> | <b>3,742,470</b> |

As of 31 December 2022 and 31 December 2021, the details of the commodities and real estates that the bank has acquired for disposal of credit receivables are as follows:

| 31 December 2022                                 | Commercial    | Consumer   | Total          |
|--|---------------|------------|----------------|
| Residential, commercial or industrial properties | 99,958        | 412        | 100,370        |
| Other  | -             | -          | -              |
| <b>Total</b>                                     | <b>99,958</b> | <b>412</b> | <b>100,370</b> |

| 31 December 2021                                 | Commercial    | Consumer     | Total         |
|--|---------------|--------------|---------------|
| Residential, commercial or industrial properties | 64,440        | 1,493        | 65,933        |
| Other  | -             | -            | -             |
| <b>Total</b>                                     | <b>64,440</b> | <b>1,493</b> | <b>65,933</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

|   | Current Period |                  | Prior Period     |                  |
|---|----------------|------------------|------------------|------------------|
|   | TL             | FC               | TL               | FC               |
| Equity Securities                                     | -              | -                | -                | -                |
| Bond, Treasury bill and similar investment securities | -              | 7,460,842        | 2,592,783        | 5,020,254        |
| <b>Total</b>  | <b>-</b>       | <b>7,460,842</b> | <b>2,592,783</b> | <b>5,020,254</b> |

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

|   | Current Period    |          | Prior Period     |                  |
|---|-------------------|----------|------------------|------------------|
|   | TL                | FC       | TL               | FC               |
| Equity Securities                                     | -                 | -        | -                | -                |
| Bond, Treasury bill and similar investment securities | 19,897,126        | -        | 3,025,653        | 2,970,779        |
| Other   | -                 | -        | -                | -                |
| <b>Total</b>  | <b>19,897,126</b> | <b>-</b> | <b>3,025,653</b> | <b>2,970,779</b> |

Financial assets valued over their amortised cost classified as free warehouse TL 13,097,968 (31 December 2021: TL 5,942,231).

a.3) Information on government debt securities measured at amortised cost:

|                                     | Current Period    | Prior Period      |
|-------------------------------------|-------------------|-------------------|
| Government Bonds                    | 40,455,936        | 19,551,700        |
| Treasury Bills                      | -                 | -                 |
| Other Public Sector Debt Securities | -                 | -                 |
| <b>Total</b>                        | <b>40,455,936</b> | <b>19,551,700</b> |

a.4) Information on financial assets measured at amortised cost:

|                              | Current Period    | Prior Period      |
|------------------------------|-------------------|-------------------|
| Debt securities              | 40,455,936        | 19,551,700        |
| Quoted on a Stock Exchange   | 40,455,936        | 19,551,700        |
| Unquoted on a Stock Exchange | -                 | -                 |
| Impairment Provision (-)     | -                 | -                 |
| <b>Total</b>                 | <b>40,455,936</b> | <b>19,551,700</b> |

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

|   | Current Period    | Prior Period      |
|---|-------------------|-------------------|
| Balance at the Beginning of the Period          | 19,551,700        | 12,522,941        |
| Foreign Currency Differences on Monetary Assets | 2,524,109         | 841,915           |
| Purchases During the Year (*)                   | 20,808,138        | 8,203,718         |
| Disposals Through Sales and Redemptions         | (2,428,011)       | (2,016,874)       |
| Impairment Provision (-)                        | -                 | -                 |
| <b>Closing Balance</b>                          | <b>40,455,936</b> | <b>19,551,700</b> |

(\*) Includes rediscount amounts.

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

- a.1) Information on unconsolidated associates according to Communiqué on Preparing Banks' Consolidated Financial Statements and related Turkish Accounting Standard: None (31 December 2021: None).
- a.2) Information on the unconsolidated associates: None (31 December 2021: None).
- a.3) Information 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 UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

a) Information on shareholders’ equity of significant subsidiaries:

Subsidiaries do not use internal capital adequacy assessment approach.

|  | TEB Faktoring<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                                 | 10,000                       |
| Reserves   | 178,260               | 39,465                                 | 1,607                        |
| Net income for the period and prior period income                        | 219,723               | 358,021                                | 51,252                       |
| Income/loss recognized under equity in accordance with TAS               | -                     | -                                      | (16)                         |
| Leasehold improvements on operational leases (-)                         | 2,974                 | 284                                    | 1,799                        |
| Goodwill and intangible asset and the related deferred tax liability (-) | 5,748                 | 14,266                                 | 1,325                        |
| <b>Total common equity tier 1 capital</b>                                | <b>439,261</b>        | <b>411,730</b>                         | <b>59,719</b>                |
| Provisions   | 7,645                 | -                                      | -                            |
| <b>Equity</b>  | <b>446,906</b>        | <b>411,730</b>                         | <b>59,719</b>                |

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

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

d) Information on the consolidated financial subsidiaries:

d.1) Information on the consolidated financial subsidiaries:

| Title                              | Address (City / Country) | The Bank’s share<br>percentage-If different<br>voting percentage (%) | Other<br>shareholders’ share<br>percentage (%) |
|------------------------------------|--------------------------|--|--|
| 1 TEB Faktoring A.Ş.               | İstanbul/Turkey          | 100.00   | -  |
| 2 TEB Yatırım Menkul Değerler A.Ş. | İstanbul/Turkey          | 96.62  | 3.38   |
| 3 TEB Portföy Yönetimi A.Ş.        | İstanbul/Turkey          | 25.60  | 29.14  |

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

|   | Total<br>Assets | Shareholders’<br>Equity | Total Fixed<br>Assets | Interest<br>Income | Income on<br>Marketable<br>Securities<br>Portfolio | Current<br>Period<br>Profit / Loss | Prior Period<br>Profit / Loss (*) | Fair<br>Value |
|---|-----------------|-------------------------|-----------------------|--------------------|--|------------------------------------|-----------------------------------|---------------|
| 1 | 7,424,890       | 447,983                 | 10,827                | 984,801            | -  | 208,685                            | 54,321                            | -             |
| 2 | 1,486,272       | 426,280                 | 7,524                 | 209,804            | -  | 153,417                            | 105,250                           | -             |
| 3 | 96,167          | 62,843                  | 6,334                 | 8,126              | 87   | 38,853                             | 18,042                            | -             |

(\*) These figures are shown per BRSA financial statements as of 31 December 2021.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

d.2) Information on consolidated subsidiaries:

|   | Current Period | Prior Period   |
|---|----------------|----------------|
| Balance at the Beginning of the Period        | 115,986        | 115,986        |
| Movements During the Period                   | -              | -              |
| Purchases                                     | -              | -              |
| Bonus Shares Obtained                         | -              | -              |
| Share in Current Year Income                  | -              | -              |
| Sales   | -              | -              |
| Revaluation Increase                          | -              | -              |
| Provision for Impairment                      | -              | -              |
| <b>Balance at the End of the Period</b>       | <b>115,986</b> | <b>115,986</b> |
| Capital Commitments                           | -              | -              |
| Share Percentage at The End of The Period (%) | -              | -              |

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

|                              | Current Period | Prior Period   |
|------------------------------|----------------|----------------|
| Banks                        | -              | -              |
| Insurance Companies          | -              | -              |
| Factoring Companies          | 43,417         | 43,417         |
| Leasing Companies            | -              | -              |
| Finance Companies            | -              | -              |
| Other Financial Subsidiaries | 72,569         | 72,569         |
| <b>Total</b>                 | <b>115,986</b> | <b>115,986</b> |

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

e) Information on non-financial subsidiaries that are not consolidated:

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

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

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

| Entities under common control (joint ventures)                  | Share of the Parent Bank (%) | Share of the Group (%) | Current Asset | Non-current Asset | Long-term Receivable | Profit  | Loss      |
|---|------------------------------|------------------------|---------------|-------------------|----------------------|---------|-----------|
| Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. | 0.1                          | 33.3                   | 208,653       | 96,559            | 45,178               | 540,764 | (490,430) |

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

|                              | Current Period |                | Prior Period     |              |
|------------------------------|----------------|----------------|------------------|--------------|
|                              | TL             | FC             | TL               | FC           |
| Fair Value Hedge             | -              | -              | -                | -            |
| Cash Flow Hedge              | 425,928        | 308,164        | 1,796,596        | 5,873        |
| Foreign Net Investment Hedge | -              | -              | -                | -            |
| <b>Total</b>                 | <b>425,928</b> | <b>308,164</b> | <b>1,796,596</b> | <b>5,873</b> |

In case of termination of the fair value hedge accounting, any adjustment to the book value of the hedging instrument calculated using the effective interest method under fair value hedge accounting is amortised through profit or loss to the financial asset price until the maturity of the asset.

According to cash flow hedges terminated by the Bank, accumulated valuation differences amounted TL 49,903 (31 December 2021: TL 60,244) is recorded under equity as of 31 December 2022. These amounts are transferred into income statement by considering maturity date of hedged items.

#### 13. Information on tangible assets:

|  | 31 December 2021 | Purchases             | Sales            | Other     | 31 December 2022 |
|--|------------------|-----------------------|------------------|-----------|------------------|
| <b>Cost:</b>   |                  |                       |                  |           |                  |
| Real estate  | 117,940          | 631                   | (2,160)          | 114       | 116,525          |
| Right of Use   | 1,003,493        | 452,710               | (283,673)        | -         | 1,172,530        |
| Furniture, Furnishings, Office Machines and Other Securities | 1,166,069        | 358,233               | (43,856)         | (65)      | 1,480,381        |
| <b>Total Cost</b>  | <b>2,287,502</b> | <b>811,574</b>        | <b>(329,689)</b> | <b>49</b> | <b>2,769,436</b> |
|  |                  | Charge for the Period | Sales            | Other     | 31 December 2022 |
| <b>Accumulated Depreciation:</b>                             |                  |                       |                  |           |                  |
| Real estate  | 58,477           | 3,430                 | (1,053)          | 49        | 60,903           |
| Right of Use Depreciation                                    | 571,981          | 179,887               | (144,748)        | -         | 607,120          |
| Furniture, Furnishings, Office Machines and Other Securities | 741,540          | 149,116               | (40,964)         | -         | 849,692          |
| <b>Total Accumulated Depreciation</b>                        | <b>1,371,998</b> | <b>332,433</b>        | <b>(186,765)</b> | <b>49</b> | <b>1,517,715</b> |
| <b>Net Book Value</b>  | <b>915,504</b>   |                       |                  |           | <b>1,251,721</b> |

- The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.
- Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None.

#### 14. Information on intangible assets:

|                                       | 31 December 2021 | Purchases             | Sales           | Other    | 31 December 2022 |
|---------------------------------------|------------------|-----------------------|-----------------|----------|------------------|
| <b>Cost:</b>                          |                  |                       |                 |          |                  |
| Other Intangible Assets               | 669,798          | 423,784               | (42,310)        | -        | 1,051,272        |
| <b>Total Cost</b>                     | <b>669,798</b>   | <b>423,784</b>        | <b>(42,310)</b> | <b>-</b> | <b>1,051,272</b> |
|                                       |                  | Charge for the Period | Sales           | Other    | 31 December 2022 |
| <b>Accumulated Depreciation:</b>      |                  |                       |                 |          |                  |
| Other Intangible Assets               | 489,313          | 100,660               | (94)            | -        | 589,879          |
| <b>Total Accumulated Depreciation</b> | <b>489,313</b>   | <b>100,660</b>        | <b>(94)</b>     | <b>-</b> | <b>589,879</b>   |
| <b>Net Book Value</b>                 | <b>180,485</b>   |                       |                 |          | <b>461,393</b>   |

- Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements: None.
- Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 14. Information on intangible assets: (continued)

- c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition: None.
- d) Book value of intangible assets that are restricted or pledged in use: None.
- e) Amount of purchase commitments for intangible fixed assets: None.
- f) Information on revalued intangible assets according to their types: None.
- g) Amount of total research and development expenses recorded in income statement within the period if any: None.
- h) Positive or negative consolidation goodwill on entity basis: Not applicable for unconsolidated financial statements.
- i) Information on goodwill:

Following the publication of the BRSA's permission dated 10 February 2011 in the Official Gazette dated 12 February 2011 and numbered 27844, all rights by the termination of the legal personality of Fortis Bank A.Ş. The merger of two banks was realized through the transfer of receivables, liabilities and liabilities to the Bank in the form of ashes. The shareholders of Fortis Bank A.Ş., which was dismissed due to the merger, were given 1.0518 registered TEB shares for each share with a nominal value of TL 1 to be replaced with their existing shares. Since the enterprises subject to this merger are not controlled by the same person or persons before and after the business merger, the transaction has been evaluated within the scope of TFRS 3. In the merger, Fortis Bank A.Ş. has been identified as an acquired business and the fair value of the equity shares subject to the change as a result of the merger, as of 14 February 2011, is taken into account as the transferred price, and the difference between this value and the fair value of the identifiable net assets of Fortis Bank A.Ş. is recognized as goodwill.

- j) Beginning and ending balance of the goodwill and movement on goodwill in the current period:

|                              | Current Period | Prior Period   |
|------------------------------|----------------|----------------|
| Beginning of the period      | 421,124        | 421,124        |
| Foreign currency differences | -              | -              |
| Acquisitions                 | -              | -              |
| <b>Period End Balance</b>    | <b>421,124</b> | <b>421,124</b> |

#### 15. Information on investment properties: None (31 December 2021: None).

#### 16. Information on deferred tax asset:

- a) As of 31 December 2022, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TL 1,599,145 (31 December 2021: TL 133,323). There are no tax exemptions or deductions over which deferred tax asset is computed.
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.
- d) Movement of deferred tax:

|                                     | Current Period   | Prior Period   |
|-------------------------------------|------------------|----------------|
| <b>As of 1 January</b>              | <b>133,323</b>   | <b>632,912</b> |
| Exchange Difference                 | -                | (133)          |
| Deferred Tax Income / (Expense)     | 1,632,910        | (418,942)      |
| Deferred Tax Accounted Under Equity | (167,088)        | (80,514)       |
| <b>Deferred Tax Asset</b>           | <b>1,599,145</b> | <b>133,323</b> |



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 16. Information on deferred tax assets: (continued)

After net off the net deferred tax asset is presented as deferred tax asset on the balance sheet and net deferred tax liability presented as deferred tax liability on balance sheet. The deferred tax income of TL 1,632,910 is stated under the tax provision in the income statement (31 December 2021: TL 418,942 expense). The portion of the deferred tax that is directly attributable to equity which is presented in the table below has been netted within the relevant accounts in the statement of shareholders' equity.

|  | Current Period   | Prior Period    |
|--|------------------|-----------------|
| Financial Assets Fair Value Through Other Comprehensive Income | (282,402)        | 29,426          |
| From hedge accounting  | (12,097)         | (138,725)       |
| Actuarial gains and losses                                     | 127,411          | 28,785          |
| <b>Total</b>   | <b>(167,088)</b> | <b>(80,514)</b> |

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

|   | Current Period | Prior Period   |
|---|----------------|----------------|
| Beginning of the Period Cost                                | 65,933         | 112,859        |
| Accumulated Depreciation at the Beginning of the Period (-) | -              | -              |
| <b>Net Book Value</b>                                       | <b>65,933</b>  | <b>112,859</b> |
| Opening Balance   | 65,933         | 112,859        |
| Acquired  | 129,422        | 116,792        |
| Disposed (-)  | 94,115         | 166,760        |
| Impairment (-)  | 870            | (3,042)        |
| Depreciation Value (-)                                      | -              | -              |
| Period End Cost   | 100,370        | 65,933         |
| Period End Accumulated Depreciation (-)                     | -              | -              |
| <b>Closing Net Book Value</b>                               | <b>100,370</b> | <b>65,933</b>  |

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

#### 18. Information on other assets:

Other assets of the balance sheet amount to TL 8,416,885 (31 December 2021: TL 3,315,687) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

|                                   | Demand            | 7 Day Call<br>Accounts | Up to 1<br>Month  | 1-3<br>Months     | 3-6 6 Month-<br>Months 1 Year | 1 Year<br>and over | Accumulated<br>Deposits | Total                |
|-----------------------------------|-------------------|------------------------|-------------------|-------------------|-------------------------------|--------------------|-------------------------|----------------------|
| Saving Deposits                   | 8,171,822         | -                      | 14,087,065        | 51,169,720        | 2,161,080                     | 37,848             | 2,076,773               | - 77,704,308         |
| Foreign Currency Deposits         | 41,618,064        | -                      | 9,563,959         | 10,687,797        | 158,722                       | 62,260             | 114,862                 | - 62,205,664         |
| Residents in Turkey               | 39,578,012        | -                      | 9,079,292         | 10,025,022        | 145,626                       | 58,115             | 108,559                 | - 58,994,626         |
| Residents Abroad                  | 2,040,052         | -                      | 484,667           | 662,775           | 13,096                        | 4,145              | 6,303                   | - 3,211,038          |
| Public Sector Deposits            | 1,022,181         | -                      | 8,529             | 568,611           | -                             | -                  | -                       | - 1,599,321          |
| Commercial Deposits               | 12,649,720        | -                      | 11,502,658        | 16,113,341        | 2,246,338                     | 102,882            | 3,409,323               | - 46,024,262         |
| Other Institutions Deposits       | 599,846           | -                      | 126,746           | 756,087           | 90,788                        | 22                 | 451                     | - 1,573,940          |
| Precious Metals Deposits          | 9,166,124         | -                      | 21,852            | 277,988           | 18,928                        | 13,856             | 1,495                   | - 9,500,243          |
| Bank Deposits                     | 185,513           | -                      | 1,597,800         | -                 | -                             | -                  | -                       | - 1,783,313          |
| Central Bank of Turkey            | -                 | -                      | -                 | -                 | -                             | -                  | -                       | -                    |
| Domestic Banks                    | 8                 | -                      | -                 | -                 | -                             | -                  | -                       | - 8                  |
| Foreign Banks                     | 185,505           | -                      | 1,597,800         | -                 | -                             | -                  | -                       | - 1,783,305          |
| Special Financial<br>Institutions | -                 | -                      | -                 | -                 | -                             | -                  | -                       | -                    |
| Other                             | -                 | -                      | -                 | -                 | -                             | -                  | -                       | -                    |
| <b>Total</b>                      | <b>73,413,270</b> | <b>-</b>               | <b>36,908,609</b> | <b>79,573,544</b> | <b>4,675,856</b>              | <b>216,868</b>     | <b>5,602,904</b>        | <b>- 200,391,051</b> |

Currency-protected deposit product, the operating rules of which is determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign currency exchange rates, started to be offered to bank customers as of the current accounting period reported. As of 31 December 2022, TL deposit amount includes TL 37,257,017 (31 December 2021: TL 1,034,667) deposits within this scope.

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

|                                | Demand            | 7 Day Call<br>Accounts | Up to 1<br>Month  | 1-3<br>Months     | 3-6 6 Month-<br>Months 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 Deposits      | 39,809,581        | -                      | 10,242,404        | 18,190,816        | 82,942                        | 42,412             | 70,690                  | - 68,438,845         |
| Residents in Turkey            | 37,585,962        | -                      | 9,783,843         | 17,651,543        | 69,065                        | 31,523             | 63,345                  | - 65,185,281         |
| Residents Abroad               | 2,223,619         | -                      | 458,561           | 539,273           | 13,877                        | 10,889             | 7,345                   | - 3,253,564          |
| Public Sector Deposits         | 623,121           | -                      | 12,318            | 181,742           | -                             | -                  | -                       | - 817,181            |
| Commercial Deposits            | 5,719,309         | -                      | 6,418,755         | 8,285,262         | 98,577                        | 47                 | 74,049                  | - 20,595,999         |
| Other Institutions Deposits    | 249,537           | -                      | 43,734            | 1,044,713         | 143,065                       | 89                 | 427                     | - 1,481,565          |
| Precious Metals Deposits       | 7,800,209         | -                      | 31,527            | 87,947            | 12,525                        | 20,060             | 2,386                   | - 7,954,654          |
| Bank Deposits                  | 37,570            | -                      | 1,962,166         | -                 | -                             | -                  | -                       | - 1,999,736          |
| Central Bank of Turkey         | -                 | -                      | -                 | -                 | -                             | -                  | -                       | -                    |
| Domestic Banks                 | 1                 | -                      | -                 | -                 | -                             | -                  | -                       | - 1                  |
| Foreign Banks                  | 37,569            | -                      | 1,962,166         | -                 | -                             | -                  | -                       | - 1,999,735          |
| Special Financial Institutions | -                 | -                      | -                 | -                 | -                             | -                  | -                       | -                    |
| Other                          | -                 | -                      | -                 | -                 | -                             | -                  | -                       | -                    |
| <b>Total</b>                   | <b>58,517,838</b> | <b>-</b>               | <b>32,975,787</b> | <b>39,660,761</b> | <b>433,919</b>                | <b>76,455</b>      | <b>174,489</b>          | <b>- 131,839,249</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<br>Insurance (**) |                   | Exceeding the Limit of<br>Insurance (**) |                   |
|---|--|-------------------|--|-------------------|
|   | Current Period                           | Prior Period      | Current Period                           | Prior Period      |
| Saving Deposits   | 26,516,373                               | 15,675,439        | 48,478,289                               | 14,553,028        |
| Foreign Currency Saving Deposits  | 11,272,053                               | 10,609,693        | 25,728,396                               | 27,744,894        |
| Other Deposits in the Form of Saving Deposits                               | 2,818,412                                | 2,368,105         | 5,428,436                                | 4,756,372         |
| Foreign Branches' Deposits under Foreign<br>Authorities' Insurance          | -  | -                 | -  | -                 |
| Off-shore Banking Regions' Deposits under<br>Foreign Authorities' Insurance | -  | -                 | -  | -                 |
| <b>Total</b>  | <b>40,606,838</b>                        | <b>28,653,237</b> | <b>79,635,121</b>                        | <b>47,054,294</b> |

(\*) Pursuant to the “Regulation Amending the Regulation on the Insured Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund” published in the Official Gazette dated 27 August 2022 and numbered 31936, all deposits and participation funds, excluding those belonging to official institutions, credit institutions and financial institutions in the presence of credit institutions, started to be insured. In this context, commercial deposits covered by the insurance amount to TL 5,370,596 and the relevant amount is not included in the note.

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

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

|  | Current Period | Prior Period |
|--|----------------|--------------|
| Foreign Branches’ Deposits and Other Accounts  | 1,336,331      | 956,353      |
| Deposits of Controlling Shareholders and Their Close Families  | 4,182,430      | 2,749,556    |
| Deposits of Chairman and Members of the Board of Directors and Their Close Families  | 91,901         | 81,965       |
| Deposits Obtained Through Illegal Acts Defined in the 282 <sup>nd</sup> Article of the 5237 Numbered Turkish Criminal Code Dated September 26, 2004. | -              | -            |
| Saving Deposits in Banks Established in Turkey Exclusively for Off-shore Banking Activities  | -              | -            |

### 2. Information on derivative financial liabilities:

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

|                      | Current Period   |                | Prior Period     |                |
|----------------------|------------------|----------------|------------------|----------------|
|                      | TL               | FC             | TL               | FC             |
| Forward Transactions | 93,782           | 34,238         | 1,360,622        | 19,529         |
| Swap Transactions    | 2,665,390        | 156,043        | 2,503,569        | 104,698        |
| Futures Transactions | -                | -              | -                | 124            |
| Options              | 142,470          | 405,697        | 131,168          | 39,467         |
| Other                | -                | -              | -                | -              |
| <b>Total</b>         | <b>2,901,642</b> | <b>595,978</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       | 637,353        | 74,613            | 602,162        | 47,194            |
| From Foreign Banks, Institutions and Funds | -              | 10,461,448        | -              | 14,948,409        |
| <b>Total</b>                               | <b>637,353</b> | <b>10,536,061</b> | <b>602,162</b> | <b>14,995,603</b> |

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

b) Explanation on maturity analysis of borrowings:

|                      | Current Period |                   | Prior Period   |                   |
|----------------------|----------------|-------------------|----------------|-------------------|
|                      | TL             | FC                | TL             | FC                |
| Short-term           | 594,357        | 1,759,038         | 427,665        | 6,718,722         |
| Medium and long-term | 42,996         | 8,777,023         | 174,497        | 8,276,881         |
| <b>Total</b>         | <b>637,353</b> | <b>10,536,061</b> | <b>602,162</b> | <b>14,995,603</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

c) Information on debt securities issued:

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

#### 4. Funds provided through repurchase transactions:

Information on funds provided through repurchase transactions:

|  | Current Period |                  | Prior Period     |                  |
|--|----------------|------------------|------------------|------------------|
|  | TL             | FC               | TL               | FC               |
| <b>From Domestic Transactions</b>        | -              | <b>1,084,154</b> | <b>3,839,747</b> | -                |
| Financial Institutions and Organizations | -              | 1,084,154        | 3,839,747        | -                |
| Other Institutions and Organizations     | -              | -                | -                | -                |
| Individuals                              | -              | -                | -                | -                |
| <b>From Foreign Transactions</b>         | -              | <b>5,706,506</b> | -                | <b>5,001,962</b> |
| Financial Institutions and Organizations | -              | 5,706,506        | -                | 5,001,962        |
| Other Institutions and Organizations     | -              | -                | -                | -                |
| Individuals                              | -              | -                | -                | -                |
| <b>Total</b>                             | -              | <b>6,790,660</b> | <b>3,839,747</b> | <b>5,001,962</b> |

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

Other foreign sources item of the balance sheet is TL 12,156,788 (31 December 2021: TL 9,207,463) and does not exceed 10% of the total balance sheet.

#### 6. Explanation on financial lease obligations (Net):

With the “IFRS 16 Leases” standard which became effective as of 1 January 2020, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognized under “Tangible Fixed Assets” as an asset (tenure) and under “Liabilities from Leasing” as a liability. As of 31 December 2022, the Bank has TL 695,894 (31 December 2021: TL 564,489) liabilities from Leasing amount.

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

|                              | Current Period |    | Prior Period   |              |
|------------------------------|----------------|----|----------------|--------------|
|                              | TL             | FC | TL             | FC           |
| Fair Value Hedge             | -              | -  | -              | -            |
| Cash Flow Hedge              | 69,613         | -  | 326,410        | 4,201        |
| Foreign Net Investment Hedge | -              | -  | -              | -            |
| <b>Total</b>                 | <b>69,613</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 amortised through profit or loss until the maturity of the financial instrument.

As of 31 December 2022, there are accumulated valuation differences of TL 49,903 (31 December 2021: TL 60,244) under equity as of 31 December 2022. This amount is spread over the remaining terms of the hedged items by the Bank and transferred to the income statement.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 8. Information on provisions:

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

|              | Current Period | Prior Period   |
|--------------|----------------|----------------|
| Stage 1      | 163,475        | 67,930         |
| Stage 2      | 389,419        | 233,196        |
| Stage 3      | 133,621        | 44,434         |
| <b>Total</b> | <b>686,515</b> | <b>345,560</b> |

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

As of 31 December 2022, the Bank received TL 27,856 (31 December 2021: TL 15,377) allowance for unused vacation, TL 1,252,858 (31 December 2021: TL 483,683) employee termination benefits and TL 798,153 (31 December 2021: TL 249,805) related to the premiums to be paid to bank personnel and TL 1,887 (31 December 2021: None) provision of other personnel expenses reflected the to the “Provisions for Employee Rights” account in the financial statements.

#### c.1) Termination benefits:

In determining the liability, the Bank makes use of independent actuaries and makes assumptions on issues such as discount rate, employee turnover rate and future salary increases. These assumptions are reviewed annually:

|  | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
| Discount rate (%)                            | 10.60            | 20.01            |
| Estimated inflation rate (%)                 | 7.48             | 16.03            |
| Salary increase rate over inflation rate (%) | 1.00             | 1.00             |

#### Movement of employee termination benefits

|                         | Current Period   | Prior Period   |
|-------------------------|------------------|----------------|
| As of 1 January         | 483,683          | 286,464        |
| Current service cost    | 211,585          | 27,651         |
| Interest cost           | 94,016           | 40,455         |
| Reductions and payments | 9,637            | 8,134          |
| Actuarial loss / (gain) | 505,183          | 159,604        |
| Compensations paid      | (51,246)         | (38,625)       |
| <b>Total</b>            | <b>1,252,858</b> | <b>483,683</b> |

#### c.2) Retirement Benefits:

The employees who have joined the Bank as a consequence of the merger of the Parent Bank and Fortis Bank are members of the “Pension Fund Foundation” established in accordance with the Social Security Law No.506, provisional Article No.20.

The liabilities described in the Retirement Fund Section 3 No. XVI “Explanations on Liabilities related to Rights of Employees” which may arise during the transfer have been calculated by the actuary based on the principles of the related regulation, whereas the liabilities in connection with other social rights and benefits which will not be undertaken by the SSI after the transfer have been calculated by the actuary based on TAS 19 principles. The Bank is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2022 and 31 December 2021. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 8. Information on provisions: (continued)

c) Liabilities on unused vacation, bonus, health, employee termination benefits: (continued)

c.2) Retirement Benefits: (continued)

Within the frame of the assumptions determined;

| <b>Period Based Pension and Health Obligations:</b>                    | <b>31 December 2022</b> | <b>31 December 2021</b> |
|--|-------------------------|-------------------------|
| Net Present Value of Transferrable Retirement Liabilities              | (2,265,564)             | (1,450,105)             |
| Net Present Value of Transferrable Retirement and Health Contributions | 653,404                 | 397,240                 |
| General Administration Expenses  | (22,656)                | (14,501)                |
| Present Value of Pension and Medical Benefits Transferable to SSF (1)  | (1,634,816)             | (1,067,366)             |
| Fair Value of Plan Assets (2)  | 5,915,152               | 3,607,657               |
| Asset Surplus over Transferable Benefits ((2)-(1)=(3))                 | 4,280,336               | 2,540,291               |
| Non-Transferable Benefits (4)  | (1,138,155)             | (960,056)               |
| Asset Surplus over Total Benefits ((3)-(4))                            | 3,142,181               | 1,580,235               |

As of 31 December 2022 and 31 December 2021, the distribution of the fair value of the total assets of the Pension Fund is as follows:

|   | <b>31 December 2022</b> | <b>31 December 2021</b> |
|---|-------------------------|-------------------------|
| Bank placements   | 1,792,939               | 3,368,742               |
| Tangible assets   | 199,608                 | 121,397                 |
| Government Bonds and Treasury Bills, Funds and Rediscount Interest Income | 3,483,749               | -                       |
| Other   | 438,856                 | 117,518                 |
| <b>Total</b>  | <b>5,915,152</b>        | <b>3,607,657</b>        |

Actuarial assumptions used in the calculation of liabilities excluding the period-based liabilities according to TAS 19 are as follows:

|                        | <b>31 December 2022</b> | <b>31 December 2021</b> |
|------------------------|-------------------------|-------------------------|
| Discount rates         | 10.60%                  | 20.01%                  |
| Inflation expectations | 7.48%                   | 16.03%                  |

As of 31 December 2022, health inflation is assumed to be 20% (31 December 2021: 20%) above inflation. It is assumed that the general wage increase and SSI ceiling increase rates will be 25% and 39.9%, respectively, for the year 2022 and wage increases for the following years will be 1% above inflation, and the SSI ceiling increase will be at the same rate as inflation. The CSO 2001 (31 December 2021: CSO 2001) Female/Male mortality table is used to represent expected death (mortality) rates both before and after retirement.

d) Information on other provisions:

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Provision for Non-Cash Loans                                  | 686,515               | 345,560             |
| Provision for Legal Cases                                     | 133,257               | 79,842              |
| Provision for Promotions of Credit Cards and Banking Services | 10,677                | 17,562              |
| Other   | 447,548               | 32,939              |
| <b>Total</b>  | <b>1,277,997</b>      | <b>475,903</b>      |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 8. Information on provisions: (continued)

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

The following table is represented reconciliation on the provision for impairment of non-cash loans;

| Current Period  | Standard Loans<br>(Stage I) | Loans Under<br>Close<br>Monitoring<br>(Stage II) | Loans Under<br>Follow Up<br>(Stage III) | Total          |
|---|-----------------------------|--|---|----------------|
| 31 December 2021                                      | 67,930                      | 233,196  | 44,434                                  | 345,560        |
| Transfers;  |                             |  |   |                |
| - Stage 1 to Stage 2                                  | (5,046)                     | 29,766   | -                                       | 24,720         |
| - Stage 1 to Stage 3                                  | (307)                       | -  | 217,440                                 | 217,133        |
| - Stage 2 to Stage 3                                  | -                           | (655)  | 173,847                                 | 173,192        |
| - Stage 2 to Stage 1                                  | -                           | -  | -                                       | -              |
| - Stage 3 to Stage 2                                  | 223                         | (5,819)  | -                                       | (5,596)        |
| Transferred within the period                         | 109,436                     | 81,401   | (296,647)                               | (105,810)      |
| Collections   | (17,885)                    | (18,611)   | (5,453)                                 | (41,949)       |
| Exchange differences                                  | 9,124                       | 70,141   | -                                       | 79,265         |
| <b>Total Expected Loss Provision 31 December 2022</b> | <b>163,475</b>              | <b>389,419</b>                                   | <b>133,621</b>                          | <b>686,515</b> |

| Prior Period  | Standard Loans<br>(Stage I) | Loans Under<br>Close<br>Monitoring<br>(Stage II) | Loans Under<br>Follow Up<br>(Stage III) | Total          |
|---|-----------------------------|--|---|----------------|
| 31 December 2020                                      | 58,241                      | 165,265  | 87,824                                  | 311,330        |
| Transfers;  |                             |  |   |                |
| - Stage 1 to Stage 2                                  | (1,178)                     | 6,565  | -                                       | 5,387          |
| - Stage 1 to Stage 3                                  | (67)                        | -  | 914                                     | 847            |
| - Stage 2 to Stage 3                                  | -                           | (1,576)  | 41,347                                  | 39,771         |
| - Stage 2 to Stage 1                                  | -                           | -  | -                                       | -              |
| - Stage 3 to Stage 2                                  | 734                         | (2,554)  | -                                       | (1,820)        |
| Transferred within the period                         | 14,255                      | 84,776   | (43,567)                                | 55,464         |
| Collections   | (16,332)                    | (95,551)   | (51,654)                                | (163,537)      |
| Exchange differences                                  | 12,277                      | 76,271   | 9,570                                   | 98,118         |
| <b>Total Expected Loss Provision 31 December 2021</b> | <b>67,930</b>               | <b>233,196</b>                                   | <b>44,434</b>                           | <b>345,560</b> |

#### 9. Explanations on taxes payable:

##### a) Information on tax provision:

The Bank’s corporate tax liability is TL 1,528,149 as of 31 December 2022 (31 December 2021: None). As of 31 December 2022, the Bank’s total tax and premium debt is TL 1,964,235 (31 December 2021: TL 240,411).

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

|  | Current Period   | Prior Period   |
|--|------------------|----------------|
| Corporate Tax Payable                    | 1,528,149        | -              |
| Taxation on Securities                   | 69,692           | 48,920         |
| Property Tax                             | 3,907            | 2,875          |
| Banking Insurance Transaction Tax (BITT) | 142,813          | 83,489         |
| Foreign Exchange Transaction Tax         | 10,779           | 31,498         |
| Value Added Tax Payable                  | 33,915           | 16,497         |
| Other (*)                                | 66,307           | 30,362         |
| <b>Total</b>                             | <b>1,855,562</b> | <b>213,641</b> |

(\*) Others include income taxes deducted from wages amounting to TL 53,943 (31 December 2021: TL 25,799) and stamp taxes payable amounting to TL 6,784 (31 December 2021: TL 2,061).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 9. Explanations on taxes payable: (continued)

##### c) Information on premiums:

|  | Current Period | Prior Period  |
|--|----------------|---------------|
| Social Security Premiums-Employee                    | 77,659         | 11,566        |
| Social Security Premiums-Employer                    | 25,786         | 12,598        |
| Bank Social Aid Pension Fund Premium-Employee        | -              | -             |
| Bank Social Aid Pension Fund Premium-Employer        | -              | -             |
| Pension Fund Membership Fees and Provisions-Employee | -              | -             |
| Pension Fund Membership Fees and Provisions-Employer | -              | -             |
| Unemployment Insurance-Employee                      | 1,949          | 977           |
| Unemployment Insurance-Employer                      | 3,279          | 1,629         |
| Other  | -              | -             |
| <b>Total</b>   | <b>108,673</b> | <b>26,770</b> |

d) Explanations on deferred tax liabilities, if any: The Group does not have any deferred tax liability as of 31 December 2022 (31 December 2021: None).

10. **Information on fixed assets payables related to activities held and discontinued for sale:** None (31 December 2021: None).

11. **Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:**

The Bank was issued Subordinated debt instrument on 5 November 2018, which has two Call Dates: falling on the fifth anniversary notes and the Interest Payment Date falling thereafter amounting USD 210 million with the final maturity of 10 years. The interest rate of the issuance is 10.40% per annum and will be continued at the end of the 5th year with an annual interest rate of 6 months Libor + 7.32% after the first early redemption date. The “Tier 2 capital” was provided by BNP Paribas Fortis SA / NV.

The Bank, aligned its Board of Directors’ decision dated 8 May 2012, had issued a debt instrument as T2 Capital Subordinated debt instrument with a value of USD 65 million on 14 May 2012 and the debt instrument was redeemed on 14 May 2019 with the decision of the Board of Directors and upon the approval of Banking Regulation and Supervision Agency (BRSA). On 14 May 2019, the Bank issued a subordinated debt security with amount of 60 million EURO with the final maturity of 10 years, with no call till the 5th anniversary of the notes. The Notes have two Call Dates, falling on the fifth anniversary notes and the Interest Payment Date falling thereafter. The interest rate of the issuance is six months Euribor + 7.10% annually. The “Tier 2 capital” was provided by BNP Paribas Fortis SA / NV.

On 20 July 2012, the Bank had issued a debt instrument of EUR 100 million as T2 capital and the debt instrument was redeemed on 22 July 2019 after the decision of the relevant Board of Directors and the approval of the BRSA. On 22 July 2019, the Bank issued a subordinated debt security with amount of 100 million EURO, with the final maturity of 10 years, with no call till 5th anniversary of the notes. The Notes have two Call Dates, falling on the fifth anniversary notes and the Interest Payment Date falling thereafter. The interest rate of the issuance is six months Euribor + 7.10% annually. The “Tier 2 capital” was provided by BNP Paribas Fortis SA / NV.

The Bank issued subordinated debt instrument, which has early redemption right on 27 June 2023, with the final maturity of 10 years in the amount of EUR 125 million in 27 June 2018. The interest rate of the issuance is 6-month Euribor + 5.10% per annum. The “Tier 2 capital” was provided by BNP Paribas Fortis SA/NV.

The above mentioned four subordinated loans are utilized in-line with the “loan capital” definition of BRSA and will positively affect the capital adequacy ratio of the Bank as well as utilizing long term funding.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 11. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any: (continued)

Information on subordinated loans:

|   | Current Period |                  | Prior Period |                  |
|---|----------------|------------------|--------------|------------------|
|   | TL             | FC               | TL           | FC               |
| Debt Instruments to be Included in Additional Capital Calculation       | -              | -                | -            | -                |
| Subordinated Loans  | -              | -                | -            | -                |
| Subordinated Debt Instruments   | -              | -                | -            | -                |
| Debt Instruments to be Included in the Contribution Capital Calculation | -              | 9,708,218        | -            | 7,239,036        |
| Subordinated Loans  | -              | -                | -            | -                |
| Subordinated Debt Instruments   | -              | 9,708,218        | -            | 7,239,036        |
| <b>Total</b>  | -              | <b>9,708,218</b> | -            | <b>7,239,036</b> |

|                                  | Current Period |                  | Prior Period |                  |
|----------------------------------|----------------|------------------|--------------|------------------|
|                                  | TL             | FC               | TL           | FC               |
| From Domestic Banks              | -              | -                | -            | -                |
| From Domestic Other Institutions | -              | -                | -            | -                |
| From Foreign Banks               | -              | 9,708,218        | -            | 7,239,036        |
| From Other Foreign Institutions  | -              | -                | -            | -                |
| <b>Total</b>                     | -              | <b>9,708,218</b> | -            | <b>7,239,036</b> |

#### 12. Information on shareholders' equity:

##### a) Presentation of paid-in capital:

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

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

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

##### c) Information on share capital increases, their sources and other information on increased capital shares in current period: None.

##### d) Information on share capital increases from revaluation funds: None.

##### e) Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments: None.

##### f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

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

##### g) Information on privileges given to stocks representing the capital: None.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 12. Information on shareholders’ equity: (continued)

h) Information on marketable securities valuation differences:

|  | Current Period |                 | Prior Period    |                  |
|--|----------------|-----------------|-----------------|------------------|
|  | TL             | FC              | TL              | FC               |
| From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.) | -              | -               | -               | -                |
| Valuation Difference   | 773,937        | (82,686)        | (21,997)        | (177,639)        |
| Foreign Exchange Difference  | -              | -               | -               | -                |
| <b>Total</b>   | <b>773,937</b> | <b>(82,686)</b> | <b>(21,997)</b> | <b>(177,639)</b> |

13. Information on minority interests: None (31 December 2021: None).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

|   | Current Period    | Prior Period      |
|---|-------------------|-------------------|
| Commitments for Credit Card Expenditure Limits                              | 22,073,226        | 12,007,806        |
| Used Guarantee Loan Allocation Commitments                                  | 11,657,703        | 7,173,859         |
| Forward Assets Trading Commitments  | 7,231,850         | 11,251,216        |
| Payment Commitment for Cheques  | 2,776,761         | 2,135,381         |
| Tax and Fund Liabilities from Export Commitments                            | 127,411           | 51,363            |
| Commitments for Promotions Related with Credit Cards and Banking Activities | 2,141             | 5,797             |
| Other Irrevocable Commitments   | 369,349           | 873,254           |
| <b>Total</b>  | <b>44,238,441</b> | <b>33,498,676</b> |

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

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

##### b.1) Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits:

|                     | Current Period    | Prior Period      |
|---------------------|-------------------|-------------------|
| Letters of Credit   | 15,650,244        | 10,343,834        |
| Bank Acceptances    | 23,623            | 33,680            |
| Other Commitments   | 7,350,992         | 5,663,908         |
| Other Contingencies | 2,207,625         | 1,396,766         |
| <b>Total</b>        | <b>25,232,484</b> | <b>17,438,188</b> |

##### b.2) Guarantees, surety ships, and similar transactions:

|                                     | Current Period    | Prior Period      |
|-------------------------------------|-------------------|-------------------|
| Guarantee Letters                   | 17,249,510        | 13,828,475        |
| Advance Guarantee Letters           | 6,944,286         | 3,937,404         |
| Guarantee Letters Given for Customs | 961,508           | 662,089           |
| Temporary Guarantee Letters         | 1,517,892         | 616,871           |
| Other Guarantee Letters             | 3,361,690         | 2,050,686         |
| <b>Total</b>                        | <b>30,034,886</b> | <b>21,095,525</b> |

##### c) c.1) Total amount of non-cash loans:

|   | Current Period    | Prior Period      |
|---|-------------------|-------------------|
| Non-cash Loans Given Against Achieving Cash Loans | 3,362,152         | 2,051,917         |
| With Maturity of One Year or Less Than One Year   | 469,739           | 328,711           |
| With Maturity of More Than One Year               | 2,892,413         | 1,723,206         |
| Other Non-Cash Loans                              | 51,905,218        | 36,481,796        |
| <b>Total</b>                                      | <b>55,267,370</b> | <b>38,533,713</b> |

For non-cash loans amounting to TL 253,300 (31 December 2021: TL 240,978) followed in off-balance sheet accounts, which are not compensated and turned into cash, TL 133,621 (31 December 2021: TL 44,434) third stage expected loss provision has been made. In addition, TL 163,475 (31 December 2021: TL 67,930) Stage 1, TL 389,419 (31 December 2021: TL 233,196) Stage 2 TFRS 9 expected loss provision have been made.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

#### 1. Information on off-balance sheet liabilities: (continued)

c.2) Information on sectoral risk breakdown of non-cash loans:

|                               | Current Period    |               |                   |               | Prior Period     |               |                   |               |
|-------------------------------|-------------------|---------------|-------------------|---------------|------------------|---------------|-------------------|---------------|
|                               | TL                | (%)           | FC                | (%)           | TL               | (%)           | FC                | (%)           |
| Agricultural                  | 119,802           | 0.86          | 52,460            | 0.13          | 26,762           | 0.32          | 8,145             | 0.03          |
| Farming and raising livestock | 114,335           | 0.82          | 52,460            | 0.13          | 25,289           | 0.30          | 8,145             | 0.03          |
| Forestry                      | -                 | -             | -                 | -             | -                | -             | -                 | -             |
| Fishery                       | 5,467             | 0.04          | -                 | -             | 1,473            | 0.02          | -                 | -             |
| Manufacturing                 | 6,237,580         | 44.71         | 19,941,531        | 48.27         | 3,015,251        | 35.59         | 12,659,113        | 42.11         |
| Mining and Quarry             | 335,419           | 2.40          | 782,573           | 1.89          | 162,871          | 1.92          | 656,530           | 2.18          |
| Production                    | 5,692,150         | 40.80         | 19,137,263        | 46.32         | 2,730,960        | 32.24         | 11,937,958        | 39.71         |
| Electricity, Gas and Water    | 210,011           | 1.51          | 21,695            | 0.05          | 121,420          | 1.43          | 64,625            | 0.21          |
| Construction                  | 1,862,922         | 13.35         | 7,618,827         | 18.44         | 1,333,966        | 15.75         | 5,512,742         | 18.34         |
| Services                      | 5,571,367         | 39.93         | 12,033,878        | 29.13         | 3,914,534        | 46.21         | 9,281,790         | 30.88         |
| Wholesale and Retail Trade    | 3,209,837         | 23.01         | 3,599,235         | 8.71          | 2,244,993        | 26.50         | 3,625,225         | 12.06         |
| Hotel and Restaurant Services | 229,190           | 1.64          | 121,394           | 0.29          | 128,509          | 1.52          | 451,138           | 1.50          |
| Transportation and            |                   |               |                   |               |                  |               |                   |               |
| Communication                 | 864,851           | 6.20          | 1,064,592         | 2.58          | 507,134          | 5.99          | 888,727           | 2.96          |
| Financial Institutions        | 419,562           | 3.01          | 1,521,563         | 3.68          | 400,544          | 4.73          | 1,056,623         | 3.51          |
| Real Estate and Renting       | 422,995           | 3.03          | 3,717,166         | 9.00          | 412,861          | 4.87          | 2,191,885         | 7.29          |
| Self-employment Services      | 405,832           | 2.91          | 2,009,031         | 4.86          | 202,745          | 2.39          | 1,067,378         | 3.55          |
| Education Services            | 5,975             | 0.04          | 745               | 0.00          | 5,272            | 0.06          | 595               | 0.00          |
| Health and Social Services    | 13,125            | 0.09          | 152               | 0.00          | 12,476           | 0.15          | 219               | 0.00          |
| Other                         | 160,435           | 1.15          | 1,668,568         | 4.04          | 181,019          | 2.14          | 2,600,391         | 8.65          |
| <b>Total</b>                  | <b>13,952,106</b> | <b>100.00</b> | <b>41,315,264</b> | <b>100.00</b> | <b>8,471,532</b> | <b>100.00</b> | <b>30,062,181</b> | <b>100.00</b> |

c.3) Information on Stage I and Stage II non-cash loans:

#### Current Period

| Non-Cash Loans                      | Stage I           |                   | Stage II       |                  |
|-------------------------------------|-------------------|-------------------|----------------|------------------|
|                                     | TL                | FC                | TL             | FC               |
| Letters of Guarantee                | 9,027,387         | 18,132,753        | 409,458        | 2,465,288        |
| Bank Acceptances                    | -                 | 23,623            | -              | -                |
| Letters of Credit                   | -                 | 15,632,222        | -              | 18,022           |
| Endorsements                        | -                 | -                 | -              | -                |
| Underwriting Commitments            | -                 | -                 | -              | -                |
| Factoring Commitments               | -                 | -                 | -              | -                |
| Other Commitments and Contingencies | 4,326,186         | 5,043,356         | 189,075        | -                |
| <b>Total</b>                        | <b>13,353,573</b> | <b>38,831,954</b> | <b>598,533</b> | <b>2,483,310</b> |

#### Prior Period

| Non-Cash Loans                      | Stage I          |                   | Stage II       |                  |
|-------------------------------------|------------------|-------------------|----------------|------------------|
|                                     | TL               | FC                | TL             | FC               |
| Letters of Guarantee                | 6,576,177        | 12,912,708        | 482,202        | 1,124,438        |
| Bank Acceptances                    | -                | 33,680            | -              | -                |
| Letters of Credit                   | -                | 10,333,813        | -              | 10,021           |
| Endorsements                        | -                | -                 | -              | -                |
| Underwriting Commitments            | -                | -                 | -              | -                |
| Factoring Commitments               | -                | -                 | -              | -                |
| Other Commitments and Contingencies | 1,353,507        | 5,521,330         | 59,646         | 126,191          |
| <b>Total</b>                        | <b>7,929,684</b> | <b>28,801,531</b> | <b>541,848</b> | <b>1,260,650</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

#### 2. Information related to derivative financial instruments:

|   | Derivative Transactions According to Purposes |                    |                   |                   |
|---|---|--------------------|-------------------|-------------------|
|   | Trading                                       |                    | Hedging           |                   |
|   | Current Period                                | Prior Period       | Current Period    | Prior Period      |
| Types of Trading Transactions                                 |   |                    |                   |                   |
| Foreign Currency Related Derivative Transactions (I):         | 228,974,961                                   | 149,362,128        | -                 | -                 |
| Forward Transactions  | 43,058,781                                    | 26,910,085         | -                 | -                 |
| Swap Transactions   | 126,894,040                                   | 114,361,290        | -                 | -                 |
| Futures Transactions  | 4,145,296                                     | 806,991            | -                 | -                 |
| Option Transactions   | 54,876,844                                    | 7,283,762          | -                 | -                 |
| Interest Related Derivative Transactions (II):                | 80,543,010                                    | 29,272,626         | -                 | -                 |
| Forward Rate Transactions                                     | -   | -                  | -                 | -                 |
| Interest Rate Swap Transactions                               | 72,607,050                                    | 23,197,546         | -                 | -                 |
| Interest Option Transactions                                  | 7,935,960                                     | 6,075,080          | -                 | -                 |
| Futures Interest Transactions                                 | -   | -                  | -                 | -                 |
| Marketable Securities Call-Put Options (III)                  | -   | -                  | -                 | -                 |
| Other Trading Derivative Transactions (IV)                    | 1,395,731                                     | 2,084,252          | -                 | -                 |
| <b>A. Total Trading Derivative Transactions (I+II+III+IV)</b> | <b>310,913,702</b>                            | <b>180,719,006</b> | -                 | -                 |
| Types of Hedging Transactions                                 |   |                    |                   |                   |
| Fair Value Hedges   | -   | -                  | -                 | -                 |
| Cash Flow Hedges  | -   | -                  | 19,489,643        | 29,455,518        |
| Net Investment Hedges   | -   | -                  | -                 | -                 |
| <b>B. Total Hedging Related Derivatives</b>                   | -   | -                  | <b>19,489,643</b> | <b>29,455,518</b> |
| <b>Total Derivative Transactions (A+B)</b>                    | <b>310,913,702</b>                            | <b>180,719,006</b> | <b>19,489,643</b> | <b>29,455,518</b> |

Related to agreements of forward transactions and options; the information based on the type of forward and options transactions are disclosed separately, specified with related amounts, type of agreement, purpose of transaction, nature of risk, strategy of risk management, hedging relationship, possible effects on the Bank’s financial position, timing of cash flows, reasons of unrealized transactions which previously projected to be realized, income and expenses that could not be linked to income statement in the current period because of the agreements:

Forward foreign exchange and swap transactions are based on protection from interest and currency fluctuations. According to TAS, they do not qualify as hedging instruments and are remeasured at fair value.

#### i) Derivative Instruments for Fair Value Hedging Purposes:

As of 31 December 2022, the Bank has no derivative instruments for hedging purposes.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

#### 2. Information related to derivative financial instruments: (continued)

ii) Derivative instruments for cash flow hedge purposes:

The Bank has applied cash flow hedge accounting by matching its swap portfolio with total notional amounting to TL 19,489,643 (31 December 2021: TL 29,455,518) and 1-90 days of maturity deposit portfolio together with selected borrowing portfolio. TL 376,592 (31 December 2021: TL 374,849 credit) credit accounted for under equity is presented after deducting its deferred tax effect of TL 94,148 (31 December 2021: TL 82,051 debit) debit in the financial statements.

|                      | Current Period    |                |               | Prior Period      |                  |                |
|----------------------|-------------------|----------------|---------------|-------------------|------------------|----------------|
|                      | Fair Value        |                |               | Fair Value        |                  |                |
|                      | Nominal           | Asset          | Liability     | Nominal           | Asset            | Liability      |
| Cross currency swaps | 10,604,665        | 533,642        | 68,920        | 4,195,454         | -                | 145,122        |
| Interest rate swaps  | 8,884,978         | 200,450        | 693           | 25,260,064        | 1,802,469        | 185,489        |
| <b>Total</b>         | <b>19,489,643</b> | <b>734,092</b> | <b>69,613</b> | <b>29,455,518</b> | <b>1,802,469</b> | <b>330,611</b> |

#### 3. Credit derivatives and risk exposures on credit derivatives: None.

#### 4. Explanations on contingent liabilities and assets:

- a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venture: None.
- a.2) Share of entity under common control (joint ventures) in its own contingent liabilities: None.
- a.3) The Bank's contingent liabilities resulting from liabilities of other ventures in entities under common control (joint ventures): None.

#### b) Accounting and presentation of contingent assets and liabilities in the financial statements:

- b.1) Contingent assets are accounted for if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: As of 31 December 2022, there are no contingent assets that need to be explained (31 December 2021: None).
- b.2) A provision is made for contingent liabilities, if realization is probable and the amount can be reliably determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes. The Bank has provided provision amounting to TL 133,257 (31 December 2021: TL 79,842) for various lawsuits filed by various individuals and institutions with high probability of occurrence and cash outflow. This amount is presented under “Other Provisions” in the financial statements.

#### 5. Custodian and intermediary services:

The Bank provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of Off-Balance Accounts.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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### III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

#### 6. The information on the Bank’s rating by the international rating introductions (\*):

TEB maintained its position as one of the most highly rated banks in Turkey. As of 31 December 2022, TEB’s ratings were as follows:

#### **Moody’s Investor Services:**

|                                     |        |
|-------------------------------------|--------|
| Baseline Credit Assessment          | b3     |
| Adjusted Baseline Credit Assessment | b1     |
| Long Term FC Deposits               | B3     |
| Short Term FC Deposits              | NP     |
| Long Term TL Deposits               | B1     |
| Short Term TL Deposits              | NP     |
| Outlook                             | Stable |

#### **Fitch Ratings:**

|                          |          |
|--------------------------|----------|
| <i>Foreign Currency</i>  |          |
| Long-term                | B-       |
| Short-term               | B        |
| Outlook                  | Negative |
| <i>Turkish Lira</i>      |          |
| Long-term                | B        |
| Short-term               | B        |
| Outlook                  | Negative |
| National                 | AA (tur) |
| Outlook                  | Stable   |
| Financial Strength       | b-       |
| Shareholder Support Note | b-       |

(\*) Ratings above are not performed based on the “Communiqué for Authorization and Activities of Rating Institutions” published by the Capital Markets Board.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### IV. Explanations and Disclosures Related to the Statement of Income

#### 1. Explanations on Interest Income

a) Information on interest income on loans:

|  | Current Period    |                  | Prior Period      |                |
|--|-------------------|------------------|-------------------|----------------|
|  | TL                | FC               | TL                | FC             |
| <b>Interest Income on Loans (*)</b>                      |                   |                  |                   |                |
| Short Term Loans   | 11,846,684        | 935,198          | 5,273,365         | 307,573        |
| Medium- and Long-Term Loans                              | 8,710,805         | 715,586          | 5,813,984         | 292,761        |
| Interest on Loans Under Follow-Up                        | 237,239           | 1,869            | 162,289           | -              |
| Premiums Received from Resource Utilization Support Fund | -                 | -                | -                 | -              |
| <b>Total</b>   | <b>20,794,728</b> | <b>1,652,653</b> | <b>11,249,638</b> | <b>600,334</b> |

(\*) Includes fees and commissions obtained from cash loans amounting to TL 594,372 (31 December 2021: TL 236,001).

b) Information on interest income on banks:

|                                 | Current Period |               | Prior Period   |                |
|---------------------------------|----------------|---------------|----------------|----------------|
|                                 | TL             | FC            | TL             | FC             |
| The Central Bank of Turkey      | -              | 2,728         | -              | -              |
| Domestic Banks                  | 104,125        | 1,102         | 127,625        | 299            |
| Foreign Banks                   | 18,736         | 68,107        | 7,351          | (2,643)        |
| Branches and Head Office Abroad | -              | -             | -              | -              |
| <b>Total</b>                    | <b>122,861</b> | <b>71,937</b> | <b>134,976</b> | <b>(2,344)</b> |

c) Information on interest income on marketable securities portfolio:

|   | Current Period    |                | Prior Period     |                |
|---|-------------------|----------------|------------------|----------------|
|   | TL                | FC             | TL               | FC             |
| Financial Assets at Fair Value Through Profit or Loss             | 355,260           | 41,958         | 218,551          | 39,211         |
| Financial Assets at Fair Value Through Other Comprehensive Income | 1,572,493         | 143,655        | 623,466          | 86,248         |
| Financial Assets at Amortised Cost                                | 9,685,167         | 412,273        | 1,976,013        | 163,971        |
| <b>Total</b>  | <b>11,612,920</b> | <b>597,886</b> | <b>2,818,030</b> | <b>289,430</b> |

As stated in note VII of Section Three, there are CPI indexed bonds in the securities portfolios of the Bank, whose fair value difference is reflected in other comprehensive income and measured at amortised 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 of two months prior. The Bank determines the estimated inflation rate in parallel with this. The estimated inflation rate used is updated during the year when deemed necessary. At the end of the year, the actual inflation rate is used.

d) Information on interest income on associates and subsidiaries:

|  | Current Period | Prior Period |
|--|----------------|--------------|
| Interest Received from Subsidiaries and Associates | 96,363         | 59,915       |



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 2. Explanations on Interest Expense

a) Information on interest expense on funds borrowed (\*):

|                                 | Current Period |                  | Prior Period  |                |
|---------------------------------|----------------|------------------|---------------|----------------|
|                                 | TL             | FC               | TL            | FC             |
| <b>Banks</b>                    |                |                  |               |                |
| The Central Bank of Turkey      | -              | -                | -             | -              |
| Domestic Banks                  | 123,329        | 2,598            | 66,540        | 1,187          |
| Foreign Banks                   | -              | 1,068,991        | -             | 578,580        |
| Branches and Head Office Abroad | -              | -                | -             | -              |
| Other Financial Institutions    | -              | -                | -             | -              |
| <b>Total</b>                    | <b>123,329</b> | <b>1,071,589</b> | <b>66,540</b> | <b>579,767</b> |

(\*) Includes fees and commission expenses of cash loans amounting to TL 29,270 (31 December 2021: TL 32,784).

b) Information on interest expense on associates and subsidiaries:

|  | Current Period | Prior Period |
|--|----------------|--------------|
| Interest Expenses to Associates and Subsidiaries | 8,102          | 2,219        |

c) Information on interest expenses on securities issued:

|                                       | Current Period |          | Prior Period   |          |
|---------------------------------------|----------------|----------|----------------|----------|
|                                       | TL             | FC       | TL             | FC       |
| Interest expense on securities issued | 200,253        | -        | 451,610        | -        |
| <b>Total</b>                          | <b>200,253</b> | <b>-</b> | <b>451,610</b> | <b>-</b> |

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

| Current Period            | Time Deposits   |                  |                  |                |              |                  |          | Accumulated Deposits | Total |
|---------------------------|-----------------|------------------|------------------|----------------|--------------|------------------|----------|----------------------|-------|
|                           | Demand Deposits | 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             | -               | 196,667          | -                | -              | -            | -                | -        | 196,667              |       |
| Saving Deposits           | 3               | 2,459,509        | 4,821,061        | 202,314        | 6,839        | 142,374          | -        | 7,632,100            |       |
| Public Sector Deposits    | -               | 11,264           | 99,366           | -              | -            | -                | -        | 110,630              |       |
| Commercial Deposits       | -               | 1,292,034        | 2,407,712        | 378,873        | 2,625        | 217,654          | -        | 4,298,898            |       |
| Other Deposits            | -               | 25,129           | 322,756          | 36,027         | 5            | 67               | -        | 383,984              |       |
| 7 Days Call Accounts      | -               | -                | -                | -              | -            | -                | -        | -                    |       |
| <b>Total</b>              | <b>3</b>        | <b>3,984,603</b> | <b>7,650,895</b> | <b>617,214</b> | <b>9,469</b> | <b>360,095</b>   | <b>-</b> | <b>12,622,279</b>    |       |
| <b>FC</b>                 |                 |                  |                  |                |              |                  |          |                      |       |
| Foreign Currency Deposits | 21              | 36,629           | 632,661          | 5,019          | 435          | 476              | -        | 675,241              |       |
| Bank Deposits             | -               | 1,118            | -                | -              | -            | 56               | -        | 1,174                |       |
| 7 Days Call Accounts      | -               | -                | -                | -              | -            | -                | -        | -                    |       |
| Precious Metal Deposits   | -               | -                | 2,098            | 212            | -            | -                | -        | 2,310                |       |
| <b>Total</b>              | <b>21</b>       | <b>37,747</b>    | <b>634,759</b>   | <b>5,231</b>   | <b>435</b>   | <b>532</b>       | <b>-</b> | <b>678,725</b>       |       |
| <b>Grand Total</b>        | <b>24</b>       | <b>4,022,350</b> | <b>8,285,654</b> | <b>622,445</b> | <b>9,904</b> | <b>360,627</b>   | <b>-</b> | <b>13,301,004</b>    |       |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 2. Explanations on Interest Expense (continued)

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

| Prior Period              | Time Deposits   |                  |                  |                |              |                  |                      | Total            |
|---------------------------|-----------------|------------------|------------------|----------------|--------------|------------------|----------------------|------------------|
|                           | Demand Deposits | Up to 1 Month    | Up to 3 Months   | Up to 6 Months | Up to 1 Year | More than 1 year | Accumulated Deposits |                  |
| <b>TL</b>                 |                 |                  |                  |                |              |                  |                      |                  |
| Bank Deposits             | -               | 530,239          | -                | -              | -            | -                | -                    | 530,239          |
| Saving Deposits           | -               | 2,441,873        | 1,930,253        | 16,305         | 1,718        | 4,864            | -                    | 4,395,013        |
| Public Sector Deposits    | -               | 7,155            | 32,401           | 431            | -            | -                | -                    | 39,987           |
| Commercial Deposits       | -               | 871,809          | 1,107,802        | 30,705         | 1,168        | 5,673            | -                    | 2,017,157        |
| Other Deposits            | -               | 11,728           | 156,674          | 34,829         | 10           | 36               | -                    | 203,277          |
| 7 Days Call Accounts      | -               | -                | -                | -              | -            | -                | -                    | -                |
| <b>Total</b>              | -               | <b>3,862,804</b> | <b>3,227,130</b> | <b>82,270</b>  | <b>2,896</b> | <b>10,573</b>    | -                    | <b>7,185,673</b> |
| <b>FC</b>                 |                 |                  |                  |                |              |                  |                      |                  |
| Foreign Currency Deposits | -               | 6,357            | 73,489           | 272            | 189          | 994              | -                    | 81,301           |
| Bank Deposits             | -               | 22               | -                | -              | -            | 10               | -                    | 32               |
| 7 Days Call Accounts      | -               | -                | -                | -              | -            | -                | -                    | -                |
| Precious Metal Deposits   | -               | 1                | 3                | 1              | 12           | 2                | -                    | 19               |
| <b>Total</b>              | -               | <b>6,380</b>     | <b>73,492</b>    | <b>273</b>     | <b>201</b>   | <b>1,006</b>     | -                    | <b>81,352</b>    |
| <b>Grand Total</b>        | -               | <b>3,869,184</b> | <b>3,300,622</b> | <b>82,543</b>  | <b>3,097</b> | <b>11,579</b>    | -                    | <b>7,267,025</b> |

#### 3. Information on dividend income:

|   | Current Period | Prior Period |
|---|----------------|--------------|
| Financial Assets at Fair Value through Profit or Loss             | 6,938          | -            |
| Financial Assets at Fair Value Through Other Comprehensive Income | 799            | 3,503        |
| Other   | 8,106          | 2,933        |
| <b>Total</b>  | <b>15,843</b>  | <b>6,436</b> |

#### 4. Information on trading profit / loss:

|   | Current Period     | Prior Period       |
|---|--------------------|--------------------|
| <b>Profit</b>   | <b>164,797,770</b> | <b>120,063,152</b> |
| Profit on Capital Market Operations                       | 521,452            | 288,642            |
| Profit on Derivative Financial Instruments <sup>(1)</sup> | 36,030,295         | 29,594,889         |
| Foreign Exchange Gains                                    | 128,246,023        | 90,179,621         |
| <b>Losses (-)</b>   | <b>162,856,207</b> | <b>122,061,119</b> |
| Losses on Capital Market Operations                       | 582,055            | 354,989            |
| Losses on Derivative Financial Instruments <sup>(1)</sup> | 39,265,564         | 32,356,721         |
| Foreign Exchange Losses                                   | 123,008,588        | 89,349,409         |

(1) Includes exchange rate fluctuations of hedging transactions net profit of TL 383,991 (31 December 2021: TL 1,501,025 profit), derivative financial instruments exchange rate changes in profit accounts amounting to TL 180,352 (31 December 2021: TL 134,704 loss) net exchange income.

#### 5. Information on other operating income:

Other operating income of the Bank mainly consists of all transaction costs collected from clients and disposal of assets.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 6. Provision expenses of banks for loans and other receivables:

##### a) Expected Credit Losses and Other Provisions:

|  | Current Period   | Prior Period    |
|--|------------------|-----------------|
| Expected Credit Losses   | 1,782,264        | (30,956)        |
| 12-Month Expected Credit Losses (Stage 1)  | 373,222          | 9,689           |
| Significant Increase in Credit Risk (Stage 2)  | 948,743          | (281,107)       |
| Credit-Impaired (Stage 3)  | 460,299          | 240,462         |
| Impairment Provisions for Securities   | -                | -               |
| Financial Assets at Fair Value Through Profit or Loss                                      | -                | -               |
| Financial Assets at Fair Value Through Other Comprehensive Income                          | -                | -               |
| Impairment Provision Related to Investments in Associates, Subsidiaries and Joint Ventures | -                | -               |
| Associates   | -                | -               |
| Subsidiaries   | -                | -               |
| Joint Ventures   | -                | -               |
| Other <sup>(1)</sup>   | 399,926          | 1,572           |
| <b>Total</b>   | <b>2,182,190</b> | <b>(29,384)</b> |

<sup>(1)</sup> Includes the remaining provision amounting to TL 5,423 (31 December 2021: TL 17,149).

#### 7. Information on other operating expenses:

|   | Current Period   | Prior Period     |
|---|------------------|------------------|
| Reserve for Employee Termination Benefits <sup>(1)</sup>                | 315,238          | 76,240           |
| Bank Social Aid Fund Deficit Provision                                  | -                | -                |
| Impairment Expenses of Fixed Assets                                     | -                | -                |
| Depreciation Expenses of Fixed Assets                                   | 332,433          | 263,610          |
| Impairment Expenses of Intangible Assets                                | -                | -                |
| Impairment Expense of Goodwill  | -                | -                |
| Amortization Expenses of Intangible Assets                              | 100,660          | 80,011           |
| Impairment for Investments Accounted with Equity Method                 | -                | -                |
| Impairment Expenses of Assets to Be Disposed                            | 870              | (3,042)          |
| Depreciation Expenses of Assets to Be Disposed                          | -                | -                |
| Impairment Expenses of Assets Held for Sale and Discontinued Operations | -                | -                |
| Other Operating Expenses  | 2,450,022        | 1,348,802        |
| Leasing Expenses on TFRS 16 Exceptions                                  | 71,653           | 40,339           |
| Maintenance Expenses  | 88,129           | 41,680           |
| Advertisement Expenses  | 164,192          | 85,635           |
| Other Expenses  | 2,126,048        | 1,181,148        |
| Loss On Sales of Assets   | 5,859            | 6,878            |
| Other <sup>(2)</sup>  | 780,910          | 471,171          |
| <b>Total</b>  | <b>3,985,992</b> | <b>2,243,670</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 355,328 (31 December 2021: TL 219,692) and other taxes and fees paid in the amount of TL 278,243 (31 December 2021: TL 208,932).

#### 8. Information on profit loss before continuing and discontinued operations before tax:

- a) The portion of the profit before tax amounting to TL 20,187,353 (31 December 2021: TL 6,852,393) consists of net interest income, while TL 2,251,416 (31 December 2021: TL 1,385,256) consists of net fee and commission income; total operating expenses amount to TL 7,634,674 (31 December 2021: TL 3,998,510).
- b) Explanations on discontinued operations profit loss: None.

#### 9. Information on tax provision for continuing and discontinued operations:

- a) As of 31 December 2022, current tax expense from continuing operations is TL 5,323,264 (31 December 2021: TL 166,686 expense) and net deferred tax income is TL 1,632,910 (31 December 2021: TL 418,942 expense), and there is no current income/expense from discontinued operations (31 December 2021: None).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 9. Information on tax provision for continuing and discontinued operations: (continued)

b) Deferred tax income on temporary differences resulted from continued operations is TL 1,632,910 (31 December 2021: TL 418,942 net deferred tax expense).

c) Tax reconciliation:

|                              | Current Period    | Prior Period     |
|------------------------------|-------------------|------------------|
| <b>Profit before taxes</b>   | <b>14,880,958</b> | <b>2,498,526</b> |
| <b>Additions</b>             | <b>405,061</b>    | <b>55,825</b>    |
| Non-allowable expenses       | 80,982            | 55,825           |
| Other                        | 324,079           | -                |
| <b>Deductions</b>            | <b>(524,602)</b>  | <b>(211,838)</b> |
| Dividend income              | (13,266)          | (5,083)          |
| Effect of different tax rate | (511,336)         | (122,357)        |
| Other                        | -                 | (84,398)         |
| <b>Taxable Profit/(Loss)</b> | <b>14,761,417</b> | <b>2,342,513</b> |
| Corporation tax rate         | %25               | %25              |
| <b>Calculated Tax</b>        | <b>3,690,354</b>  | <b>585,628</b>   |
| Prior year tax correction    | -                 | -                |
| <b>Tax charge</b>            | <b>3,690,354</b>  | <b>585,628</b>   |

#### 10. Information on net profit / loss of continuing and discontinued operations:

Net profit of the Bank from the activities carried out as of 31 December 2022 is TL 11,190,604 (31 December 2021: TL 1,912,898) and as of 31 December 2022, there is no net profit from discontinued operations (31 December 2021: None).

#### 11. The explanations on net income/loss for the period:

a) The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None (31 December 2021: None).

b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (31 December 2021: None).

c) Profit/ loss attributable to minority interest: None (31 December 2021: None).

#### 12. If the other items in the income statement exceed 10% of the income statement total accounts amounting to at least 20% of these items:

|  | Current Period   | Prior Period     |
|--|------------------|------------------|
| <b><u>Other Fees and Commissions Received</u></b>            |                  |                  |
| Card fees and commissions                                    | 2,377,251        | 1,338,493        |
| Insurance commissions  | 358,057          | 257,476          |
| Transfer commissions   | 182,361          | 84,292           |
| General limit revision commissions                           | 135,442          | 82,751           |
| Fund management fees   | 112,139          | 55,944           |
| Settlement expense provision, eft, swift, agency commissions | 93,557           | 48,655           |
| Early closing commissions                                    | 37,112           | 24,368           |
| Other  | 286,100          | 226,506          |
| <b>Total</b>   | <b>3,582,019</b> | <b>2,118,485</b> |
| <b><u>Other Fees and Commissions Given</u></b>               |                  |                  |
| Credit Cards Commissions and Fees                            | 1,535,783        | 824,306          |
| Commission and Fees Paid to Correspondent Banks              | 113,935          | 49,243           |
| Settlement Expense Provision, Eft, Swift Commissions         | 50,031           | 33,486           |
| Other  | 214,473          | 142,451          |
| <b>Total</b>   | <b>1,914,222</b> | <b>1,049,486</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

#### 13. Fees for Services Received from Independent Auditor / Independent Audit Firm:

The fee for services for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated 26 March 2021 is given in the table below. These fees include the fees for services rendered to the Bank's domestic subsidiaries and unconsolidated non-financial partnerships.

| <i>(Thousand TL amounts excluding VAT)</i>     | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| Independent audit fee for the reporting period | 8,522                 | 5,345               |
| Fees for tax advisory services                 | -                     | -                   |
| Fee for other assurance services               | 263                   | 119                 |
| Fees for services other than independent audit | 437                   | 135                 |
| <b>Total</b>                                   | <b>9,222</b>          | <b>5,599</b>        |

### V. Explanations and Disclosures Related to Statement of Changes in Shareholders' Equity

a) The effect of changes in the fair value of financial assets at fair value through profit or loss is recognized in the “Marketable Securities Valuation Differences” account under the equity. The relevant amount increased by TL 1,172,875 in 2022 (31 December 2021: TL 141,097 decreased) and change effect to deferred tax is TL 281,988 (31 December 2021: TL 29,548).

b) Increase in cash flow risk hedging items:

The Bank uses interest rate and cross currency swaps for reducing cash flow risk arising from short term deposit and borrowing. In this context, the effective portion is accounted for under equity in “Hedging Funds” account. The related amount increased by TL 1,743 in 2022 (31 December 2021: TL 658,228 increased) and the effect of this change to deferred tax is TL 12,097 (31 December 2021: TL 138,725).

c) Explanations on profit distribution:

It has been resolved in the Ordinary General Assembly dated 28 March 2022 of the Bank, TL 1,912,898 that constitutes the 2021 net balance sheet profit shall be transferred to the Extraordinary Reserves after setting aside, in accordance with the proposal in the resolution of the Board of Directors, TL 95,645 as Legal Reserves, TL 1.56 (full TL) as profit distributed to the holders of the founder jouissance certificates.

Profit appropriation will be resolved in the General Assembly meeting which has not been conducted as of the date of the accompanying financial statements are authorized for issue.

### VI. Explanations and Disclosures Related to Statement of Cash Flows

#### 1. The effect of the other items stated in the cash flow statement and the change in exchange rates on cash and cash equivalents:

“Other items” amounting to TL 2,417,951 (31 December 2021: TL 5,051,190) in “Operating profit before changes in operating assets and liabilities” consists of fees and commissions paid and other expenses except for leasing expenses, reserve for employee termination benefits, depreciation charges and taxes paid.

The “net increase in other liabilities” item in the “change in assets and liabilities subject to banking activities” amounting to TL 3,142,817 (31 December 2021: TL 5,358,059 increase) consists of various liabilities, other foreign sources and changes in money markets. “Net decrease in other assets” item amounting to TL 7,262,911 (31 December 2021: TL 9,886,311 decrease) consists of changes in blocked reserve requirements, miscellaneous receivables and other assets.

“Other” item amounting to TL 423,784 (31 December 2021: TL 117,925) included in “Net cash flow from investment activities” consists of cash outflows for intangible assets received in the current period.

The effect of the change in foreign exchange rate on cash and cash equivalents includes the foreign exchange rate difference resulting from the conversion of foreign currency cash and cash equivalents to TL at the beginning and end of monthly the period has been realized as TL 3,764,592 for the year 2022 (31 December 2021: TL 2,128,152).

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## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### VI. Explanations and Disclosures Related to Statement of Cash Flows (continued)

#### 2. Cash and cash equivalents at the beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flow statement:

| <b>Beginning of the Period</b>         | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| <b>Cash</b>                            | <b>19,904,616</b>     | <b>10,125,205</b>   |
| Cash in TL/Foreign Currency            | 7,473,318             | 2,331,352           |
| Central Bank – Unrestricted amount     | 12,202,866            | 7,605,582           |
| Other                                  | 228,432               | 188,271             |
| <b>Cash Equivalents</b>                | <b>11,422,605</b>     | <b>13,949,334</b>   |
| Banks                                  | 11,422,605            | 7,771,334           |
| Money Market Placements                | -                     | 6,178,000           |
| <b>Total Cash and Cash Equivalents</b> | <b>31,327,221</b>     | <b>24,074,539</b>   |
| <b>End of the Period</b>               | <b>Current Period</b> | <b>Prior Period</b> |
| <b>Cash</b>                            | <b>25,644,055</b>     | <b>19,904,616</b>   |
| Cash in TL/Foreign Currency            | 10,757,014            | 7,473,318           |
| Central Bank – Unrestricted amount     | 14,326,200            | 12,202,866          |
| Other                                  | 560,841               | 228,432             |
| <b>Cash Equivalents</b>                | <b>16,382,880</b>     | <b>11,422,605</b>   |
| Banks                                  | 8,782,880             | 11,422,605          |
| Money Market Placements                | 7,600,000             | -                   |
| <b>Total Cash and Cash Equivalents</b> | <b>42,026,935</b>     | <b>31,327,221</b>   |

### VII. Explanations and Disclosures Related to Risk Group of the Bank

#### 1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

Balance sheet items and income/expense items of previous periods are presented as of 31 December 2021.

##### a) Current Period:

| Risk Group Involving The Bank  | Subsidiaries, Associates and<br>Entities Under Common<br>Control (Joint Vent.) |          | Direct and Indirect<br>Shareholders of the Bank |           | Other Entities Included<br>in the Risk Group |          |
|--------------------------------|--|----------|---|-----------|--|----------|
|                                | Cash   | Non-cash | Cash  | Non-cash  | Cash   | Non-cash |
|                                | Loans  |          |   |           |  |          |
| Balance at Beginning of Period | 366,942  | 1,436    | 188,387   | 389,230   | 1,717,546                                    | 129,424  |
| Balance at End of Period       | 437,163  | 2,934    | 257,375   | 1,118,603 | 1,213,006                                    | 93,918   |
| Interest and Commission Income | 96,363   | 46       | 2,940   | 4,290     | 163,137                                      | 402      |

Direct and indirect shareholders of the Group balance above includes TL 257,375 and other entities included in the risk group balance above includes TL 45,447 placement in “Banks”.

##### b) Prior Period:

| Risk Group Involving The Bank  | Subsidiaries, Associates and<br>Entities Under Common<br>Control (Joint Vent.) |          | Direct and Indirect<br>Shareholders of the Bank |          | Other Entities Included<br>in the Risk Group |          |
|--------------------------------|--|----------|---|----------|--|----------|
|                                | Cash   | Non-cash | Cash  | Non-cash | Cash   | Non-cash |
|                                | Loans  |          |   |          |  |          |
| Balance at Beginning of Period | 345,966  | 778      | 71,698  | 438,193  | 741,973                                      | 89,477   |
| Balance at End of Period       | 366,942  | 1,436    | 188,387   | 389,230  | 1,717,546                                    | 129,424  |
| Interest and Commission Income | 59,915   | 34       | 4,838   | 3,333    | 54,971                                       | 316      |

Direct and indirect shareholders of the Bank balance above includes TL 188,387 and other entities included in the risk group balance above includes TL 812,103 placement in “Banks”.

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## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### VII. Explanations and Disclosures Related to Risk Group of the Bank (continued)

#### 1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances: (continued)

##### c.1) Information on deposits belonging to the risk group of the Bank:

| Risk Group Involving The Bank  | Subsidiaries, Associates and<br>Entities Under Common<br>Control (Joint Vent.) |                 | Direct and Indirect<br>Shareholders of the Bank |                 | Other Entities Included<br>in the Risk Group |                 |
|--------------------------------|--|-----------------|---|-----------------|--|-----------------|
|                                | Current<br>Period  | Prior<br>Period | Current<br>Period                               | Prior<br>Period | Current<br>Period                            | Prior<br>Period |
| Deposit                        |  |                 |   |                 |  |                 |
| Balance at Beginning of Period | 256,276  | 31,575          | 4,577,873                                       | 5,596,710       | 1,263,224                                    | 1,281,302       |
| Balance at End of Period       | 41,131   | 256,276         | 5,686,882                                       | 4,577,873       | 1,332,483                                    | 1,263,224       |
| Interest on Deposits           | 8,102  | 2,219           | 268,540   | 423,573         | 215,240                                      | 110,248         |

##### c.2) Information on forward transactions, option contracts and other similar contracts with the risk group of the Bank:

| Risk Group Involving The Bank                            | Subsidiaries, Associates and<br>Entities Under Common<br>Control (Joint Vent.) |                 | Direct and Indirect<br>Shareholders of the Bank |                 | Other Entities Included<br>in the Risk Group |                 |
|--|--|-----------------|---|-----------------|--|-----------------|
|  | Current<br>Period  | Prior<br>Period | Current<br>Period                               | Prior<br>Period | Current<br>Period                            | Prior<br>Period |
| Financial Assets at Fair Value<br>Through Profit or Loss |  |                 |   |                 |  |                 |
| Beginning of Period                                      | -  | -               | 36,494,649                                      | 18,396,561      | 729,855                                      | 284,453         |
| End of Period  | -  | -               | 58,227,206                                      | 36,494,649      | 2,322,171                                    | 729,855         |
| Total Profit/Loss  | -  | -               | (1,227,922)                                     | (521,049)       | 1,676,472                                    | (63,701)        |
| Hedging Transactions Purposes                            |  |                 |   |                 |  |                 |
| Beginning of Period                                      | -  | -               | 9,575,676                                       | 10,139,721      | -  | -               |
| End of Period  | -  | -               | 16,690,868                                      | 9,575,676       | -  | -               |
| Total Profit/Loss  | -  | -               | 1,368,711                                       | 421,932         | -  | -               |

##### d) As of 31 December 2022, the total amount of remuneration and benefits provided for the senior management of the Bank is TL 124,282 (31 December 2021: TL 67,901).

### VIII. Explanations on the Bank’s Domestic Branches, Agencies and Branches Abroad and Off-shore Branches

#### 1. Explanations on the Bank’s domestic branches, agencies and branches abroad and off-shore branches:

|                    | Numbers | Employees |        |              |         |
|--------------------|---------|-----------|--------|--------------|---------|
| Domestic branches  | 444     | 8,650     |        |              |         |
| Rep-offices abroad |         |           |        | Country      |         |
| Branches abroad    | 4       | 73        | Cyprus | Total Assets | Capital |
|                    |         |           |        | 2,676,856    | 20,000  |
| Off-shore branches |         |           |        |              |         |

#### 2. Explanation on the Subject in Case the Bank Opens or Closes a Branch or Representation Office in Turkey and Abroad, and Changes Its Organization Significantly:

The Bank closed 9 branches in 2022, 2 branches were opened during the year.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### IX. Explanations and Disclosures Related to Subsequent Events

On 4 November 2022, in order to be taken over by the Turkish Economy Bank A.Ş., of the 71,626,000 registered shares in the capital of TEB Finansman A.Ş., (i) 61,300,800 shares owned by BNP Paribas Personal Finance S.A. and (ii) 10,325,200 shares owned by TEB Holding A.Ş., a Share Transfer Agreement was signed between BNP Paribas Personal Finance S.A., TEB Holding and Türk Ekonomi Bankası A.Ş. It was announced with the material event disclosure on 16 January 2023 that the said transaction is within the scope of intra-group restructuring and that the applications/information from the Banking Regulation and Supervision Agency and the Competition Authority regarding the share transfer were made and the necessary approvals were obtained. In this context, the acquisition of all (100%) shares of TEB Finansman A.Ş. by Türk Ekonomi Bankası A.Ş. and the share transfer transaction was carried out on 23 January 2023, and Türk Ekonomi Bankası A.Ş. became the sole shareholder of TEB Finansman A.Ş.

With the Board Decision of the BRSA dated 31 January 2023, in accordance with the Regulation on Measurement and Evaluation of Banks' Capital Adequacy, in the calculation of the amount subject to credit risk, it has been decided to find the TL equivalents of the foreign currency items with the CBRT foreign exchange buying rate of 30 December 2022 instead of the CBRT's foreign exchange buying rate of 31 December 2021, and to update the SME and retail limits.

With the Communiqué Amending the Tax Procedure Law General Communiqué (line no. 537) with line number 547 published in the Official Gazette dated 14 January 2023 and numbered 32073, the procedures and principles of the law articles that allow the revaluation of immovable and depreciable economic assets have been restated. Accordingly, the Bank will be able to revalue the immovables in its balance sheet and its depreciable economic assets, provided that the conditions in the Tax Procedure Law Provisional Article 32 and Reiterated Article 298/ç are met. Thus, corporate tax can be paid by calculating the new depreciation expenses of real estate and depreciable economic assets after revaluation.

On 6 February 2023, an earthquake, which the epicenter was Kahramanmaraş occurred and struck 10 provinces. Developments regarding the effects of earthquakes on the Bank's operations and financial situation are evaluated by our Bank.

The Law numbered 7438 on Social Security and General Health Insurance and the Law numbered 375 on the Amendment of the Decree Law numbered 375, which includes the regulation on the Retirement Age Victims (EYT), entered into force after being published in the Official Gazette No. 32121, dated 3 March 2023. Although this issue is considered as a non-adjusting event after the reporting period within the scope of TAS 10 Events After the Reporting Period, studies on measuring the impact on the operations and financial position of the Bank are still in progress.

## SECTION SIX

### OTHER EXPLANATIONS

#### I. Other Explanations on Activities of the Bank

None.

## SECTION SEVEN

### INDEPENDENT AUDITOR'S REPORT

#### I. Explanations on the Independent Auditor's Report

The unconsolidated financial statements of the Bank were audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditor's report dated 10 March 2023 is presented preceding the financial statements.

#### II. Other Footnotes and Explanations Prepared by Independent Auditors

None.



**SECTION 5- CONSOLIDATED FINANCIAL STATEMENTS**

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED  
DISCLOSURES FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2022**

*(CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED CONSOLIDATED  
FINANCIAL STATEMENTS AND AUDITOR REPORT  
ORIGINALLY ISSUED IN TURKISH)*

**TÜRK EKONOMİ BANKASI A.Ş.  
AND ITS SUBSIDIARIES**

**PUBLICLY ANNOUNCED CONSOLIDATED  
FINANCIAL STATEMENTS AND RELATED DISCLOSURES  
FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2022  
WITH INDEPENDENT AUDITOR'S REPORT**

**(CONVENIENCE TRANSLATION OF  
INDEPENDENT AUDITOR’S REPORT ORIGINALLY ISSUED IN TURKISH)**

**INDEPENDENT AUDITOR’S REPORT**

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

**A) Report on the Audit of the Financial Statements**

**1) Opinion**

We have audited the financial statements of Türk Ekonomi Bankası AŞ (the “Bank”) and its consolidated subsidiaries (“the Group”), which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated statement of income, consolidated statement of income and expense items accounted for under shareholders’ equity, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the year then ended and, notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with “the Banking Regulation and Supervision Agency (BRSA) Accounting and Reporting Regulations” including the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No.26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by BRSA and provisions of Turkish Accounting Standards (TAS) for the matters not legislated by the aforementioned regulations.

**2) Basis for Opinion**

We conducted our audit in accordance with, “Regulation on Independent Audit of Banks” published by the BRSA in the Official Gazette No. 29314 dated 2 April 2015 and Standards of Independent Auditing (“SIA”), which is a part of the Turkish Auditing Standards published by the Public Oversight and Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* (“Code of Ethics”) published by the POA, together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

**3) Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter   | How the matter was addressed in the audit  |
|--|--|
| <p data-bbox="165 315 772 421"><b><i>Impairment of loans determined within the framework of TFRS 9 Financial Instruments Standard (“TFRS 9”)</i></b></p> <p data-bbox="165 450 772 719">Impairment of loans is an important area of jurisdiction for management. The Parent Bank has the total loans and factoring receivables amounting to TL 157,033,477 thousand, which comprise 55% of the Parent Bank’s total assets in its consolidated financial statements and the total provision for impairment amounting to TL 5,111,344 as at 31 December 2022</p> <p data-bbox="165 748 772 1016">As of 1 January 2018, the Group has started to recognize provisions for impairment of loans at amortised cost in accordance with TFRS 9 and also “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated 22 June 2016 numbered 29750.</p> <p data-bbox="165 1046 772 1314">In accordance with the related legislation of BRSA as mentioned in the Section 3 Note VIII of Explanation on Accounting Policies, the expected credit loss estimates are required to be unbiased, probability-weighted and should include supportable information about past events, current conditions, and forecasts of future economic conditions.</p> <p data-bbox="165 1344 772 1523">The Group exercises significant decisions using judgment, interpretation and assumptions over calculating loan impairments. These judgments, interpretations and assumptions are key in the development of the financial models.</p> <p data-bbox="165 1552 772 1798">Not fulfilling the requirements of the TFRS 9 is a potential risk for the Bank. Failure in determining the loans and receivables that are impaired and not recording the adequate provision for these impaired loans is the aforementioned risk. Accordingly, impairment of loans and receivables is considered as a key audit matter.</p> <p data-bbox="165 1827 772 1933">Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note I.6.</p> | <p data-bbox="772 450 1404 517">As part of our audit work, the following procedures were performed :</p> <p data-bbox="772 546 1404 748">We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Group with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures.</p> <p data-bbox="772 777 1404 882">We have assessed and analysed the relevant contract terms to assess management’s accounting policy and classification of the instrument for selected samples.</p> <p data-bbox="772 911 1404 1158">We have performed loan review procedures on selected samples of loans and receivables with the objective of identifying whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the framework of the provisions of the relevant legislation.</p> <p data-bbox="772 1187 1404 1628">We have tested relevant inputs and assumption used by the management in each stage of the expected credit loss calculation by considering whether the inputs and assumptions appear reasonable, the relationship between the assumptions and whether the assumptions are interdependent and internally consistent, whether the assumptions appropriately reflect current market information and collections, and whether the assumptions appear reasonable when considered collectively with other assumptions, including those for the same accounting estimates and those for other accounting estimates.</p> <p data-bbox="772 1657 1404 1724">We have tested historical loss data to validate the completeness and accuracy of key parameters.</p> <p data-bbox="772 1753 1404 1955">We have tested whether the model is applied to appropriate segments of assets which share credit risk characteristics and whether the historical loss rates were incurred under economic conditions representative of those that may exist during the assets’ exposure periods.</p> |

|   |   |
|---|---|
|   | <p>We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation.</p> <p>Based on our discussions with the Group management, we evaluated whether the key assumptions and other judgements underlying the estimations of impairments were reasonable.</p> <p>We assessed expected credit losses determined based on individual assessment per the Group’s policy by means of supporting data and evaluated appropriateness via communications with the Group management.</p> <p>Our specialists are involved in all procedures related to models and assumptions.</p> <p>We have reviewed disclosures made within the TFRS 9 framework in the financial statements of the Group with respect to loans and receivables and related impairment provisions.</p> |
| <p><b><i>Pension fund obligations</i></b></p> <p>Defined benefit pension plan that the Group provides to its employees is managed by Fortis Bank AŞ Mensupları Emekli Sandığı (“Plan”) which is established by the 20th provisional article of the Social Security Law numbered 506 (the “Law”).</p> <p>As disclosed in the Section III Note XVII to the consolidated financial statements, the Plan is composed of benefits which are subject to transfer to the Social Security Foundation (“SSF”) as per the Social Security Law no.5510 provisional article 20, and other social rights and pension benefits provided by the Group that are not transferable to the SSF. The Council of Ministers has been authorized to determine the transfer date. Following the transfer, the funds and the institutions that employ the funds’ members will cover the non-transferable social rights and pension benefits provided under the Plan even if it is included in foundation voucher.</p> <p>As of 31 December 2022, the Group’s transferrable liabilities are calculated by an independent actuary using the actuarial assumptions regulated by the Law, and in accordance with the Decision of the Council of Ministers announced in the Official Gazette dated 15 December 2006 and No.26377. The valuation</p> | <p>Our audit work included the following procedures:</p> <p>We involved internal experts (actuary) in our audit team to evaluate the assumptions used in the calculation of the pension obligations and the appropriateness of the estimates.</p> <p>It has been tested whether the plan assets meet plan obligations in accordance with the methods and assumptions used.</p> <p>In addition, reconciliations and tests were carried out through sampling of the accuracy of the data provided to the Group’s actuary.</p> <p>We have assessed whether there is a significant change in the actuarial assumptions, methods, legal regulations and legislation used in the calculations and whether the assumptions are reasonable.</p>   |

|   |   |
|---|---|
| <p>of the Plan liabilities requires judgment in determining appropriate assumptions such as defining the transferrable social benefits, discount rates, salary increases, inflation levels, demographic assumptions, and the impact of changes in the Plan. Management uses expert opinion of the independent actuary in assessing uncertainties related to these underlying assumptions and estimates.</p> <p>As described in Section V Note II.8.c2 considering the subjectivity of key judgments and assumptions, plus the uncertainty around the transfer date and basis of the transfer calculation given the fact that the technical interest rate is prescribed under the Law, we considered this as a key audit matter.</p> |   |
| <p><b><i>Information technologies audit</i></b></p> <p>The Group and its finance functions are dependent on the IT-infrastructure for the continuity of its operations, and the demand for technology-enabled business services is rapidly growing in the Group and its subsidiaries. Controls over reliability and continuity of the electronic data processing are within the scope of the information systems internal controls audit. The reliance on information systems within the Group means that the controls over access rights, continuity of systems, privacy and integrity of the electronic data are critical and found to be key area of focus as part of our risk-based scoping.</p>                                | <p>Procedures within the context of our information technology audit work:</p> <ul style="list-style-type: none"> <li>• We identified and tested the Group's controls over information systems as part of our audit procedures.</li> <li>• Information generation comprise all layers of information systems (including applications, networks, transmission systems and database). The information systems controls tested are categorized in the following areas: <ul style="list-style-type: none"> <li>• Security Management</li> <li>• Change Management</li> <li>• Data Center and Network Operations</li> </ul> </li> <li>• We selected high-risk areas as, database logging and change management control activities, to prevent and detect whether accesses to financial data had been identified in a timely manner.</li> <li>• We tested the accesses and logging controls underlying all applications that have direct or indirect impacts on financial data generation.</li> <li>• Automated controls and integration controls were tested to underly and detect changes and accesses in the process of financial data generation.</li> <li>• We also tested the appropriateness and accuracy of the information produced by the entity and information used in controls reports as inputs to</li> </ul> |

|  |   |
|--|---|
|  | <p>our controls and outputs generated by the IT components.</p> <ul style="list-style-type: none"> <li>• Finally, we understood and tested the controls over database, network, application and operating system layers of applications.</li> </ul> |
|--|---|

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

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

In preparing the financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

#### **5) Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **B) Other Responsibilities Arising From Regulatory Requirements**

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 (“TCC”), nothing has come to our attention that may cause us to believe that the Group’s set of accounts for the period 1 January - 31 December 2022 does not comply with TCC and the provisions of the Bank’s articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Yaman Polat.



Additional paragraph for convenience translation to English

*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 Group in accordance with IFRS.*

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

Yaman Polat  
Partner

İstanbul, 10 March 2023

**CONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.  
AS OF FOR THE YEAR ENDED 31 DECEMBER 2022**

Address : Saray Mahallesi Sokullu Caddesi No:7/A – 7/B  
Ümraniye 34768 - İstanbul  
Telephone : (0 216) 635 35 35  
Fax : (0 216) 636 36 36  
Website : [www.teb.com.tr](http://www.teb.com.tr)  
E-mail : [yatirimciiliskileri@teb.com.tr](mailto:yatirimciiliskileri@teb.com.tr)

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

- General Information about the Parent Bank
- Consolidated Financial Statements of the Parent Bank
- Explanations on the Accounting Policies Applied in The Related Period
- Information on Financial Structure and Risk Management of the Group which is under Consolidation
- Disclosures and Footnotes on Consolidated Financial Statements
- Other explanations
- Independent Auditor’s Audit Report

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

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

The accompanying audited consolidated financial statements, related disclosures and footnotes which have been audited and presented in this report are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, the related statements and guidance, and in compliance with the financial records of the Parent Bank, and unless stated otherwise, presented in **thousands of Turkish Lira (TL)**.

|  |                                       |  |                            |  |   |
|--|---------------------------------------|--|----------------------------|--|---|
| 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 Senior Manager  
Telephone Number : (0216) 635 24 51  
Fax Number : (0216) 636 36 36

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# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 (“BNPP”) became indirect shareholder of TEB with 42.125% ownership. In 2009, BNP Paribas Group successively acquired 75% of Fortis Bank Belgium and 66% of Fortis Bank Luxembourg and became the shareholder holding the majority of the shares of Fortis Bank Turkey. The indirect majority shareholders of TEB which are BNP Paribas and Çolakoğlu Group has agreed on the merger of TEB and Fortis Bank under the trademark of TEB and following the authorizations obtained from the regulatory authorities on 14 February 2011 the legal merge of two banks has been performed. As a result of the merger of TEB Holding, TEB has a majority stake of 55% and on the other hand Çolakoğlu Group and BNP Paribas have the share of 50%.

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

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

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

As of 31 December 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 31 DECEMBER 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, Member of the Audit Committee                              | University       |
| Metin Toğay                        | Member of the Board of Directors   | Master           |
| Didier Albert N. Van Hecke         | Member of the Board of Directors, Member of the Audit Committee                              | Master           |
| Ümit Leblebici                     | Chief Executive Officer and the Executive Member   | Master           |
| <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       |
| Çiğdem Ünsal                       | Assistant General Manager Responsible from Human Resources                                   | University       |
| 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 have the status of Assistant General Manager.

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 in Shares | Unpaid Shares |
|--|--------------|-------------|----------------|---------------|
| TEB Holding A.Ş.                           | 1,212,415    | 55.00%      | 1,212,415      | -             |
| BNPP Yatırımlar Holding A.Ş.               | 518,342      | 23.51%      | 518,342        | -             |
| BNP Paribas Fortis Yatırımlar Holding A.Ş. | 467,879      | 21.23%      | 467,879        | -             |

TEB Holding A.Ş. is a member of both Çolakoğlu and BNP Paribas groups. 50% of the shares of TEB Holding A.Ş. are controlled by BNP Paribas Fortis Yatırımlar Holding A.Ş., while the remaining 50% is controlled by Çolakoğlu Group. BNP Paribas Fortis Yatırımlar Holding A.Ş. is controlled by 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 Yönetimi A.Ş., Zurich Sigorta A.Ş. and Cardif Hayat Sigorta A.Ş. As of 31 December 2022, the Parent Bank has 444 local branches and 4 foreign branches (31 December 2021: 451 local branches, 4 foreign branches). As of 31 December 2022, the number of employees of the Group is 9,054 (31 December 2021: 8,869).

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

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

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

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

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

None.

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 AND 2021

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

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

| ASSETS  | Section 5<br>Notes | Audited<br>Current Period<br>31.12.2022 |                   |                    | Audited<br>Prior Period<br>31.12.2021 |                   |                    |
|---|--------------------|---|-------------------|--------------------|---------------------------------------|-------------------|--------------------|
|   |                    | TL                                      | FC                | Total              | TL                                    | FC                | Total              |
| <b>I. FINANCIAL ASSETS (Net)</b>  |                    | <b>30,732,653</b>                       | <b>47,410,589</b> | <b>78,143,242</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>17,621,477</b>                       | <b>42,833,756</b> | <b>60,455,233</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)              | 7,210,359                               | 36,629,352        | 43,839,711         | 5,718,495                             | 30,072,800        | 35,791,295         |
| 1.1.2 Banks   | (I-4)              | 2,820,682                               | 6,227,454         | 9,048,136          | 1,619,218                             | 10,045,520        | 11,664,738         |
| 1.1.3 Money Market Placement  |                    | 7,604,278                               | -                 | 7,604,278          | 3,245                                 | -                 | 3,245              |
| 1.1.4 Expected Loss Provisions (-)  |                    | 13,842                                  | 23,050            | 36,892             | 2,572                                 | 27,135            | 29,707             |
| <b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>                                      | <b>(I-2)</b>       | <b>2,927,230</b>                        | <b>541,639</b>    | <b>3,468,869</b>   | <b>2,001,648</b>                      | <b>792,140</b>    | <b>2,793,788</b>   |
| 1.2.1 Government Debt Securities  |                    | 2,809,744                               | 202,058           | 3,011,802          | 1,942,260                             | 549,168           | 2,491,428          |
| 1.2.2 Equity Securities   |                    | 77,197                                  | 263,295           | 340,492            | 59,388                                | 135,326           | 194,714            |
| 1.2.3 Other Financial Assets  |                    | 40,289                                  | 76,286            | 116,575            | -                                     | 107,646           | 107,646            |
| <b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>                          | <b>(I-5)</b>       | <b>5,357,851</b>                        | <b>3,062,485</b>  | <b>8,420,336</b>   | <b>3,002,601</b>                      | <b>4,173,355</b>  | <b>7,175,956</b>   |
| 1.3.1 Government Debt Securities  |                    | 5,308,538                               | 3,062,485         | 8,371,023          | 2,989,351                             | 4,173,355         | 7,162,706          |
| 1.3.2 Equity Securities   |                    | 49,313                                  | -                 | 49,313             | 13,250                                | -                 | 13,250             |
| 1.3.3 Other Financial Assets  |                    | -                                       | -                 | -                  | -                                     | -                 | -                  |
| <b>1.4 Derivative Financial Assets</b>  |                    | <b>4,826,095</b>                        | <b>972,709</b>    | <b>5,798,804</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)              | 4,400,167                               | 664,545           | 5,064,712          | 6,006,577                             | 325,399           | 6,331,976          |
| 1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income                    | (I-12)             | 425,928                                 | 308,164           | 734,092            | 1,796,596                             | 5,873             | 1,802,469          |
| <b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>  |                    | <b>145,051,474</b>                      | <b>47,317,492</b> | <b>192,368,966</b> | <b>88,788,499</b>                     | <b>39,222,999</b> | <b>128,011,498</b> |
| <b>2.1 Loans</b>  | <b>(I-6)</b>       | <b>113,819,501</b>                      | <b>35,884,378</b> | <b>149,703,879</b> | <b>78,529,502</b>                     | <b>29,376,248</b> | <b>107,905,750</b> |
| <b>2.2 Lease Receivables</b>  | <b>(I-11)</b>      | <b>-</b>                                | <b>-</b>          | <b>-</b>           | <b>-</b>                              | <b>-</b>          | <b>-</b>           |
| <b>2.3 Factoring Receivables</b>  | <b>(I-18)</b>      | <b>4,137,185</b>                        | <b>3,192,413</b>  | <b>7,329,598</b>   | <b>2,142,281</b>                      | <b>2,494,644</b>  | <b>4,636,925</b>   |
| <b>2.4 Other Financial Assets Measured at Amortised Cost</b>  | <b>(I-7)</b>       | <b>30,844,021</b>                       | <b>9,611,915</b>  | <b>40,455,936</b>  | <b>11,379,873</b>                     | <b>8,171,827</b>  | <b>19,551,700</b>  |
| 2.4.1 Government Debt Securities  |                    | 30,844,021                              | 9,611,915         | 40,455,936         | 11,379,873                            | 8,171,827         | 19,551,700         |
| 2.4.2 Other Financial Assets  |                    | -                                       | -                 | -                  | -                                     | -                 | -                  |
| <b>2.5 Expected Credit Loss (-)</b>   | <b>(I-6,18)</b>    | <b>3,749,233</b>                        | <b>1,371,214</b>  | <b>5,120,447</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> | <b>(I-17)</b>      | <b>100,370</b>                          | <b>-</b>          | <b>100,370</b>     | <b>65,933</b>                         | <b>-</b>          | <b>65,933</b>      |
| 3.1 Held for Sale Purpose   |                    | 100,370                                 | -                 | 100,370            | 65,933                                | -                 | 65,933             |
| 3.2 Related to Discontinued Operations  |                    | -                                       | -                 | -                  | -                                     | -                 | -                  |
| <b>IV. EQUITY INVESTMENTS</b>   |                    | <b>55</b>                               | <b>-</b>          | <b>55</b>          | <b>55</b>                             | <b>-</b>          | <b>55</b>          |
| <b>4.1 Associates (Net)</b>   | <b>(I-8)</b>       | <b>-</b>                                | <b>-</b>          | <b>-</b>           | <b>-</b>                              | <b>-</b>          | <b>-</b>           |
| 4.1.1 Associates Valued Based on Equity Method  |                    | -                                       | -                 | -                  | -                                     | -                 | -                  |
| 4.1.2 Unconsolidated Associates   |                    | -                                       | -                 | -                  | -                                     | -                 | -                  |
| <b>4.2 Subsidiaries (Net)</b>   | <b>(I-9)</b>       | <b>50</b>                               | <b>-</b>          | <b>50</b>          | <b>50</b>                             | <b>-</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>   | <b>(I-10)</b>      | <b>5</b>                                | <b>-</b>          | <b>5</b>           | <b>5</b>                              | <b>-</b>          | <b>5</b>           |
| 4.3.1 Joint Ventures Valued Based on Equity Method  |                    | -                                       | -                 | -                  | -                                     | -                 | -                  |
| 4.3.2 Unconsolidated Joint Ventures   |                    | 5                                       | -                 | 5                  | 5                                     | -                 | 5                  |
| <b>V. TANGIBLE ASSETS (Net)</b>   | <b>(I-13)</b>      | <b>1,276,406</b>                        | <b>-</b>          | <b>1,276,406</b>   | <b>934,431</b>                        | <b>25</b>         | <b>934,456</b>     |
| <b>VI. INTANGIBLE ASSETS (Net)</b>  | <b>(I-14)</b>      | <b>903,856</b>                          | <b>-</b>          | <b>903,856</b>     | <b>611,252</b>                        | <b>-</b>          | <b>611,252</b>     |
| 6.1 Goodwill  |                    | 421,124                                 | -                 | 421,124            | 421,124                               | -                 | 421,124            |
| 6.2 Other   |                    | 482,732                                 | -                 | 482,732            | 190,128                               | -                 | 190,128            |
| <b>VII. INVESTMENT PROPERTIES (Net)</b>   | <b>(I-15)</b>      | <b>-</b>                                | <b>-</b>          | <b>-</b>           | <b>-</b>                              | <b>-</b>          | <b>-</b>           |
| <b>VIII. CURRENT TAX ASSET</b>  |                    | <b>28,388</b>                           | <b>-</b>          | <b>28,388</b>      | <b>138,894</b>                        | <b>-</b>          | <b>138,894</b>     |
| <b>IX. DEFERRED TAX ASSET</b>   | <b>(I-16)</b>      | <b>1,624,898</b>                        | <b>-</b>          | <b>1,624,898</b>   | <b>147,376</b>                        | <b>-</b>          | <b>147,376</b>     |
| <b>X. OTHER ASSETS (Net)</b>  | <b>(I-19)</b>      | <b>8,821,151</b>                        | <b>268,689</b>    | <b>9,089,840</b>   | <b>2,636,070</b>                      | <b>774,824</b>    | <b>3,410,894</b>   |
| <b>TOTAL ASSETS</b>   |                    | <b>188,539,251</b>                      | <b>94,996,770</b> | <b>283,536,021</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 31 DECEMBER 2022 AND 2021

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

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

| LIABILITIES  | Section 5<br>Notes | Audited<br>Current Period<br>31.12.2022 |                    |                    | Audited<br>Prior Period<br>31.12.2021 |                    |                    |
|--|--------------------|---|--------------------|--------------------|---------------------------------------|--------------------|--------------------|
|  |                    | TL                                      | FC                 | Total              | TL                                    | FC                 | Total              |
| <b>I. DEPOSITS</b>   | (II-1)             | 128,658,964                             | 71,690,956         | 200,349,920        | 55,350,689                            | 76,232,284         | 131,582,973        |
| <b>II. FUNDS BORROWED</b>  | (II-3)             | 3,894,872                               | 13,710,230         | 17,605,102         | 2,368,497                             | 17,430,679         | 19,799,176         |
| <b>III. MONEY MARKET FUNDS</b>   | (II-4)             | 439,289                                 | 6,790,660          | 7,229,949          | 3,923,853                             | 5,001,962          | 8,925,815          |
| <b>IV. SECURITIES ISSUED (Net)</b>   | (II-3)             | 422,045                                 | -                  | 422,045            | 1,194,525                             | -                  | 1,194,525          |
| 4.1 Bills  |                    | 422,045                                 | -                  | 422,045            | 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 ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>  |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| <b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>   |                    | 2,971,255                               | 595,978            | 3,567,233          | 4,321,769                             | 168,019            | 4,489,788          |
| 7.1 Derivative Financial Liabilities at Fair Value Through Profit and Loss                                     | (II-2)             | 2,901,642                               | 595,978            | 3,497,620          | 3,995,359                             | 163,818            | 4,159,177          |
| 7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income                          | (II-7)             | 69,613                                  | -                  | 69,613             | 326,410                               | 4,201              | 330,611            |
| <b>VIII. FACTORING LIABILITIES</b>   | (II-14)            | 564                                     | 4,227              | 4,791              | 1,809                                 | 19,468             | 21,277             |
| <b>IX. LEASE LIABILITIES (Net)</b>   | (II-6)             | 684,123                                 | 26,506             | 710,629            | 539,737                               | 37,923             | 577,660            |
| <b>X. PROVISIONS</b>   | (II-8)             | 3,002,656                               | 471,364            | 3,474,020          | 954,915                               | 321,520            | 1,276,435          |
| 10.1 Restructuring Provisions  |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 10.2 Reserve for Employee Benefits   |                    | 2,120,685                               | 64,378             | 2,185,063          | 738,641                               | 55,663             | 794,304            |
| 10.3 Insurance Technical Provisions (Net)  |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 10.4 Other Provisions  |                    | 881,971                                 | 406,986            | 1,288,957          | 216,274                               | 265,857            | 482,131            |
| <b>XI. CURRENT TAX LIABILITY</b>   | (II-9)             | 2,045,694                               | -                  | 2,045,694          | 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> | (II-10)            | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 13.1 Held for Sale   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 13.2 Held from Discontinued Operations   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| <b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>  | (II-11)            | -                                       | 9,708,218          | 9,708,218          | -                                     | 7,239,036          | 7,239,036          |
| 14.1 Loans   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 14.2 Other Debt Instruments  |                    | -                                       | 9,708,218          | 9,708,218          | -                                     | 7,239,036          | 7,239,036          |
| <b>XV. OTHER LIABILITIES</b>   | (II-5)             | 9,622,650                               | 2,651,378          | 12,274,028         | 6,462,341                             | 2,956,705          | 9,419,046          |
| <b>XVI. SHAREHOLDERS' EQUITY</b>   | (II-12)            | 26,021,294                              | 123,098            | 26,144,392         | 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         |                    | (419,019)                               | -                  | (419,019)          | (59,373)                              | -                  | (59,373)           |
| 16.4 Other Accumulated Comprehensive Income or Expense that will be Reclassified at Profit or Loss             |                    | 850,588                                 | 123,098            | 973,686            | 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  |                    | 11,655,252                              | -                  | 11,655,252         | 2,072,708                             | -                  | 2,072,708          |
| 16.6.1 Prior Periods' Profit / Loss  |                    | 98,356                                  | -                  | 98,356             | -                                     | -                  | -                  |
| 16.6.2 Current Periods' Profit / Loss  |                    | 11,556,896                              | -                  | 11,556,896         | 2,072,708                             | -                  | 2,072,708          |
| 16.7 Minority Shares   | (II-13)            | 28,443                                  | -                  | 28,443             | 18,217                                | -                  | 18,217             |
| <b>TOTAL LIABILITIES</b>   |                    | <b>177,763,406</b>                      | <b>105,772,615</b> | <b>283,536,021</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 STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF 31 DECEMBER 2022 AND 2021

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

### II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

|  | Section 5<br>Notes | Audited<br>Current Period<br>31.12.2022 |                    |                    | Audited<br>Prior Period<br>31.12.2021 |                    |                    |
|--|--------------------|---|--------------------|--------------------|---------------------------------------|--------------------|--------------------|
|  |                    | TL                                      | FC                 | Total              | TL                                    | FC                 | Total              |
| <b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>                     |                    | <b>194,692,438</b>                      | <b>235,219,732</b> | <b>429,912,170</b> | <b>116,129,741</b>                    | <b>166,079,544</b> | <b>282,209,285</b> |
| <b>I. GUARANTEES AND WARRANTIES</b>                                    | <b>(III-1)</b>     | <b>13,949,172</b>                       | <b>41,315,264</b>  | <b>55,264,436</b>  | <b>8,470,096</b>                      | <b>30,062,181</b>  | <b>38,532,277</b>  |
| 1.1 Letters of Guarantee   |                    | 9,433,911                               | 20,598,041         | 30,031,952         | 7,056,943                             | 14,037,146         | 21,094,089         |
| 1.1.1 Guarantees Subject to State Tender Law                           |                    | 152,535                                 | 205,253            | 357,788            | 133,980                               | 147,510            | 281,490            |
| 1.1.2 Guarantees Given for Foreign Trade Operations                    |                    | 658,658                                 | 771,147            | 1,429,805          | 395,162                               | 612,824            | 1,007,986          |
| 1.1.3 Other Letters of Guarantee                                       |                    | 8,622,718                               | 19,621,641         | 28,244,359         | 6,527,801                             | 13,276,812         | 19,804,613         |
| 1.2 Bank Acceptances   |                    | -                                       | 23,623             | 23,623             | -                                     | 33,680             | 33,680             |
| 1.2.1 Import Letter of Acceptance                                      |                    | -                                       | 23,623             | 23,623             | -                                     | 33,680             | 33,680             |
| 1.2.2 Other Bank Acceptances   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 1.3 Letters of Credit  |                    | -                                       | 15,650,244         | 15,650,244         | -                                     | 10,343,834         | 10,343,834         |
| 1.3.1 Documentary Letters of Credit                                    |                    | -                                       | 2,596,937          | 2,596,937          | -                                     | 4,046,781          | 4,046,781          |
| 1.3.2 Other Letters of Credit  |                    | -                                       | 13,053,307         | 13,053,307         | -                                     | 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   |                    | 2,495,355                               | 4,855,637          | 7,350,992          | 1,384,153                             | 4,279,755          | 5,663,908          |
| 1.9 Other Collaterals  |                    | 2,019,906                               | 187,719            | 2,207,625          | 29,000                                | 1,367,766          | 1,396,766          |
| <b>II. COMMITMENTS</b>   | <b>(III-1)</b>     | <b>38,756,549</b>                       | <b>5,487,840</b>   | <b>44,244,389</b>  | <b>24,869,317</b>                     | <b>8,633,167</b>   | <b>33,502,484</b>  |
| 2.1 Irrevocable Commitments  |                    | 38,756,549                              | 5,487,840          | 44,244,389         | 24,869,317                            | 8,633,167          | 33,502,484         |
| 2.1.1 Asset Purchase Commitments                                       |                    | 2,181,948                               | 5,049,902          | 7,231,850          | 3,543,805                             | 7,707,411          | 11,251,216         |
| 2.1.2 Deposit Purchase and Sale Commitments                            |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 2.1.3 Share Capital Commitment to Associates and Subsidiaries          |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 2.1.4 Loan Granting Commitments  |                    | 11,589,114                              | 68,589             | 11,657,703         | 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                                  |                    | 2,776,761                               | -                  | 2,776,761          | 2,135,381                             | -                  | 2,135,381          |
| 2.1.8 Tax and Fund Liabilities from Export Commitments                 |                    | 127,411                                 | -                  | 127,411            | 51,363                                | -                  | 51,363             |
| 2.1.9 Commitments for Credit Card Limits                               |                    | 22,073,226                              | -                  | 22,073,226         | 12,007,806                            | -                  | 12,007,806         |
| 2.1.10 Commitments for Credit Cards and Banking Services Promotions    |                    | 2,141                                   | -                  | 2,141              | 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                                   |                    | 5,948                                   | 369,349            | 375,297            | 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>(III-2)</b>     | <b>141,986,717</b>                      | <b>188,416,628</b> | <b>330,403,345</b> | <b>82,790,328</b>                     | <b>127,384,196</b> | <b>210,174,524</b> |
| 3.1 Derivative Financial Instruments for Hedging Purposes              |                    | 965,300                                 | 18,524,343         | 19,489,643         | 21,649,500                            | 7,806,018          | 29,455,518         |
| 3.1.1 Fair Value Hedge   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 3.1.2 Cash Flow Hedge  |                    | 965,300                                 | 18,524,343         | 19,489,643         | 21,649,500                            | 7,806,018          | 29,455,518         |
| 3.1.3 Foreign Net Investment Hedges                                    |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 3.2 Held for Trading Transactions                                      |                    | 141,021,417                             | 169,892,285        | 310,913,702        | 61,140,828                            | 119,578,178        | 180,719,006        |
| 3.2.1 Forward Foreign Currency Buy/Sell Transactions                   |                    | 20,240,521                              | 22,818,260         | 43,058,781         | 11,386,300                            | 15,523,785         | 26,910,085         |
| 3.2.1.1 Forward Foreign Currency Transactions-Buy                      |                    | 19,213,785                              | 3,165,415          | 22,379,200         | 9,169,995                             | 4,268,100          | 13,438,095         |
| 3.2.1.2 Forward Foreign Currency Transactions-Sell                     |                    | 1,026,736                               | 19,652,845         | 20,679,581         | 2,216,305                             | 11,255,685         | 13,471,990         |
| 3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates |                    | 98,861,030                              | 100,640,060        | 199,501,090        | 47,269,862                            | 90,288,974         | 137,558,836        |
| 3.2.2.1 Foreign Currency Swap-Buy                                      |                    | 7,819,762                               | 55,239,445         | 63,059,207         | 1,451,736                             | 55,792,484         | 57,244,220         |
| 3.2.2.2 Foreign Currency Swap-Sell                                     |                    | 42,400,268                              | 21,434,565         | 63,834,833         | 30,279,126                            | 26,837,944         | 57,117,070         |
| 3.2.2.3 Interest Rate Swaps-Buy  |                    | 24,320,500                              | 11,983,025         | 36,303,525         | 7,769,500                             | 3,829,273          | 11,598,773         |
| 3.2.2.4 Interest Rate Swaps-Sell                                       |                    | 24,320,500                              | 11,983,025         | 36,303,525         | 7,769,500                             | 3,829,273          | 11,598,773         |
| 3.2.3 Foreign Currency, Interest Rate and Securities Options           |                    | 19,676,969                              | 43,135,835         | 62,812,804         | 2,116,848                             | 11,241,994         | 13,358,842         |
| 3.2.3.1 Foreign Currency Options-Buy                                   |                    | 15,275,312                              | 11,998,466         | 27,273,778         | 1,630,468                             | 2,022,308          | 3,652,776          |
| 3.2.3.2 Foreign Currency Options-Sell                                  |                    | 4,401,657                               | 23,201,409         | 27,603,066         | 486,380                               | 3,144,606          | 3,630,986          |
| 3.2.3.3 Interest Rate Options-Buy                                      |                    | -                                       | 3,967,980          | 3,967,980          | -                                     | 3,037,540          | 3,037,540          |
| 3.2.3.4 Interest Rate Options-Sell                                     |                    | -                                       | 3,967,980          | 3,967,980          | -                                     | 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   |                    | 2,242,897                               | 1,902,399          | 4,145,296          | 367,818                               | 439,173            | 806,991            |
| 3.2.4.1 Foreign Currency Futures-Buy                                   |                    | 2,242,897                               | -                  | 2,242,897          | 329,039                               | 113,632            | 442,671            |
| 3.2.4.2 Foreign Currency Futures-Sell                                  |                    | -                                       | 1,902,399          | 1,902,399          | 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  |                    | -                                       | 1,395,731          | 1,395,731          | -                                     | 2,084,252          | 2,084,252          |
| <b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>                       |                    | <b>244,617,678</b>                      | <b>103,723,114</b> | <b>348,340,792</b> | <b>191,502,856</b>                    | <b>77,886,471</b>  | <b>269,389,327</b> |
| <b>IV. ITEMS HELD IN CUSTODY</b>                                       |                    | <b>64,320,940</b>                       | <b>17,591,040</b>  | <b>81,911,980</b>  | <b>43,658,517</b>                     | <b>11,330,004</b>  | <b>54,988,521</b>  |
| 4.1 Customer Fund and Portfolio Balances                               |                    | 23,356,409                              | -                  | 23,356,409         | 7,112,025                             | -                  | 7,112,025          |
| 4.2 Investment Securities Held in Custody                              |                    | 8,466,547                               | 16,227,035         | 24,693,582         | 14,741,218                            | 8,458,577          | 23,199,795         |
| 4.3 Cheques Received for Collection                                    |                    | 31,598,332                              | 534,262            | 32,132,594         | 20,823,940                            | 2,178,366          | 23,002,306         |
| 4.4 Commercial Notes Received for Collection                           |                    | 803,051                                 | 90,839             | 893,890            | 591,700                               | 132,493            | 724,193            |
| 4.5 Other assets Received for Collection                               |                    | 125                                     | 738,904            | 739,029            | 125                                   | 560,568            | 560,693            |
| 4.6 Assets Received for Public Offering                                |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 4.7 Other Items under Custody  |                    | 96,476                                  | -                  | 96,476             | 389,509                               | -                  | 389,509            |
| 4.8 Custodians   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| <b>V. PLEDGES RECEIVED</b>   |                    | <b>178,491,265</b>                      | <b>85,592,825</b>  | <b>264,084,090</b> | <b>147,068,982</b>                    | <b>66,228,730</b>  | <b>213,297,712</b> |
| 5.1 Marketable Securities  |                    | 1,756,158                               | 1,100,377          | 2,856,535          | 122,836                               | 673,062            | 795,898            |
| 5.2 Guarantee Notes  |                    | 67,245,877                              | 58,444,827         | 125,690,704        | 54,425,408                            | 45,321,890         | 99,747,298         |
| 5.3 Commodity  |                    | 220,087                                 | 364,691            | 584,778            | 226,267                               | -                  | 226,267            |
| 5.4 Warranty   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| 5.5 Immovable  |                    | 90,488,447                              | 19,546,647         | 110,035,094        | 78,588,982                            | 15,290,955         | 93,879,937         |
| 5.6 Other Pledged Items  |                    | 18,780,696                              | 6,136,283          | 24,916,979         | 13,705,489                            | 4,942,823          | 18,648,312         |
| 5.7 Pledged Items-Depository   |                    | -                                       | -                  | -                  | -                                     | -                  | -                  |
| <b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>                    |                    | <b>1,805,473</b>                        | <b>539,249</b>     | <b>2,344,722</b>   | <b>775,357</b>                        | <b>327,737</b>     | <b>1,103,094</b>   |
| <b>TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)</b>                       |                    | <b>439,310,116</b>                      | <b>338,942,846</b> | <b>778,252,962</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 YEAR ENDED 31 DECEMBER 2022 AND 2021

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

### III. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| INCOME AND EXPENSE ITEMS  | Section 5<br>Notes | Audited                            | Audited                          |
|---|--------------------|------------------------------------|----------------------------------|
|   |                    | Current Period<br>01.01-31.12.2022 | Prior Period<br>01.01-31.12.2021 |
| <b>I. INTEREST INCOME</b>   | <b>(IV-1)</b>      | <b>36,528,298</b>                  | <b>16,156,398</b>                |
| 1.1 Interest Income on Loans  |                    | 22,525,749                         | 11,871,313                       |
| 1.2 Interest Income on Reserve Requirements   |                    | 106,992                            | 413,671                          |
| 1.3 Interest Income on Banks  |                    | 232,661                            | 146,890                          |
| 1.4 Interest Income on Money Market Transactions  |                    | 399,683                            | 119,508                          |
| 1.5 Interest Income on Securities Portfolio   |                    | 12,210,893                         | 3,107,550                        |
| 1.5.1 Financial Assets at Fair Value Through Profit or Loss                                 |                    | 397,218                            | 257,762                          |
| 1.5.2 Financial Assets at Fair Value Through Other Comprehensive Income                     |                    | 1,716,235                          | 709,804                          |
| 1.5.3 Financial Assets Measured at Amortised Cost   |                    | 10,097,440                         | 2,139,984                        |
| 1.6 Financial Lease Income  |                    | -                                  | -                                |
| 1.7 Other Interest Income   | (IV-12)            | 1,052,320                          | 497,466                          |
| <b>II. INTEREST EXPENSE (-)</b>   | <b>(IV-2)</b>      | <b>15,800,491</b>                  | <b>9,090,206</b>                 |
| 2.1 Interest Expense on Deposits  |                    | 13,292,902                         | 7,264,806                        |
| 2.2 Interest Expense on Funds Borrowed  |                    | 1,674,889                          | 875,246                          |
| 2.3 Interest Expense on Money Market Transactions   |                    | 256,830                            | 341,931                          |
| 2.4 Interest Expense on Securities Issued   |                    | 236,045                            | 451,610                          |
| 2.5 Interest Expense on Leases  |                    | 173,030                            | 106,577                          |
| 2.6 Other Interest Expenses   |                    | 166,795                            | 50,036                           |
| <b>III. NET INTEREST INCOME/EXPENSE (I - II)</b>  |                    | <b>20,727,807</b>                  | <b>7,066,192</b>                 |
| <b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSE</b>  |                    | <b>2,607,619</b>                   | <b>1,590,432</b>                 |
| 4.1 Fees and Commissions Received   |                    | 4,614,814                          | 2,685,996                        |
| 4.1.1 Non-cash Loans  |                    | 590,236                            | 323,536                          |
| 4.1.2 Other   | (IV-12)            | 4,024,578                          | 2,362,460                        |
| 4.2 Fees and Commissions Paid (-)   |                    | 2,007,195                          | 1,095,564                        |
| 4.2.1 Non-cash Loans  |                    | 10,859                             | 8,690                            |
| 4.2.2 Other   | (IV-12)            | 1,996,336                          | 1,086,874                        |
| <b>V. DIVIDEND INCOME</b>   | <b>(IV-3)</b>      | <b>7,759</b>                       | <b>3,503</b>                     |
| <b>VI. TRADING INCOME / LOSS (Net)</b>  | <b>(IV-4)</b>      | <b>1,953,420</b>                   | <b>(1,987,003)</b>               |
| 6.1 Securities Trading Gains / Losses   |                    | (60,373)                           | (66,345)                         |
| 6.2 Gains / Losses on Derivative Financial Instruments                                      |                    | (3,235,269)                        | (2,761,832)                      |
| 6.3 Foreign Exchange Gains / Losses   |                    | 5,249,062                          | 841,174                          |
| <b>VII. OTHER OPERATING INCOME</b>  | <b>(IV-5)</b>      | <b>295,174</b>                     | <b>212,096</b>                   |
| <b>VIII. GROSS OPERATING PROFIT (III+IV+V+VI+VII)</b>                                       |                    | <b>25,591,779</b>                  | <b>6,885,220</b>                 |
| <b>IX. EXPECTED CREDIT LOSS (-)</b>   | <b>(IV-6)</b>      | <b>1,806,241</b>                   | <b>(7,720)</b>                   |
| <b>X. OTHER PROVISION EXPENSES (-)</b>  | <b>(IV-6)</b>      | <b>401,447</b>                     | <b>1,572</b>                     |
| <b>XI. PERSONNEL EXPENSES (-)</b>   |                    | <b>4,189,162</b>                   | <b>1,936,213</b>                 |
| <b>XII. OTHER OPERATING EXPENSES (-)</b>  | <b>(IV-7)</b>      | <b>3,801,703</b>                   | <b>2,231,547</b>                 |
| <b>XIII. NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)</b>                                   |                    | <b>15,393,226</b>                  | <b>2,723,608</b>                 |
| <b>XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>                                   |                    | -                                  | -                                |
| <b>XV. INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b> |                    | -                                  | -                                |
| <b>XVI. INCOME/LOSS ON NET MONETARY POSITION</b>  |                    | -                                  | -                                |
| <b>XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)</b>                | <b>(IV-8)</b>      | <b>15,393,226</b>                  | <b>2,723,608</b>                 |
| <b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>                                    | <b>(IV-9)</b>      | <b>3,818,745</b>                   | <b>642,734</b>                   |
| 18.1 Current Tax Provision  |                    | 5,458,691                          | 218,125                          |
| 18.2 Deferred Tax Expense Effect (+)  |                    | 3,320,176                          | 3,013,505                        |
| 18.3 Deferred Tax Income Effect (-)   |                    | (4,960,122)                        | (2,588,896)                      |
| <b>XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)</b>               | <b>(IV-10)</b>     | <b>11,574,481</b>                  | <b>2,080,874</b>                 |
| <b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>  |                    | -                                  | -                                |
| 20.1 Income from Non-current Assets Held for Sale   |                    | -                                  | -                                |
| 20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures                       |                    | -                                  | -                                |
| 20.3 Income from Other Discontinued Operations  |                    | -                                  | -                                |
| <b>XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>                                       |                    | -                                  | -                                |
| 21.1 Expenses from Non-current Assets Held for Sale   |                    | -                                  | -                                |
| 21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures                         |                    | -                                  | -                                |
| 21.3 Expenses for Other Discontinued Operations   |                    | -                                  | -                                |
| <b>XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)</b>                   | <b>(IV-8)</b>      | -                                  | -                                |
| <b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>                                 | <b>(IV-9)</b>      | -                                  | -                                |
| 23.1 Current Tax Provision  |                    | -                                  | -                                |
| 23.2 Deferred Tax Expense Effect (+)  |                    | -                                  | -                                |
| 23.3 Deferred Tax Income Effect (-)   |                    | -                                  | -                                |
| <b>XXIV. CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>           | <b>(IV-10)</b>     | -                                  | -                                |
| <b>XXV. NET INCOME/LOSS (XIX+XXIV)</b>  | <b>(IV-11)</b>     | <b>11,574,481</b>                  | <b>2,080,874</b>                 |
| 25.1 Group's Profit / Loss  |                    | 11,556,896                         | 2,072,708                        |
| 25.2 Minority Interest Profit / Loss (-)  |                    | 17,585                             | 8,166                            |
| Earnings per Share  |                    | 5.2427                             | 0.9403                           |

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 YEAR ENDED 31 DECEMBER 2022 AND 2021

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

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

|   | Audited<br>Current Period<br>01.01-31.12.2022 | Audited<br>Prior Period<br>01.01-31.12.2021 |
|---|---|---|
| <b>I. CURRENT PERIOD INCOME/LOSS</b>  | <b>11,574,481</b>                             | <b>2,080,874</b>                            |
| <b>II. OTHER COMPREHENSIVE INCOME</b>   | <b>520,446</b>                                | <b>290,906</b>                              |
| <b>2.1 Other Comprehensive Income that will not be Reclassified through Profit or Loss</b>                                    | <b>(360,297)</b>                              | <b>(116,937)</b>                            |
| 2.1.1 Gains /losses on Revaluation of Property, Plant and Equipment   | -   | -   |
| 2.1.2 Gains/losses on Revaluation of Intangible Assets  | -   | -   |
| 2.1.3 Gains/losses on Remeasurement of Defined Benefit Plans  | (497,654)                                     | (148,981)                                   |
| 2.1.4 Other Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss                     | 5,643   | 2,369                                       |
| 2.1.5 Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss         | 131,714                                       | 29,675                                      |
| <b>2.2 Other Comprehensive Income that will be Reclassified to Profit or Loss</b>   | <b>880,743</b>                                | <b>407,843</b>                              |
| 2.2.1 Exchange Differences on Translation   | -   | -   |
| 2.2.2 Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value Through Other Comprehensive Income | 1,173,138                                     | (141,239)                                   |
| 2.2.3 Income/Loss related with Cash Flow Hedges   | 1,743   | 658,228                                     |
| 2.2.4 Income/Loss related with Hedges of Net Investments in Foreign Operations  | -   | -   |
| 2.2.5 Other Components of Other Comprehensive Income that will be Reclassified through Other Profit or Loss                   | -   | -   |
| 2.2.6 Taxes Relating to Components of Other Comprehensive Income that will be Reclassified through Profit or Loss             | (294,138)                                     | (109,146)                                   |
| <b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>   | <b>12,094,927</b>                             | <b>2,371,780</b>                            |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2022 AND 2021

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

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

| STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY                            |                  |                |                           |                        | Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss |                  |               | Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss |                  |                |                   |                               |                               |  |                 |                   |
|---|------------------|----------------|---------------------------|------------------------|---|------------------|---------------|---|------------------|----------------|-------------------|-------------------------------|-------------------------------|--|-----------------|-------------------|
| Audited   | Paid-in Capital  | Share Premiums | Share Cancellation Profit | Other Capital Reserves | 1   | 2                | 3             | 4   | 5                | 6              | Profit Reserves   | Prior Period Profit or (Loss) | Current Period Profit or Loss | Total Equity Except from Minority Shares | Minority Shares | Total Equity      |
| <b>Prior Period – 01.01-31.12.2021</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  | -                | -              | -                         | -                      | -   | (118,965)        | 2,249         | -   | (111,608)        | 519,503        | -                 | -                             | 2,072,708                     | 2,363,887                                | 7,893           | 2,371,780         |
| 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 31.12.2021<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>(123,085)</b> | <b>7,482</b>  | <b>-</b>  | <b>(199,759)</b> | <b>292,799</b> | <b>9,336,062</b>  | <b>-</b>                      | <b>2,072,708</b>              | <b>14,038,053</b>                        | <b>18,217</b>   | <b>14,056,270</b> |
| <b>Current Period – 01.01-31.12.2022</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 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  | -                | -              | -                         | -                      | -   | (364,876)        | 5,230         | -   | 891,000          | (10,354)       | -                 | -                             | 11,556,896                    | 12,077,896                               | 17,031          | 12,094,927        |
| 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 31.12.2022<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>(487,961)</b> | <b>12,712</b> | <b>-</b>  | <b>691,241</b>   | <b>282,445</b> | <b>11,310,414</b> | <b>98,356</b>                 | <b>11,556,896</b>             | <b>26,115,949</b>                        | <b>28,443</b>   | <b>26,144,392</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).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS FROM 1 JANUARY TO 31 DECEMBER 2022 AND 2021

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

### VI. CONSOLIDATED STATEMENT OF CASH FLOWS

|   | Section 5<br>Notes | Audited<br>Current Period<br>01.01-31.12.2022 | Audited<br>Prior Period<br>01.01-31.12.2021 |
|---|--------------------|---|---|
| <b>A. CASH FLOWS FROM BANKING OPERATIONS</b>  |                    |   |   |
| <b>1.1 Operating Profit Before Changes in Banking Operations Assets and Liabilities</b>       |                    | <b>12,424,761</b>                             | <b>13,027,257</b>                           |
| 1.1.1 Interest Received   |                    | 24,749,272                                    | 14,653,420                                  |
| 1.1.2 Interest Paid   |                    | (13,980,622)                                  | (8,878,542)                                 |
| 1.1.3 Dividend Received   |                    | 516   | 3,503                                       |
| 1.1.4 Fees and Commissions Received   |                    | 4,270,611                                     | 2,627,891                                   |
| 1.1.5 Other Income  |                    | 7,043,218                                     | 1,053,270                                   |
| 1.1.6 Collections from Previously Written-Off Loans   |                    | 1,480,497                                     | 1,140,863                                   |
| 1.1.7 Payments to Personnel and Service Suppliers   |                    | (3,866,908)                                   | (1,898,007)                                 |
| 1.1.8 Taxes Paid  |                    | (4,178,029)                                   | (471,351)                                   |
| 1.1.9 Other   | (VI-1)             | (3,093,794)                                   | 4,796,210                                   |
| <b>1.2 Changes in Banking Operations Assets and Liabilities</b>                               |                    | <b>4,358,251</b>                              | <b>(2,450,280)</b>                          |
| 1.2.1 Net (Increase) in Financial Asset at Fair Value Through Profit or Loss                  |                    | (610,925)                                     | (1,167,412)                                 |
| 1.2.2 Net (Increase) in Due From Banks  |                    | (23,844)                                      | (72,658)                                    |
| 1.2.3 Net (Increase) in Loans   |                    | (34,776,854)                                  | (17,072,631)                                |
| 1.2.4 Net (Increase) in Other Assets  | (VI-1)             | (7,824,618)                                   | (9,690,894)                                 |
| 1.2.5 Net (Decrease) in Bank Deposits   |                    | (1,936,025)                                   | (3,284,982)                                 |
| 1.2.6 Net Increase in Other Deposits  |                    | 48,276,847                                    | 15,274,720                                  |
| 1.2.7 Net Increase / (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss |                    | -   | -   |
| 1.2.8 Net (Decrease) / Increase in Funds Borrowed   |                    | (2,353,382)                                   | 7,822,570                                   |
| 1.2.9 Net Increase / (Decrease) in Matured Payables   |                    | -   | -   |
| 1.2.10 Net Increase in Other Liabilities  | (VI-1)             | 3,607,052                                     | 5,741,007                                   |
| <b>I. Net Cash Flows from Banking Operations</b>  |                    | <b>16,783,012</b>                             | <b>10,576,977</b>                           |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |   |   |
| <b>II. Net Cash Flow Provided from Investing Activities</b>                                   |                    | <b>(8,741,206)</b>                            | <b>(1,700,120)</b>                          |
| 2.1 Purchase of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)      |                    | -   | -   |
| 2.2 Sale of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)          |                    | -   | -   |
| 2.3 Purchase of Tangible Assets   |                    | (366,739)                                     | (231,327)                                   |
| 2.4 Sale of Tangible Assets   |                    | 42,656  | 4,272                                       |
| 2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income             |                    | (1,867,612)                                   | (3,472,651)                                 |
| 2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income                 |                    | 4,392,377                                     | 6,749,988                                   |
| 2.7 Purchase of Financial Assets Measured at Amortised Cost                                   |                    | (12,931,494)                                  | (6,645,155)                                 |
| 2.8 Sale of Financial Assets Measured at Amortised Cost                                       |                    | 2,428,011                                     | 2,016,874                                   |
| 2.9 Other   | (VI-1)             | (438,405)                                     | (122,121)                                   |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                    |   |   |
| <b>III. Net Cash Provided from Financing Activities</b>                                       |                    | <b>(1,110,479)</b>                            | <b>(3,825,468)</b>                          |
| 3.1 Cash Obtained from Funds Borrowed and Securities Issued                                   |                    | 7,030,561                                     | 10,033,681                                  |
| 3.2 Cash Outflow from Repayment of Funds Borrowed and Securities Issued                       |                    | (7,776,517)                                   | (13,594,895)                                |
| 3.3 Equity Instruments Issued   |                    | -   | -   |
| 3.4 Dividends Paid  |                    | (6,805)                                       | (5,183)                                     |
| 3.5 Payments for Leases   |                    | (357,718)                                     | (259,071)                                   |
| 3.6 Other   |                    | -   | -   |
| <b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>             | (VI-1)             | <b>3,764,592</b>                              | <b>2,128,252</b>                            |
| <b>V. Net Increase in Cash and Cash Equivalents</b>   |                    | <b>10,695,919</b>                             | <b>7,179,641</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>                                    | (VI-2)             | <b>42,110,784</b>                             | <b>31,414,865</b>                           |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

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

### VII. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION (\*)

|   | Audited<br>Current Period<br>31.12.2022(**) | Audited<br>Prior Period<br>31.12.2021 |
|---|---|---------------------------------------|
| <b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>                       |   |                                       |
| 1.1 CURRENT YEAR INCOME   | 14,880,958                                  | 2,498,526                             |
| 1.2 TAXES AND DUTIES PAYABLE (-)                                    | 3,690,354                                   | 585,628                               |
| 1.2.1 Corporate tax (Income tax)                                    | 5,323,264                                   | 166,686                               |
| 1.2.2 Income withholding tax  | -   | -                                     |
| 1.2.3 Other taxes and duties (***)                                  | (1,632,910)                                 | 418,942                               |
| <b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>                         | <b>11,190,604</b>                           | <b>1,912,898</b>                      |
| 1.3 PRIOR YEARS' LOSSES (-)   | -   | -                                     |
| 1.4 FIRST LEGAL RESERVES (-)  | -   | 95,645                                |
| 1.5 OTHER STATUTORY RESERVES (-)                                    | -   | -                                     |
| <b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b> | <b>11,190,604</b>                           | <b>1,817,253</b>                      |
| 1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)                              | -   | -                                     |
| 1.6.1 To owners of ordinary shares                                  | -   | -                                     |
| 1.6.2 To owners of preferred shares                                 | -   | -                                     |
| 1.6.3 To owners of preferred shares (pre-emptive rights)            | -   | -                                     |
| 1.6.4 To profit sharing bonds                                       | -   | -                                     |
| 1.6.5 To holders of profit and loss sharing certificates            | -   | -                                     |
| 1.7 DIVIDENDS TO PERSONNEL (-)                                      | -   | -                                     |
| 1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)                             | -   | -                                     |
| 1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)                             | -   | -                                     |
| 1.9.1 To owners of ordinary shares                                  | -   | -                                     |
| 1.9.2 To owners of preferred shares                                 | -   | -                                     |
| 1.9.3 To owners of preferred shares (pre-emptive rights)            | -   | -                                     |
| 1.9.4 To profit sharing bonds                                       | -   | -                                     |
| 1.9.5 To holders of profit and loss sharing certificates            | -   | -                                     |
| 1.10 SECOND LEGAL RESERVES (-)                                      | -   | -                                     |
| 1.11 STATUTORY RESERVES (-)   | -   | -                                     |
| 1.12 EXTRAORDINARY RESERVES   | -   | 1,817,253                             |
| 1.13 OTHER RESERVES   | -   | -                                     |
| 1.14 SPECIAL FUNDS  | -   | -                                     |
| <b>II. DISTRIBUTION OF RESERVES</b>                                 | -   | -                                     |
| 2.1 DISTRIBUTED RESERVES  | -   | -                                     |
| 2.2 SECOND LEGAL RESERVES (-)                                       | -   | -                                     |
| 2.3 DIVIDENDS TO SHAREHOLDERS (-)                                   | -   | -                                     |
| 2.3.1 To owners of ordinary shares                                  | -   | -                                     |
| 2.3.2 To owners of preferred shares                                 | -   | -                                     |
| 2.3.3 To owners of preferred shares (pre-emptive rights)            | -   | -                                     |
| 2.3.4 To profit sharing bonds                                       | -   | -                                     |
| 2.3.5 To holders of profit and loss sharing certificates            | -   | -                                     |
| 2.4 DIVIDENDS TO PERSONNEL (-)                                      | -   | -                                     |
| 2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)                             | -   | -                                     |
| <b>III. EARNINGS PER SHARE</b>                                      | -   | -                                     |
| 3.1 TO OWNERS OF ORDINARY SHARES                                    | 5.0765                                      | 0.8678                                |
| 3.2 TO OWNERS OF ORDINARY SHARES ( % )                              | 507.65                                      | 86.78                                 |
| 3.3 TO OWNERS OF PREFERRED SHARES                                   | -   | -                                     |
| 3.4 TO OWNERS OF PREFERRED SHARES ( % )                             | -   | -                                     |
| <b>IV. DIVIDEND PER SHARE</b>                                       | -   | -                                     |
| 4.1 TO OWNERS OF ORDINARY SHARES                                    | -   | -                                     |
| 4.2 TO OWNERS OF ORDINARY SHARES ( % )                              | -   | -                                     |
| 4.3 TO OWNERS OF PREFERRED SHARES                                   | -   | -                                     |
| 4.4 TO OWNERS OF PREFERRED SHARES ( % )                             | -   | -                                     |

(\*) The profit distribution table has been prepared according to the unconsolidated financial statements of the Parent Bank.

(\*\*) The authorized body of the Parent Bank regarding profit distribution is the General Assembly, and as of the preparation date of these financial statements, the annual ordinary General Assembly meeting has not been held yet. Since the profit distribution proposal for 2022 has not yet been prepared by the Board of Directors, only the distributable profit amount is indicated in the profit distribution table.

(\*\*\*) Deferred tax income shown in other tax and legal liabilities (31 December 2021: Deferred tax expense)

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

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### SECTION THREE

#### ACCOUNTING PRINCIPLES

##### I. Basis of Presentation

###### a. Financial statements and related explanations and preparation of 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 Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

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

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

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. The COVID-19 outbreak, especially in countries that are over-exposed to the pandemic, causes disruptions in operations and adversely affects economic conditions both regionally and globally.

The effects of this global pandemic on the 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 as of 31 December 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.

The tension between Russia and Ukraine since January 2022 turned into a crisis and a hot conflict. The Bank does not carry out any activity in the two subject countries. Considering the geographies in which the 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

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### I. Basis of Presentation (Continued)

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

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

The amendments to TAS/TFRS, effective from 1 January 2022, do not have a significant impact on the 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 (“TAS 29”) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies for the year ended 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. Therefore, no inflation adjustment has been made as per TAS 29 in the financial statements as of 31 December 2022.

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

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 and TFRS, and the subsidiaries are consolidated by using line-by-line consolidation method. Türk Ekonomi Bankası Anonim Şirketi and its financial institutions, TEB Faktoring A.Ş. (TEB Faktoring), TEB Yatırım Menkul Değerler A.Ş. (TEB Yatırım) and TEB Portföy Yönetimi A.Ş. (TEB Portföy) are included in the accompanying consolidated financial statements by line-by-line consolidation method. The Parent Bank and the entities included in the consolidation are referred to as "the Group" in this report.

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

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

#### Explanations on Consolidation Method and Scope

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

| <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 are prepared as at 31 December 2022 and 31 December 2021.

Transactions and balances between the Parent Company and its subsidiaries are netted off against each other.

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

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

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

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

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

All derivative financial instruments are valued using the fair value method. The fair value of derivative financial instruments traded in organized markets is their price in the organized market. Within the scope of TFRS 13 Fair Value Measurement standard; The Bank considers that (i) the fair value of the asset or liability (or similar asset or liability) 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. The 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 transactions based on interest are valued according to the fair value method as well as the effective interest rate method. While the sum of the valuation amount made for such derivative transactions is shown in a single valuation account in the balance sheet, the amount calculated according to the effective interest method on the income/expense side and the difference amounts calculated according to the fair value method are shown in separate accounts..

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

#### Explanations on derivatives for hedging purposes

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

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

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 (Continued)

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

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

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

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

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

Accrued but not collected interests and rediscounts of loans, those classified as non-performing loans (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 amortised 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.

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 the relevant period according to the cut-off principle.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

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### 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 Amortised Cost". The financial assets are recognized or derecognized in accordance with the "Recognition and Derecognition" principles defined in Section 3 related to the classification and measurement of financial instruments of the "IFRS 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 related to derivative financial instruments at fair value through profit or loss are explained in Section III. note 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 amortised cost of the financial assets, i.e. "Unrealized gains and losses", is not recognized in the statement of profit or loss until the realization of the financial asset, the sale of the asset, the disposal of the asset or being impaired of the asset are accounted under "Other Accumulated Comprehensive Income or Expenses that will be reclassified at Profit or Loss" under shareholders' equity. Accumulated fair value differences under equity are reflected to the income statement when such securities are collected or disposed.

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

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### VII. Explanations on Financial Assets (continued)

#### *Financial Assets at Fair Value through Other Comprehensive Income (continued)*

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 amortised 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 prior. 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. At the end of the year, the actual inflation rate is used.

#### *Financial Assets Measured at Amortised Cost*

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

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

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

##### *Loans:*

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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### VIII. Explanations on Impairment of Financial Assets

As of 1 January 2018, a loss allowance for expected credit losses is provided for all financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income, all financial assets, which are not measured at fair value through profit or loss, loan commitments and financial guarantee contracts in accordance with TFRS 9 principles and the regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with “Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans”. Equity instruments are not subject to impairment assessment as they are measured at fair value.

Measurement of the expected credit losses reflects:

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

The Parent Bank has changed its credit calculation method with the expected credit loss model as of 1 January 2018. Expected credit losses include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions and the time value of money. The financial assets are divided into “3 stage” 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 criterias have been taken into account in classification a financial asset as Stage 2:

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

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

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

#### ***Stage 3:***

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### VIII. Explanations on Impairment of Financial Assets (Continued)

#### Expected Credit Loss Calculation

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

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

There are mainly 3 loan portfolios as Commercial portfolios, Retail portfolios and Public portfolios.

While the Bank uses the internal credit ratings for commercial portfolios, the internal 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       | 7.34 | 7.66 | 3.62 | 0.50 | 0.62 | 0.75 | 2.70 | 7.17 | 3.64 | 4.46 | 4.20 | 1.74 | 4.00 | 3.50 | 3.90 | 4.50 |

(\*) Represents 3-month periods.

The 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.

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.



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### VIII. Explanations on Impairment of Financial Assets (continued)

#### Expected Credit Loss Calculation (continued)

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 these scenarios is taken into account. Forward-looking PDs based on the weighted average of these three scenarios are calculated on segment basis. The fundamental macroeconomic variable in the macroeconomic models is the estimated annual growth rate in gross national product. The Parent Bank periodically reviews the parameters included in the calculation and updates them when necessary.

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

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

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

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

Qualitative assessments:

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

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

Quantitative assessments:

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

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

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### VIII. Explanations on Impairment of Financial Assets (Continued)

#### Expected Credit Loss Calculation (continued)

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 amortised 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 Funds” in income statement.

Securities purchased under repurchase agreements (“reverse repo”) are accounted under “Money Market Placements” in the balance sheet. The difference between the purchase and resell price of the repurchase agreements is accrued over the life of repurchase agreements. As of 31 December 2022, the Group has TL 7,604,278 reverse repo transaction (31 December 2021: None).

As of 31 December 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

Non-current assets held for sale consists of tangible assets acquired with regards to the non-performing loans and accounted in financial statements in accordance with “IFRS 5 Assets Held for Sale and Discontinued Operations”. An asset (or disposal group) classified as held for sale in accordance with IFRS 5 is measured at the lower of its carrying amount and fair value less costs to sell. For an asset to be held for sale, the asset (or disposal group) must be available for immediate sale under the conditions common and customary for the sale of such assets, and the sale must be highly probable. In order to have a high probability of sale; A plan for the sale of the asset must have been made by an appropriate level of management and an active program of identification of buyers and completion of the plan must have been initiated. In addition, the asset must be actively marketed at a price consistent with its fair value.

As of 31 December 2022, assets held for sale and discontinued operations of the Group are TL 100,370 (31 December 2021: TL 65,933). As per the appraisals performed for the real estates held for sale included “Assets Held for Sale” in the financial statements, TL 3,158 (31 December 2021: TL 2,288) has been reserved as provision for impairment losses.

As of 31 December 2022, the Group has no discontinued operations.

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

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

As explained in note 1 of Section 1, under the Banking Regulation and Supervision Agency decision dated 10 February 2011 and the release of decision in Official Gazette 12 February 2011 dated and numbered as 27844 the merger of two banks was realized by terminating the legal entity of Fortis Bank A.Ş. and transferring all its rights, receivables (assets and liabilities) to the Bank as a whole as stated in Istanbul Commerce Trade dated 14 February 2011.

Within the framework of TFRS 3 Business Combination, identifiable assets and liabilities acquired at the merger date are measured at their acquisition date fair value. In this context, the 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 of the Bank and the equity impact is shown under other shareholder's equity section.

Goodwill arising on an acquisition of a business, or a merger is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the 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 amortised 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 amortised 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 Group's main assets classified as other intangible assets are computer software. The useful lives of such assets acquired are determined as 3-5 years by taking into consideration the expected utilization period, technical, technological or any other impairment and maintenance expenses necessary for the economic use of such assets. Software's used are mainly developed within the Parent Bank by the Parent Bank's personnel and the related expenses are not capitalized.

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

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### 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 into consideration based on the number of months that the asset is used. No amendment has been made to the depreciation method in the current period. The economic useful lives of the tangible assets are as follows:

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

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

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

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

### XIV. Explanations on Leasing Transactions

“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. In this measurement, if the interest can be easily determined, the implied interest rate in the lease is used. If this ratio is not easily determined, the Bank's alternative borrowing interest rate announced by the Asset and Liability Management Department is used.

Public Oversight Authority (POA) made amendments in IFRS 16 “Leases” standard by publishing the Concessions Granted in Lease Payments Regarding COVID-19 – “amendments regarding IFRS 16 Leases” on 5 June 2020. With this amendment, exception is granted to lessee on the subject of not evaluating whether the privileges granted on lessees' lease payments due to COVID-19 are changes on leasing or not. The subjected changes did not have a significant impact on the Parent Bank's financial position or performance.

With the “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.

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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 1 year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Parent Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. According to the Turkish Accounting Standard on Employee Benefits No. 19, the total benefit is calculated for employees who have completed one year of employment and whose working period has expired due to retirement, or who are left voluntarily or dismissed.

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

Employees transferred to the Parent Bank following the business combination defined in “General Information” of the Parent Bank and Fortis Bank A.Ş. are the members of “Fortis Bank A.Ş. Mensupları Emekli Sandığı” (the “Pension Fund”) which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No. 506. Technical financial statements of the Pension Fund are audited by a licensed actuary in accordance with Article 38 of the Insurance Supervisory Law and the “Actuary Regulations” issued based on the same article. As of 31 December 2022, the Pension Fund has 1,351 employees and 1,302 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”.

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### XVII. Explanations on Liabilities Regarding Employee Benefits (Continued)

The technical financial statements of the Pension Fund are prepared by an independent actuary company considering related regulation and the Fund is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2022. Since the Parent Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

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

### XVIII. Explanations on Taxation

#### *Corporate Tax*

In Turkey, corporate tax applied at the rate of 20% for corporate income is applied at 25% for the corporate income for the taxation period of 2021 and 23% for the corporate income for the taxation period of 2022 in accordance with the regulation introduced by the Law No. 7316 "Law on the Amendment of the Law on the Procedure for Collection of Public Receivables and Certain Laws", and pursuant to the regulation numbered 7394 "Law on the Amendment of Certain Laws and Decree Laws with the Law on the Evaluation of Immovable Properties Belonging to the Treasury and Amendment to the Value Added Tax Law", this rate has been determined as 25% to be applied to the corporate income of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorised foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies for the taxation period starting from 2022. In addition, with the Law No. 7417 "Law on the Amendment of the Law on Civil Servants and Certain Laws and the Decree Law No. 375", the effective article of the 25% rate determined within the scope of Law No. 7394 has been amended, and thus, the relevant regulation has been made that 25% corporate tax will be calculated on the corporate income of the above-mentioned banks and financial institutions for the taxation period of 2023 and the following periods.

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

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

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

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

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### XVIII. Explanations on Taxation (Continued)

#### *Corporate Tax (Continued)*

In accordance with the repeated Article 298 of the Tax Procedure Law, 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 period, the financial statements will be subject to inflation adjustment and these conditions have been met as of 31 December 2021. 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, provisional 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 31 December 2022, the deferred tax is calculated over 25% in 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 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.

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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 Bank provides these services and products for its corporate customers via teams, located in its corporate branches and Head Office, who are specialized in foreign trade, cash management, structured finance and multinational companies. It also benefits from the global business network and expertise of BNP Paribas Group.

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

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

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



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### XXIII. Explanations on Reporting According to Segmentation (Continued)

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

| Current Period                   | Retail and<br>Private Banking | Corporate<br>Banking | SME<br>Banking | Other            | Elimination     | Total             |
|----------------------------------|-------------------------------|----------------------|----------------|------------------|-----------------|-------------------|
| Dividend Income                  | -                             | -                    | -              | 20,376           | (12,617)        | 7,759             |
| Profit Before Tax                | 663,372                       | 2,975,976            | 813,904        | 10,957,349       | (17,375)        | 15,393,226        |
| Tax Provision (-)                | -                             | -                    | -              | 3,819,042        | (297)           | 3,818,745         |
| <b>Net Profit for the Period</b> | <b>663,372</b>                | <b>2,975,976</b>     | <b>813,904</b> | <b>7,138,307</b> | <b>(17,078)</b> | <b>11,574,481</b> |

| Current Period   | Retail and<br>Private Banking | Corporate<br>Banking | SME<br>Banking    | Other              | Elimination      | Total              |
|--|-------------------------------|----------------------|-------------------|--------------------|------------------|--------------------|
| Segment Assets   | 49,284,780                    | 72,104,561           | 31,186,936        | 131,443,516        | (483,827)        | 283,535,966        |
| Investments in Associates, Subsidiaries and<br>Jointly Controlled Entities | -                             | -                    | -                 | 134,952            | (134,897)        | 55                 |
| <b>Total Assets</b>  | <b>49,284,780</b>             | <b>72,104,561</b>    | <b>31,186,936</b> | <b>131,578,468</b> | <b>(618,724)</b> | <b>283,536,021</b> |
| Segment Liabilities  | 134,626,362                   | 51,402,414           | 20,788,852        | 51,058,839         | (484,838)        | 257,391,629        |
| Shareholders' Equity   | -                             | -                    | -                 | 26,278,278         | (133,886)        | 26,144,392         |
| <b>Total Liabilities</b>   | <b>134,626,362</b>            | <b>51,402,414</b>    | <b>20,788,852</b> | <b>77,337,117</b>  | <b>(618,724)</b> | <b>283,536,021</b> |

| Prior Period (31.12.2021)        | Retail and<br>Private Banking | Corporate<br>Banking | SME<br>Banking | Other         | Elimination    | Total            |
|----------------------------------|-------------------------------|----------------------|----------------|---------------|----------------|------------------|
| Dividend Income                  | -                             | -                    | -              | 9,775         | (6,272)        | 3,503            |
| Profit before Tax                | 849,126                       | 807,896              | 337,316        | 739,084       | (9,814)        | 2,723,608        |
| Tax Provision (-)                | -                             | -                    | -              | 642,911       | (177)          | 642,734          |
| <b>Net Profit for The Period</b> | <b>849,126</b>                | <b>807,896</b>       | <b>337,316</b> | <b>96,173</b> | <b>(9,637)</b> | <b>2,080,874</b> |

| Prior Period (31.12.2021)  | Retail and<br>Private Banking | Corporate<br>Banking | SME<br>Banking    | Other             | Elimination      | Total              |
|--|-------------------------------|----------------------|-------------------|-------------------|------------------|--------------------|
| Segment Assets   | 37,486,577                    | 47,375,661           | 23,996,403        | 90,620,966        | (625,544)        | 198,854,063        |
| Investments in Associates, Subsidiaries and<br>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

According to the decision taken at the Ordinary General Assembly Meeting of the Parent Bank held on 28 March 2022, out of the net balance sheet profit for the year 2021 amounting to TL 1,912,898, TL 95,645 was allocated to Legal Reserves and TL 1.56 (full TL) was allocated to Extraordinary Reserves as recommended by the Board of Directors.

### XXV. Reclassifications

Reclassifications have been made on the income statement and cash flow statement as of 31 December 2021 in order to comply with the presentation of 31 December 2022 financial statements. The related reclassification has no impact on the Group's performance.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 in accordance with the "Regulation on Bank's Equity" and "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" and in addition to these, the BRSA's regulations dated 8 December 2020 and numbered 9312, dated 1 July 2021 and numbered 9645, dated 21 December 2021 and numbered 9996, 28 April 2022 and numbered 10188 and 23 June 2022 and numbered 10248. According to the latest regulation changes.

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

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

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

In accordance with the Board decision dated 21 December 2021 and numbered 9996, in case of the net valuation differences of the financial assets included in the portfolio of "Securities at Fair Value through Other Comprehensive Income" as of the decision date are negative, these differences have been calculated in accordance with the Regulation on the Equity of Banks published in the Official Gazette dated 5 September 2013 and numbered 28756 and have not been taken into account in the amount of equity to be used for the capital adequacy ratio.

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

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

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

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

As of 31 December 2022, the Group's consolidated shareholders' equity amounts to TL 36,818,836 (31 December 2021: TL 21,866,488) and the consolidated capital adequacy standard ratio is 18.26% (31 December 2021: 17.77%). The Group's 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

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### I. Explanations Related to Components of Consolidated Shareholders’ (Continued)

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

|   | Current Period<br>31.12.2022 | 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  | 11,060,692                   | 9,538,286                  |
| Gains recognized in equity as per Turkish Accounting Standards (TAS)  | 783,777                      | 4,611                      |
| Profit  | 11,655,252                   | 2,072,708                  |
| Current Period’s Profit   | 11,556,896                   | 2,072,708                  |
| Prior Year’s Profit   | 98,356                       | -                          |
| Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period’s Profit  | -                            | -                          |
| Minority interest   | 1,309                        | 750                        |
| <b>Common Equity Tier 1 Capital Before Deductions</b>   | <b>25,908,247</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   | 9                            | 122                        |
| Leasehold Improvements on Operational Leases  | 49,879                       | 37,252                     |
| Goodwill netted off deferred tax liability  | 421,124                      | 421,124                    |
| Other intangible assets netted off deferred tax liabilities except mortgage servicing rights  | 455,025                      | 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 in accordance with the second paragraph of the Provisional Article 2 of the Regulation on Banks' Equity)  | -                            | -                          |
| 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>926,037</b>               | <b>634,382</b>             |
| <b>Total Common Equity Tier 1 Capital</b>   | <b>24,982,210</b>            | <b>13,389,190</b>          |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### I. Explanations Related to Components of Consolidated Shareholders’ (Continued)

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

|   | Current Period<br>31.12.2022 | 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 (In the scope of Provisional Article 4)  | -                            | -                          |
| Third Parties Share in the Additional Tier 1 Capital  | 281                          | 161                        |
| Third Parties Share in the Additional Tier 1 Capital (in the scope of Provisional Article 3)  | 281                          | 161                        |
| <b>Additional Tier 1 Capital before deductions</b>  | <b>281</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>281</b>                   | <b>161</b>                 |
| <b>Total Tier 1 Capital (Tier 1 Capital=Common Equity + Additional Tier 1 Capital)</b>  | <b>24,982,491</b>            | <b>13,389,351</b>          |
| <b>TIER 2 CAPITAL</b>   |                              |                            |
| Debt instruments and related issuance premiums defined by the BRSA  | 9,560,582                    | 7,140,542                  |
| Debt instruments and related issuance premium defined by the BRSA (in the scope of provisional article 4)   | -                            | -                          |
| Third parties’ share in the Tier 2 Capital  | 374                          | 214                        |
| Third parties’ share in the Tier 2 Capital (in the scope of provisional article 3)  | 374                          | 214                        |
| Provisions (Amounts stated in the first paragraph of the article 8 of the Regulation on the Bank Capital)   | 2,298,394                    | 1,363,914                  |
| <b>Tier 2 Capital Before Deductions</b>   | <b>11,859,350</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>11,859,350</b>            | <b>8,504,670</b>           |
| <b>Total Capital (The sum of Tier 1 and Tier 2 Capital)</b>   | <b>36,841,841</b>            | <b>21,894,021</b>          |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### I. Explanations Related to Components of Consolidated Shareholders’ (Continued)

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

|  | Current Period<br>31.12.2022 | Prior Period<br>31.12.2021 |
|--|------------------------------|----------------------------|
| <b>The sum of Tier 1 Capital and Tier 2 Capital (Total Equity)</b>   |                              |                            |
| Loan granted to Customer against the Articles 50 and 51 of the Banking Law   | 886                          | 3,823                      |
| Net book values of immovables exceeding the equity and of assets acquired against overdue receivables and held for sale as per the article 57 of the banking law but retained more than five years   | -                            | -                          |
| Other items to be defined by the BRSA  | 22,119                       | 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 (The sum of Tier 1 Capital and Tier 2 Capital)   | 36,818,836                   | 21,866,488                 |
| Total Risk Weighted Amounts  | 201,587,244                  | 123,079,834                |
| <b>CAPITAL ADEQUACY RATIOS</b>   |                              |                            |
| Common Equity Tier 1 Capital Adequacy Ratio (%)  | 12.39                        | 10.88                      |
| Tier 1 Capital Adequacy Ratio (%)  | 12.39                        | 10.88                      |
| Capital Adequacy Ratio (%)   | 18.26                        | 17.77                      |
| <b>BUFFERS</b>   |                              |                            |
| Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)  | 2.51                         | 2.50                       |
| a) Capital conservation buffer requirement (%)   | 2.50                         | 2.50                       |
| b) Bank specific counter-cyclical buffer requirement (%) (**)  | 0.01                         | 0.00                       |
| c) Systemic significant bank buffer ratio (%)  | -                            | -                          |
| The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)  | 3.89                         | 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  | 416,271                      | 301,971                    |
| Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital   | -                            | -                          |
| Mortgage servicing rights  | -                            | -                          |
| Deferred tax assets arising from temporary differences (net of related tax liability)  | 1,624,898                    | 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)   | 3,761,613                    | 2,123,337                  |
| Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used   | 2,298,394                    | 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 provisional Article 4   | -                            | -                          |
| Amounts Excess the Limits of Additional Tier 1 Capital subjected to provisional Article 4  | -                            | -                          |
| Upper limit for Additional Tier 2 Capital subjected to provisional Article 4   | -                            | -                          |
| Amounts Excess the Limits of Additional Tier 2 Capital subjected to provisional 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.

(\*\*) The cyclical capital buffer rate is written as 0.00 due to the two digits being shown in the note, our rate is full digit 0.004.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

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

#### Information related to the Components of Consolidated Shareholders’ Equity: (continued)

|  | T           | T-1         | T-2         | T-3         | T-4         |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>CAPITAL ITEMS</b>   |             |             |             |             |             |
| Common Equity Tier 1 Capital   | 24,982,210  | 22,450,338  | 18,686,937  | 15,501,595  | 13,389,190  |
| Common Equity Tier 1 Capital where the transition impact has not been applied (a)                    | 24,982,210  | 22,450,338  | 18,686,937  | 15,501,595  | 13,300,616  |
| Tier 1 Capital   | 24,982,491  | 22,450,500  | 18,687,073  | 15,501,737  | 13,389,351  |
| Tier 1 Capital where the transition impact has not been applied (b)                                  | 24,982,491  | 22,450,500  | 18,687,073  | 15,501,737  | 13,300,777  |
| Capital  | 36,818,836  | 33,616,648  | 29,266,071  | 24,778,703  | 21,866,488  |
| Capital where the transition impact has not been applied (c)   | 36,818,836  | 33,616,648  | 29,266,071  | 24,778,703  | 21,777,914  |
|  |             |             |             |             |             |
| <b>TOTAL RISK WEIGHTED ASSETS</b>  |             |             |             |             |             |
| Total Risk Weighted Assets   | 201,587,244 | 193,715,656 | 191,018,451 | 144,685,433 | 123,079,834 |
|  |             |             |             |             |             |
| <b>CAPITAL ADEQUACY RATIOS</b>   |             |             |             |             |             |
| Common Equity Tier 1 Capital Adequacy Ratio (%)  | 12.39       | 11.59       | 9.78        | 10.71       | 10.88       |
| Common Equity Tier 1 Capital Adequacy Ratio (%) where the transition impact has not been applied (d) | 12.39       | 11.59       | 9.78        | 10.71       | 10.81       |
| Tier 1 Capital Adequacy Ratio (%)  | 12.39       | 11.59       | 9.78        | 10.71       | 10.88       |
| Tier 1 Capital Adequacy Ratio (%) where the transition impact has not been applied (d)               | 12.39       | 11.59       | 9.78        | 10.71       | 10.81       |
| Capital Adequacy Ratio (%)   | 18.26       | 17.35       | 15.32       | 17.13       | 17.77       |
| Capital Adequacy Ratio (%) where the transition impact has not been applied (d)                      | 18.26       | 17.35       | 15.32       | 17.13       | 17.69       |
|  |             |             |             |             |             |
| <b>LEVERAGE RATIO</b>  |             |             |             |             |             |
| Leverage Ratio Total Risk Amount   | 383,262,305 | 372,756,816 | 351,012,779 | 304,876,720 | 267,761,081 |
| Leverage Ratio   | 6.50%       | 5.96%       | 5.23%       | 5.04%       | 4.93%       |
| FTA not Applied Leverage Ratio (e)   | 6.50%       | 5.96%       | 5.23%       | 5.04%       | 4.89%       |

(\*) As of 31 December 2021, the implementation of the provisional article 5 has ended and the effects of the previous periods are shown in the table above.

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

- a: Common equity Tier 1 capital if provisional Article 5 of the Regulation on equities of banks has not applied.
- b: Tier 1 capital if provisional Article 5 of the Regulation on equities of banks has not applied.
- c: Total capital if provisional Article 5 of the Regulation on equities of banks has not applied.
- d: Capital adequacy ratios calculated with capital items if provisional Article 5 of the Regulation on banks has not applied.
- e: The leverage ratio calculated with capital items if provisional 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>26,144,392</b> | <b>14,056,270</b> |
| Hedging Funds (effective portion)  | (282,445)         | (292,799)         |
| Deductions Made Under Regulation   | (962,424)         | (662,491)         |
| Transition Impact of TFRS 9 (Temporary 5th Article)  | -                 | 88,574            |
| Accumulated revaluation and / or classification on gains / losses of financial assets at fair value through comprehensive income | 82,687            | 199,636           |
| <b>Common Equity Tier 1 Capital</b>  | <b>24,982,210</b> | <b>13,389,190</b> |
| Additional Tier 1 Capital  | 281               | 161               |
| <b>Tier 1 Capital</b>  | <b>24,982,491</b> | <b>13,389,351</b> |
| Expected Loss Provision (Stage 1 and 2)  | 2,298,394         | 1,363,914         |
| Debt Instruments Defined by the BRSA   | 9,560,582         | 7,140,542         |
| Deductions Made Under Regulation   | (23,005)          | (27,533)          |
| Share of Third Parties in Capital  | 374               | 214               |
| <b>Total Equity</b>  | <b>36,818,836</b> | <b>21,866,488</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

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

#### Information Related To Debt Instruments Included in Equity Calculation:

All of the debt 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)  | XS1895575071                  | XS2023308278                  | XS1973559484                  | XS1845118865                  |
| Governing law(s) of the debt instrument  | Turkey                        | Turkey                        | Turkey                        | Turkey                        |
| <b>Consideration in Equity Calculation</b>   |                               |                               |                               |                               |
| Subject to 10% deduction as of 1/1/2015  | No                            | No                            | No                            | No                            |
| Eligible at consolidated /unconsolidated/ 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)                         | 3,906.21                      | 1,983.99                      | 1,190.39                      | 2,479.99                      |
| Par value of debt instrument (TL Currency in mil)  | 3,906.21                      | 1,983.99                      | 1,190.39                      | 2,479.99                      |
| Accounting classification of the debt instrument   | 34701100                      | 34701100                      | 34701100                      | 34701100                      |
| Original date of issuance  | 5.11.2018                     | 22.07.2019                    | 14.05.2019                    | 27.06.2018                    |
| Perpetual or dated (Demand / Time)   | Time                          | Time                          | Time                          | Time                          |
| Original maturity date   | 5.11.2028                     | 22.07.2029                    | 14.05.2029                    | 27.06.2028                    |
| Issuer call subject to prior supervisory approval  | Available                     | Available                     | Available                     | Available                     |
| Optional call date, contingent call dates and redemption amount  | 5.11.2023                     | 22.07.2024                    | 14.05.2024                    | 27.06.2023                    |
| Subsequent call dates, if applicable   | -                             | -                             | -                             | -                             |
| <b>Interest / dividend payments</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>Convertibility of equity shares</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 (ğ) mechanism of write-down or conversion to common shares are stated.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

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

Credit risk is the risk and financial loss that the Parent Bank is a party in a contract whereby the counterparty fails to meet its obligation partially or on time and causes to incur a financial loss.

The credit allocation is performed on a debtor and a debtor group basis within the limits. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Parent Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Parent Bank’s loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

The credit risks and limits related to treasury activities, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Parent Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

As prescribed in the Communiqué numbered 29750 dated 22 June 2016 on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”, the credit worthiness of the debtors of the loans and other receivables is monitored regularly. Most of the statements of accounts for the loans are derived from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

A restructuring is defined as the privilege due to the borrower's encountered or likely to encountered financial difficulties. The privileges granted to the borrower assumed to be in financial difficulty are;

- A change in the terms and conditions of the loan or
- Partially or completely refinancing of the loan in favour of the debtor.

In order to be subject to restructuring, the firm must be confronted with the difficulty of payment. The difficulty should be supported by concrete developments or findings. Each restructuring request is evaluated on transaction basis by the authorized credit allocation unit according to the activity of the firm, the income generation structure by the sectoral operation.

Restructuring of the loans supported by Credit Guarantee Fund (“CGF loans”) is evaluated in accordance with the current legislation. The principles regarding to restructuring of Treasury-Back CGF loans in the scope of 11 October 2018 dated Presidential Decree are taken into account.

Non-required delay time loans that is not classified as Stage III Loans defined in “Regulation on Procedures and Principles for Classification of Loans And Provisions to be Set Aside” published in the Official Gazette numbered 29750 dated 22 June 2016, amended by the regulation published in the Official Gazette dated 14 December 2016 and numbered 29918, whose principal and interest payment collection delayed more than 30 days are considered as “past-due loan” in the Accounting Practice; group III, IV and V loans defined in the mentioned communiqué are considered as “impaired receivables” without considering refinancing or addition of the accrued interest and quasi-interest principal amount.

The Parent bank provides specific reserves to Group III, IV and V loans in accordance with “Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside”.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

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 accordance with the Standard Approach, 0% risk weight is used in the calculation of the amount subject to credit risk for FC 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.

Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types for the relevant period:

| <b>Exposure Classifications</b>  | <b>Current Period<br/>Risk Amount (*)</b> | <b>Average Risk<br/>Amount (*, **)</b> |
|--|---|--|
| Conditional and unconditional receivables from central governments or central banks                | 1,463,903                                 | 1,167,795                              |
| Conditional and unconditional receivables from regional or local governments                       | 439,202                                   | 637,463                                |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | -   | -                                      |
| Conditional and unconditional receivables from multilateral development banks                      | -   | -                                      |
| Conditional and unconditional receivables from international organizations                         | -   | -                                      |
| Conditional and unconditional receivables from banks and brokerage houses                          | 5,295,189                                 | 5,126,769                              |
| Conditional and unconditional corporate receivables  | 85,078,784                                | 81,290,788                             |
| Conditional and unconditional retail receivables   | 38,232,043                                | 41,318,942                             |
| Conditional and unconditional secured mortgage receivables   | 7,191,708                                 | 7,156,351                              |
| Past due receivables   | 600,655                                   | 818,152                                |
| Receivables defined in high-risk category by BRSA  | 42,030,268                                | 16,482,915                             |
| Securities collateralized by mortgages   | -   | -                                      |
| Securitization positions   | -   | -                                      |
| Short-term receivables from banks, stockbrokers and corporate                                      | -   | -                                      |
| Investments of natured collective investment enterprise  | -   | -                                      |
| Other receivables  | 6,282,832                                 | 3,296,754                              |
| Investments in equities  | 369,867                                   | 295,241                                |

(\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(\*\*) Average risk amount is calculated by taking the arithmetic average of balances on quarterly prepared to the end of the month.

| <b>Exposure Classifications</b>  | <b>Prior Period<br/>Risk Amount (*)</b> | <b>Average Risk<br/>Amount (*, **)</b> |
|--|---|--|
| Conditional and unconditional receivables from central governments or central banks                | 886,394                                 | 726,019                                |
| Conditional and unconditional receivables from regional or local governments                       | 589,275                                 | 601,328                                |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | -                                       | -                                      |
| Conditional and unconditional receivables from multilateral development banks                      | -                                       | -                                      |
| Conditional and unconditional receivables from international organizations                         | -                                       | -                                      |
| Conditional and unconditional receivables from banks and brokerage houses                          | 4,315,721                               | 3,200,663                              |
| Conditional and unconditional corporate receivables  | 53,380,090                              | 47,484,430                             |
| Conditional and unconditional retail receivables   | 43,997,321                              | 33,740,345                             |
| Conditional and unconditional secured mortgage receivables   | 6,032,058                               | 6,302,496                              |
| Past due receivables   | 950,154                                 | 1,032,895                              |
| Receivables in high-risk category defined by BRSA  | -                                       | -                                      |
| Securities collateralized by mortgages   | -                                       | -                                      |
| Securitization positions   | -                                       | -                                      |
| Short-term receivables from banks, stockbrokers and corporate                                      | -                                       | -                                      |
| Investments of natured collective investment enterprise  | -                                       | -                                      |
| Other receivables  | 1,560,705                               | 1,596,014                              |
| Investments in equities  | 233,551                                 | 204,228                                |

(\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(\*\*) Average risk amount is calculated by taking the arithmetic average of balances on quarterly prepared to the end of the month.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

For the positions of the Parent Bank in terms of forward transactions and other similar contracts, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and proceeds related to forward transactions can be realized at maturity. However, in order to minimize the risk, back to back positions of existing risks are entered into the market due to necessity.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Since the loans and other receivables, which are restructured from loans and rescheduled, are not material to the financial statements, no additional follow up methodology is developed, except as stated in the regulations.

Financial institutions abroad and country risks of the Parent Bank are generally taken for the financial institutions and countries that are rated at investment level by international rating agencies which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are considered to be not material to the financial structure of the Parent Bank.

The Group does not have a material credit risk concentration as an active participant in the international banking market when the financial operations of the other financial institutions are concerned.

As of 31 December 2022, the receivables of the Group from its top 100 and top 200 cash loan customers share in total cash loans are respectively 29.48 % and 38.42% (31 December 2021: 24.94% and 34.28%).

As of 31 December 2022, the receivables of the Group from its top 100 and top 200 non-cash loan customers share of 72.38% and 81.71% respectively in the total non-cash loans (31 December 2021: 76.05% and 85.99%).

As of 31 December 2022, the share of cash and non-cash receivables of the Group from its top 100 and top 200 loan customers in total balance sheet and off-balance sheet assets is 9.60% and 12.49% respectively (31 December 2021: 9.3% and 12.09%).

As of 31 December 2022, the general loan loss provision related with the credit risk taken by the Group is TL 3,761,613 (31 December 2021: TL 2,123,337).

### Credit Rating System

Credit risk is evaluated according to the internal rating system of the Parent Bank, which is linked to the rating scale, and loans are classified from the best rating to the lowest rating according to the probability of default. As of 31 December 2022, Retail, Business and Agricultural Banking loans are excluded from the internal rating system of the Parent Bank and these loans constitute 25.53% of the total cash and non-cash loan portfolio (31 December 2021: 27.12%). Application and behavioral scorecards are used for the Individual and Business segments, however behavioral scorecard is used for the Agricultural segment.

The risks that are subject to rating models can be allocated as follows:

| Category                 | Description of Category  | Share in the<br>Total %<br>31.12.2022 | Share in the<br>Total %<br>31.12.2021 |
|--------------------------|--|---------------------------------------|---------------------------------------|
| 1 <sup>st</sup> Category | The borrower has a very strong financial structure                                   | 55.20                                 | 53.82                                 |
| 2 <sup>nd</sup> Category | The borrower has a good financial structure  | 34.28                                 | 21.35                                 |
| 3 <sup>rd</sup> Category | The borrower has an intermediate level of financial structure                        | 7.77                                  | 19.12                                 |
| 4 <sup>th</sup> Category | The financial structure of the borrower must be closely monitored in the medium term | 2.75                                  | 5.71                                  |
| <b>Total</b>             |  | <b>100.00</b>                         | <b>100.00</b>                         |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Profile of Significant Exposures in Major Regions:

|   | Exposure Categories (***)   |  |  |   |  |   |   |  |   |                |  |   |                          |  |   | Others           | Investments in equities | Total              |
|---|---|--|--|---|--|---|---|--|---|----------------|--|---|--------------------------|--|---|------------------|-------------------------|--------------------|
|   | Conditional and unconditional exposures to central governments or central banks | Conditional and unconditional exposures to regional governments or local authorities | Conditional and unconditional receivables from administrative units and non-commercial enterprises | Conditional and unconditional exposures to multilateral development banks | Conditional and unconditional exposures to international organizations | Conditional and unconditional exposures to banks and brokerage houses | Conditional and unconditional exposures to corporates | Conditional and unconditional retail exposures | Conditional and unconditional exposures secured by real estate property | Past due items | Receivables in regulatory high-risk categories | Exposures in the form of bonds secured by mortgages | Securitization Positions | Short term exposures to banks, brokerage houses and corporates | Exposures in the form of collective investment undertakings |                  |                         |                    |
| <b>Current Period</b>                       |   |  |  |   |  |   |   |  |   |                |  |   |                          |  |   |                  |                         |                    |
| Domestic                                    | 149,252   | 437,399  | -  | -   | -  | 3,411,655   | 61,383,339  | 33,410,708                                     | 6,414,534   | 563,700        | 41,908,684                                     | -   | -                        | -  | -   | 6,254,954        | 369,867                 | 154,304,092        |
| European Union Countries                    | -   | -  | -  | -   | -  | 274,388   | 985,982   | 80,075   | 1,130   | 28             | 1,381  | -   | -                        | -  | -   | 278              | -                       | 1,343,262          |
| OECD Countries (*)                          | -   | -  | -  | -   | -  | 149,828   | 1,283,167   | 10,479   | 19  | 29             | 618  | -   | -                        | -  | -   | 1,155            | -                       | 1,445,295          |
| Off-Shore Banking Regions                   | -   | -  | -  | -   | -  | 14  | -   | 39   | 12  | -              | -  | -   | -                        | -  | -   | -                | -                       | 65                 |
| USA, Canada                                 | -   | -  | -  | -   | -  | 388,804   | 33,729  | 1,581  | 103   | 45             | 118  | -   | -                        | -  | -   | -                | -                       | 424,380            |
| Other Countries                             | 1,314,651   | -  | -  | -   | -  | 50,349  | 487,292   | 84,992   | 71,466  | 3,565          | 119,467  | -   | -                        | -  | -   | 25,315           | -                       | 2,157,097          |
| Associates, Subsidiaries and Joint Ventures | -   | -  | -  | -   | -  | -   | -   | -  | -   | -              | -  | -   | -                        | -  | -   | 55               | -                       | 55                 |
| Unallocated Assets/ Liabilities (**)        | -   | 1,803  | -  | -   | -  | 1,020,151   | 20,905,275  | 4,644,169                                      | 704,444   | 33,288         | -  | -   | -                        | -  | -   | 1,075            | -                       | 27,310,205         |
| <b>Total</b>                                | <b>1,463,903</b>  | <b>439,202</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>   | <b>5,295,189</b>  | <b>85,078,784</b>                                     | <b>38,232,043</b>                              | <b>7,191,708</b>  | <b>600,655</b> | <b>42,030,268</b>                              | <b>-</b>  | <b>-</b>                 | <b>-</b>   | <b>-</b>  | <b>6,282,832</b> | <b>369,867</b>          | <b>186,984,451</b> |

(\*) Includes OECD countries other than EU countries, USA and Canada.

(\*\*) Includes assets and liability items that cannot be allocated on a consistent basis.

(\*\*\*) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Profile of Significant Exposures in Major Regions: (continued)

|  | Exposure Categories (***)   |  |  |   |  |   |   |  |   |                |  |   |                          |  |   |                  | Total          |                         |
|--|---|--|--|---|--|---|---|--|---|----------------|--|---|--------------------------|--|---|------------------|----------------|-------------------------|
|  | Conditional and unconditional exposures to central governments or central banks | Conditional and unconditional exposures to regional governments or local authorities | Conditional and unconditional receivables from administrative units and non-commercial enterprises | Conditional and unconditional exposures to multilateral development banks | Conditional and unconditional exposures to international organizations | Conditional and unconditional exposures to banks and brokerage houses | Conditional and unconditional exposures to corporates | Conditional and unconditional retail exposures | Conditional and unconditional exposures secured by real estate property | Past due items | Receivables in regulatory high-risk categories | Exposures in the form of bonds secured by mortgages | Securitization Positions | Short term exposures to banks, brokerage houses and corporates | Exposures in the form of collective investment undertakings | Others           |                | Investments in equities |
| <b>Prior Period</b>                          |   |  |  |   |  |   |   |  |   |                |  |   |                          |  |   |                  |                |                         |
| Domestic                                     | 116,445   | 587,180  | -  | -   | -  | 2,158,112   | 38,375,084  | 40,484,844                                     | 5,646,402   | 859,670        | -  | -   | -                        | -  | -   | 1,544,904        | 233,551        | 90,006,192              |
| European Union Countries                     | -   | -  | -  | -   | -  | 400,142   | 589,195   | 47,352   | 1,983   | 1,197          | -  | -   | -                        | -  | -   | 145              | -              | 1,040,014               |
| OECD Countries (*)                           | -   | -  | -  | -   | -  | 323,260   | 940,117   | 4,920  | 80  | 5              | -  | -   | -                        | -  | -   | 418              | -              | 1,268,800               |
| Off-Shore Banking Regions                    | -   | -  | -  | -   | -  | 11  | -   | 43   | -   | -              | -  | -   | -                        | -  | -   | -                | -              | 54                      |
| USA, Canada                                  | -   | -  | -  | -   | -  | 434,765   | 1,663   | 1,527  | 128   | 61             | -  | -   | -                        | -  | -   | -                | -              | 438,144                 |
| Other Countries                              | 769,949   | -  | -  | -   | -  | 34,560  | 169,135   | 142,450  | 51,819  | 16,721         | -  | -   | -                        | -  | -   | 12,281           | -              | 1,196,915               |
| Associates, Subsidiaries and Joint –Ventures | -   | -  | -  | -   | -  | -   | -   | -  | -   | -              | -  | -   | -                        | -  | -   | 55               | -              | 55                      |
| Unallocated Assets                           | -   | -  | -  | -   | -  | -   | -   | -  | -   | -              | -  | -   | -                        | -  | -   | -                | -              | -                       |
| Liabilities (**)                             | -   | 2,095  | -  | -   | -  | 964,871   | 13,304,896  | 3,316,185                                      | 331,646   | 72,500         | -  | -   | -                        | -  | -   | 2,902            | -              | 17,995,095              |
| <b>Total</b>                                 | <b>886,394</b>  | <b>589,275</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>   | <b>4,315,721</b>  | <b>53,380,090</b>                                     | <b>43,997,321</b>                              | <b>6,032,058</b>  | <b>950,154</b> | <b>-</b>                                       | <b>-</b>  | <b>-</b>                 | <b>-</b>   | <b>-</b>  | <b>1,560,705</b> | <b>233,551</b> | <b>111,945,269</b>      |

(\*) Includes OECD countries other than EU countries, USA and Canada.

(\*\*) Includes assets and liability items that cannot be allocated on a consistent basis.

(\*\*\*) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Risk profile by Sectors or Counterparties:

| Current Period                  | Exposure Categories (**)  |  |  |   |  |   |   |  |   |                |  |   |                          |   | Others | Investments in equities | TL (*)           | FC             | Total              |                   |                    |
|---------------------------------|---|--|--|---|--|---|---|--|---|----------------|--|---|--------------------------|---|--------|-------------------------|------------------|----------------|--------------------|-------------------|--------------------|
|                                 | Conditional and unconditional exposures to central governments or central banks | Conditional and unconditional exposures to regional governments or local authorities | Conditional and unconditional receivables from administrative units and non-commercial enterprises | Conditional and unconditional exposures to multilateral development banks | Conditional and unconditional exposures to international organizations | Conditional and unconditional exposures to brokerage houses | Conditional and unconditional exposures to corporates | Conditional and unconditional retail exposures | Conditional and unconditional exposures secured by real estate property | Past due items | Receivables in regulatory high-risk categories | Exposures in the form of bonds secured by mortgages | Securitization Positions | Short term exposures to banks, brokerage houses and investment undertakings |        |                         |                  |                |                    |                   |                    |
| Agriculture                     | -   | -  | -  | -   | -  | -   | 716,855   | 758,541  | 235,033   | 43,252         | 771,794  | -   | -                        | -   | -      | -                       | -                | 2,195,013      | 330,462            | 2,525,475         |                    |
| Farming and Stockbreeding       | -   | -  | -  | -   | -  | -   | 405,329   | 730,034  | 234,720   | 42,785         | 771,794  | -   | -                        | -   | -      | -                       | -                | 2,129,181      | 55,481             | 2,184,662         |                    |
| Forestry                        | -   | -  | -  | -   | -  | -   | 34,272  | 4,728  | -   | -              | -  | -   | -                        | -   | -      | -                       | -                | 36,561         | 2,439              | 39,000            |                    |
| Fishery                         | -   | -  | -  | -   | -  | -   | 277,254   | 23,779   | 313   | 467            | -  | -   | -                        | -   | -      | -                       | -                | 29,271         | 272,542            | 301,813           |                    |
| Manufacturing                   | -   | -  | -  | -   | -  | -   | 55,069,505  | 7,913,192                                      | 2,704,205   | 87,298         | 10,491,420                                     | -   | -                        | -   | -      | -                       | 5                | 50,163,353     | 26,102,272         | 76,265,625        |                    |
| Mining and Quarrying            | -   | -  | -  | -   | -  | -   | 2,951,697   | 336,123  | 75,173  | 4,292          | 75,347   | -   | -                        | -   | -      | -                       | -                | 1,716,576      | 1,726,056          | 3,442,632         |                    |
| Production                      | -   | -  | -  | -   | -  | -   | 50,016,218  | 7,533,967                                      | 2,351,496   | 80,230         | 10,253,661                                     | -   | -                        | -   | -      | -                       | 5                | 47,011,096     | 23,224,481         | 70,235,577        |                    |
| Electricity, Gas and Water      | -   | -  | -  | -   | -  | -   | 2,101,590   | 43,102   | 277,536   | 2,776          | 162,412  | -   | -                        | -   | -      | -                       | -                | 1,435,681      | 1,151,735          | 2,587,416         |                    |
| Construction                    | -   | -  | -  | -   | -  | -   | 4,371,589   | 973,914  | 300,473   | 112,779        | 92,325   | -   | -                        | -   | -      | -                       | -                | 2,906,225      | 2,944,855          | 5,851,080         |                    |
| Services                        | 1,463,903   | 439,202  | -  | -   | -  | 5,295,189   | 22,413,283  | 9,032,148                                      | 3,172,913   | 197,244        | 4,583,519                                      | -   | -                        | -   | -      | -                       | 6,083,635        | 369,867        | 35,895,135         | 17,155,768        | 53,050,903         |
| Wholesale and Retail Trade      | -   | 15,060   | -  | -   | -  | -   | 8,101,311   | 4,750,225                                      | 975,323   | 70,586         | 2,458,865                                      | -   | -                        | -   | -      | -                       | 12               | 12,869,839     | 3,501,543          | 16,371,382        |                    |
| Accommodation and Dining        | -   | -  | -  | -   | -  | -   | 398,471   | 558,335  | 842,516   | 45,254         | 14,720   | -   | -                        | -   | -      | -                       | 9                | 1,121,411      | 737,894            | 1,859,305         |                    |
| Transportation and Telecom.     | -   | -  | -  | -   | -  | -   | 4,532,803   | 1,973,231                                      | 487,661   | 24,488         | 596,686  | -   | -                        | -   | -      | -                       | 2                | 3,966,676      | 3,648,195          | 7,614,871         |                    |
| Financial Institutions          | 1,463,903   | -  | -  | -   | -  | 5,295,189   | 3,133,973   | 94,778   | 113,337   | 801            | 5,299  | -   | -                        | -   | -      | -                       | 6,083,354        | 369,867        | 11,807,314         | 4,753,187         | 16,560,501         |
| Real Estate and Rental Services | -   | -  | -  | -   | -  | -   | 4,821,785   | 1,121,257                                      | 536,455   | 46,786         | 443,946  | -   | -                        | -   | -      | -                       | 87               | 3,301,898      | 3,668,418          | 6,970,316         |                    |
| Self-Employment Services        | -   | -  | -  | -   | -  | -   | 1,248,013   | 470,549  | 214,123   | 9,241          | 35,003   | -   | -                        | -   | -      | -                       | -                | 1,130,724      | 846,205            | 1,976,929         |                    |
| Educational Services            | -   | -  | -  | -   | -  | -   | 6,637   | 49,592   | 3,438   | 85             | 146  | -   | -                        | -   | -      | -                       | 150              | 59,776         | 272                | 60,048            |                    |
| Health and Social Services      | -   | 424,142  | -  | -   | -  | -   | 170,290   | 14,181   | 60  | 3              | 1,028,854                                      | -   | -                        | -   | -      | -                       | 21               | 1,637,497      | 54                 | 1,637,551         |                    |
| Other                           | -   | -  | -  | -   | -  | -   | 2,507,552   | 19,554,248                                     | 779,084   | 160,082        | 26,091,210                                     | -   | -                        | -   | -      | -                       | 199,192          | 48,803,349     | 488,019            | 49,291,368        |                    |
| <b>Total</b>                    | <b>1,463,903</b>  | <b>439,202</b>   | -  | -   | -  | <b>5,295,189</b>  | <b>85,078,784</b>                                     | <b>38,232,043</b>                              | <b>7,191,708</b>  | <b>600,655</b> | <b>42,030,268</b>                              | -   | -                        | -   | -      | -                       | <b>6,282,832</b> | <b>369,867</b> | <b>139,963,075</b> | <b>47,021,376</b> | <b>186,984,451</b> |

(\*) Foreign Currency indexed credits are shown in TL column.

(\*\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Risk profile by Sectors or Counterparties: (continued)

| Prior Period                    | Exposure Categories (**)  |  |  |   |  |   |   |  |   |                |  |   |                          |  |   |        |                         |                |                   | TL (*)            | FC                 | Total |
|---------------------------------|---|--|--|---|--|---|---|--|---|----------------|--|---|--------------------------|--|---|--------|-------------------------|----------------|-------------------|-------------------|--------------------|-------|
|                                 | Conditional and unconditional exposures to central governments or central banks | Conditional and unconditional exposures to regional governments or local authorities | Conditional and unconditional receivables from administrative units and non-commercial enterprises | Conditional and unconditional exposures to multilateral development banks | Conditional and unconditional exposures to international organizations | Conditional and unconditional exposures to banks and brokerage houses | Conditional and unconditional exposures to corporates | Conditional and unconditional retail exposures | Conditional and unconditional exposures secured by real estate property | Past due items | Receivables in regulatory high-risk categories | Exposures in the form of bonds secured by mortgages | Securitization Positions | Short term exposures to banks, brokerage houses and corporates | Exposures in the form of collective investment undertakings | Others | Investments in equities |                |                   |                   |                    |       |
| Agriculture                     | -   | -  | -  | -   | -  | -   | 452,478   | 541,916  | 204,240   | 64,919         | -  | -   | -                        | -  | -   | -      | -                       | -              | 1,077,072         | 186,481           | 1,263,553          |       |
| Farming and Stockbreeding       | -   | -  | -  | -   | -  | -   | 424,702   | 531,156  | 203,945   | 64,408         | -  | -   | -                        | -  | -   | -      | -                       | -              | 1,040,204         | 184,007           | 1,224,211          |       |
| Forestry                        | -   | -  | -  | -   | -  | -   | 19,872  | 2,912  | -   | 54             | -  | -   | -                        | -  | -   | -      | -                       | -              | 22,581            | 257               | 22,838             |       |
| Fishery                         | -   | -  | -  | -   | -  | -   | 7,904   | 7,848  | 295   | 457            | -  | -   | -                        | -  | -   | -      | -                       | -              | 14,287            | 2,217             | 16,504             |       |
| Manufacturing                   | -   | -  | -  | -   | -  | -   | 34,541,979  | 7,311,984                                      | 2,096,117   | 240,156        | -  | -   | -                        | -  | -   | -      | -                       | -              | 23,952,561        | 20,237,675        | 44,190,236         |       |
| Mining and Quarrying            | -   | -  | -  | -   | -  | -   | 1,743,117   | 309,753  | 65,757  | 9,890          | -  | -   | -                        | -  | -   | -      | -                       | -              | 1,371,370         | 757,147           | 2,128,517          |       |
| Production                      | -   | -  | -  | -   | -  | -   | 30,830,649  | 6,967,296                                      | 1,761,171   | 225,983        | -  | -   | -                        | -  | -   | -      | -                       | -              | 21,316,500        | 18,468,599        | 39,785,099         |       |
| Electricity, Gas and Water      | -   | -  | -  | -   | -  | -   | 1,968,213   | 34,935   | 269,189   | 4,283          | -  | -   | -                        | -  | -   | -      | -                       | -              | 1,264,691         | 1,011,929         | 2,276,620          |       |
| Construction                    | -   | -  | -  | -   | -  | -   | 3,268,184   | 847,888  | 173,420   | 202,305        | -  | -   | -                        | -  | -   | -      | -                       | -              | 2,229,666         | 2,262,131         | 4,491,797          |       |
| Services                        | 886,394   | 589,275  | -  | -   | -  | 4,315,721   | 14,467,161  | 7,727,825                                      | 2,516,745   | 366,981        | -  | -   | -                        | -  | -   | -      | 1,482,098               | 233,551        | 20,745,971        | 11,839,780        | 32,585,751         |       |
| Wholesale and Retail Trade      | -   | 18,864   | -  | -   | -  | -   | 5,531,762   | 4,017,518                                      | 915,604   | 149,186        | -  | -   | -                        | -  | -   | -      | 15                      | -              | 8,454,816         | 2,178,133         | 10,632,949         |       |
| Accommodation and Dining        | -   | -  | -  | -   | -  | -   | 803,907   | 489,428  | 694,662   | 52,424         | -  | -   | -                        | -  | -   | -      | 2                       | -              | 914,803           | 1,125,620         | 2,040,423          |       |
| Transportation and Telecom.     | -   | -  | -  | -   | -  | -   | 2,149,975   | 1,604,179                                      | 349,400   | 52,086         | -  | -   | -                        | -  | -   | -      | 20                      | -              | 2,897,823         | 1,257,837         | 4,155,660          |       |
| Financial Institutions          | 886,394   | -  | -  | -   | -  | 4,315,721   | 2,355,073   | 84,890   | 94,748  | 5,120          | -  | -   | -                        | -  | -   | -      | 1,481,822               | 233,551        | 5,083,432         | 4,373,887         | 9,457,319          |       |
| Real Estate and Rental Services | -   | -  | -  | -   | -  | -   | 2,799,445   | 1,050,458                                      | 352,517   | 88,026         | -  | -   | -                        | -  | -   | -      | 155                     | -              | 1,967,800         | 2,322,801         | 4,290,601          |       |
| Self-Employment Services        | -   | -  | -  | -   | -  | -   | 756,830   | 431,851  | 107,831   | 12,280         | -  | -   | -                        | -  | -   | -      | -                       | -              | 727,559           | 581,233           | 1,308,792          |       |
| Educational Services            | -   | -  | -  | -   | -  | -   | 6,735   | 42,307   | 1,699   | 7,842          | -  | -   | -                        | -  | -   | -      | 45                      | -              | 58,431            | 197               | 58,628             |       |
| Health and Social Services      | -   | 570,411  | -  | -   | -  | -   | 63,434  | 7,194  | 284   | 17             | -  | -   | -                        | -  | -   | -      | 39                      | -              | 641,307           | 72                | 641,379            |       |
| Other                           | -   | -  | -  | -   | -  | -   | 650,288   | 27,567,708                                     | 1,041,536   | 75,793         | -  | -   | -                        | -  | -   | -      | 78,607                  | -              | 29,107,788        | 306,144           | 29,413,932         |       |
| <b>Total</b>                    | <b>886,394</b>  | <b>589,275</b>   | -  | -   | -  | <b>4,315,721</b>  | <b>53,380,090</b>                                     | <b>43,997,321</b>                              | <b>6,032,058</b>  | <b>950,154</b> | -  | -   | -                        | -  | -   | -      | <b>1,560,705</b>        | <b>233,551</b> | <b>77,113,058</b> | <b>34,832,211</b> | <b>111,945,269</b> |       |

(\*) Foreign Currency indexed credits are shown in TL column.

(\*\*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Analysis of Maturity-Bearing Exposures According to Remaining Maturities:

| Current Period   | Term to Maturity  |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 1 Month           | 1-3 Months        | 3-6 Months        | 6-12 Months       | Over 1 year       |
| <b>Exposure Categories</b>   |                   |                   |                   |                   |                   |
| Conditional and unconditional exposures to central governments or central banks                    | 1,463,903         | -                 | -                 | -                 | -                 |
| Conditional and unconditional exposures to regional governments or local authorities               | 1,596             | 5,745             | 4,175             | 112,250           | 313,539           |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | -                 | -                 | -                 | -                 | -                 |
| Conditional and unconditional exposures to multilateral development banks                          | -                 | -                 | -                 | -                 | -                 |
| Conditional and unconditional exposures to international organizations                             | -                 | -                 | -                 | -                 | -                 |
| Conditional and unconditional exposures to banks and brokerage houses                              | 1,521,371         | 779,678           | 567,668           | 160,873           | 238,563           |
| Conditional and unconditional exposures to corporates  | 7,948,100         | 17,663,628        | 7,577,759         | 17,573,493        | 13,397,568        |
| Conditional and unconditional retail exposures   | 13,426,843        | 1,861,067         | 3,475,680         | 7,658,370         | 7,157,759         |
| Conditional and unconditional exposures secured by real estate property                            | 227,276           | 602,021           | 793,502           | 1,562,971         | 3,330,044         |
| Past due receivables   | -                 | -                 | -                 | -                 | -                 |
| Receivables defined in high-risk category by BRSA  | 5,362             | 404               | 1,455             | 2,770,687         | 39,252,360        |
| Exposures in the form of bonds secured by mortgages  | -                 | -                 | -                 | -                 | -                 |
| Securitization Positions   | -                 | -                 | -                 | -                 | -                 |
| Short term exposures to banks, brokerage houses and corporate                                      | -                 | -                 | -                 | -                 | -                 |
| Exposures in the form of collective investment undertakings  | -                 | -                 | -                 | -                 | -                 |
| Other receivables  | 580,440           | 2,772             | 7,752             | -                 | 162               |
| Investments in equities  | 331,051           | -                 | -                 | 38,816            | -                 |
| <b>Total</b>   | <b>25,505,942</b> | <b>20,915,315</b> | <b>12,427,991</b> | <b>29,877,460</b> | <b>63,689,995</b> |

| Prior Period   | Terms to Maturity |                  |                   |                   |                   |
|--|-------------------|------------------|-------------------|-------------------|-------------------|
|  | 1 Month           | 1-3 Months       | 3-6 Months        | 6-12 Months       | Over 1 year       |
| <b>Risk Categories</b>   |                   |                  |                   |                   |                   |
| Conditional and unconditional exposures to central governments or central banks                    | 886,394           | -                | -                 | -                 | -                 |
| Conditional and unconditional exposures to regional governments or local authorities               | 688               | 5,527            | 8,645             | 44,394            | 527,873           |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | -                 | -                | -                 | -                 | -                 |
| Conditional and unconditional exposures to multilateral development banks                          | -                 | -                | -                 | -                 | -                 |
| Conditional and unconditional exposures to international organizations                             | -                 | -                | -                 | -                 | -                 |
| Conditional and unconditional exposures to banks and brokerage houses                              | 2,061,714         | 110,798          | 526,541           | 74,515            | 25,368            |
| Conditional and unconditional exposures to corporates  | 5,257,693         | 7,365,977        | 6,586,609         | 12,272,302        | 8,585,661         |
| Conditional and unconditional retail exposures   | 7,881,508         | 1,724,464        | 2,563,495         | 5,279,392         | 23,225,838        |
| Conditional and unconditional exposures secured by real estate property                            | 321,453           | 286,254          | 456,215           | 896,743           | 3,739,373         |
| Past due receivables   | -                 | -                | -                 | -                 | -                 |
| Receivables defined in high-risk category by BRSA  | -                 | -                | -                 | -                 | -                 |
| Exposures in the form of bonds secured by mortgages  | -                 | -                | -                 | -                 | -                 |
| Securitization Positions   | -                 | -                | -                 | -                 | -                 |
| Short term exposures to banks, brokerage houses and corporates                                     | -                 | -                | -                 | -                 | -                 |
| Exposures in the form of collective investment undertakings  | -                 | -                | -                 | -                 | -                 |
| Other receivables  | 85,588            | 1,354            | 8,337             | -                 | 117               |
| Investments in equities  | 225,155           | -                | -                 | 8,396             | -                 |
| <b>Total</b>   | <b>16,720,193</b> | <b>9,494,374</b> | <b>10,149,842</b> | <b>18,575,742</b> | <b>36,104,230</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Information About the Risk Exposure Categories

The credit rating of Fitch Ratings International Rating Agency is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment of Capital Adequacy of the Bank, and the country risk classification announced by The Organization for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of 3 months or less, and 50% risk weight is used for receivables with a maturity period of more than 3 months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)’s are presented below:

| Credit Quality Level | Fitch Ratings Long-Term Credit Rating | Risk Weight of Receivables from Central Government or Central Banks | Receivables from Banks and Brokerage Houses |                          | Corporate Receivables (*) |
|----------------------|---------------------------------------|---|---|--------------------------|---------------------------|
|                      |                                       |   | DTM less than 3 months                      | DTM higher than 3 months |                           |
| 0                    | -                                     |   | 20%   | 50%                      | 100%                      |
| 1                    | AAA to AA-                            | 0%  | 20%   | 50%                      | 100%                      |
| 2                    | A+ to A-                              | 20%   | 20%   | 50%                      | 100%                      |
| 3                    | BBB+ to BBB-                          | 50%   | 50%   | 50%                      | 100%                      |
| 4                    | BB+ to BB-                            | 100%  | 100%  | 100%                     | 100%                      |
| 5                    | B+ to B-                              | 100%  | 100%  | 100%                     | 100%                      |
| 6                    | CCC+ and below                        | 150%  | 100%  | 100%                     | 100%                      |
| 7                    | -                                     |   | 150%  | 150%                     | 100%                      |

(\*) In accordance with the Board Decisions numbered 10188 dated 28 April 2022 and numbered 10265 dated 7 July 2022, 200% and 500% risk weights are applied to Corporate Receivables.

#### Exposures by risk weights:

| Current Period         |            |     |           |     |           |            |            |            |            |           |      |         |                        |
|------------------------|------------|-----|-----------|-----|-----------|------------|------------|------------|------------|-----------|------|---------|------------------------|
| Risk Weights           | 0%         | 10% | 20%       | 25% | 35%       | 50%        | 75%        | 100%       | 150%       | 200%      | 250% | 500%    | Deductions from Equity |
| Exposures before       |            |     |           |     |           |            |            |            |            |           |      |         |                        |
| Credit Risk Mitigation | 81,091,660 | -   | 8,543,490 | -   | 4,308,592 | 15,129,734 | 41,698,273 | 98,325,991 | 17,187,471 | 7,783,237 | -    | 150,184 | 949,033                |
| Exposures after        |            |     |           |     |           |            |            |            |            |           |      |         |                        |
| Credit Risk Mitigation | 82,593,765 | -   | 8,712,918 | -   | 4,308,592 | 15,551,437 | 39,918,259 | 95,462,523 | 17,191,353 | 7,783,237 | -    | 150,184 | 949,033                |
| Prior Period           |            |     |           |     |           |            |            |            |            |           |      |         |                        |
| Risk Weights           | 0%         | 10% | 20%       | 25% | 35%       | 50%        | 75%        | 100%       | 150%       | 200%      | 250% | 500%    | Deductions from Equity |
| Exposures before       |            |     |           |     |           |            |            |            |            |           |      |         |                        |
| Credit Risk Mitigation | 48,787,702 | -   | 9,848,130 | -   | 4,193,761 | 12,255,659 | 40,802,033 | 57,749,417 | 7,999,452  | -         | -    | -       | 661,792                |
| Exposures after        |            |     |           |     |           |            |            |            |            |           |      |         |                        |
| Credit Risk Mitigation | 49,084,274 | -   | 9,221,214 | -   | 4,193,761 | 11,590,919 | 39,491,984 | 55,516,814 | 7,991,594  | -         | -    | -       | 661,792                |



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Information in Terms of Major Sectors and Type of Counterparties:

| Current Period                        | Credits  |                                    | Provisions                              |
|---------------------------------------|--|------------------------------------|---|
|                                       | Impaired Receivables (IFRS 9)                  |                                    |   |
|                                       | Significant Increase in Credit Risk (Stage II) | Credit-Impaired Losses (Stage III) | Expected Credit Loss Provision (IFRS 9) |
| <b>Major Sectors / Counterparties</b> |  |                                    |   |
| Agriculture                           | 51,954   | 93,494                             | 59,406                                  |
| Farming and Stockbreeding             | 51,828   | 89,091                             | 56,490                                  |
| Forestry                              | -  | 1,832                              | 1,158                                   |
| Fishery                               | 126  | 2,571                              | 1,758                                   |
| Manufacturing                         | 2,054,591                                      | 287,362                            | 544,148                                 |
| Mining and Quarrying                  | 33,962   | 8,303                              | 8,572                                   |
| Production                            | 2,018,226                                      | 270,548                            | 530,003                                 |
| Electricity, Gas and Water            | 2,403  | 8,511                              | 5,573                                   |
| Services                              | 2,529,638                                      | 1,118,310                          | 1,333,865                               |
| Wholesale and Retail Trade            | 591,197  | 588,531                            | 458,638                                 |
| Accommodation and Dining              | 1,055,013                                      | 109,604                            | 322,890                                 |
| Transportation and Telecom.           | 262,237  | 42,098                             | 76,362                                  |
| Financial Institutions                | 235,113  | 6,141                              | 177,101                                 |
| Real Estate and Rental Services       | 353,689  | 272,980                            | 214,551                                 |
| Self Employed Services                | 25,573   | 40,345                             | 34,779                                  |
| Educational Services                  | 4,833  | 8,583                              | 6,040                                   |
| Health and Social Services            | 1,983  | 50,028                             | 43,504                                  |
| Other                                 | 6,716,459                                      | 1,132,699                          | 2,379,499                               |
| <b>Total</b>                          | <b>11,352,642</b>                              | <b>2,631,865</b>                   | <b>4,316,918</b>                        |

| Prior Period                         | Credits  |                                    | Provisions                              |
|--------------------------------------|--|------------------------------------|---|
|                                      | Impaired Receivables (IFRS 9)                  |                                    |   |
|                                      | Significant Increase in Credit Risk (Stage II) | Credit-Impaired Losses (Stage III) | Expected Credit Loss Provision (IFRS 9) |
| <b>Major Sectors/ Counterparties</b> |  |                                    |   |
| Agriculture                          | 90,568   | 166,200                            | 105,551                                 |
| Farming and Stockbreeding            | 90,246   | 159,100                            | 100,949                                 |
| Forestry                             | -  | 2,800                              | 1,500                                   |
| Fishery                              | 322  | 4,300                              | 3,102                                   |
| Manufacturing                        | 1,685,727                                      | 530,600                            | 698,868                                 |
| Mining and Quarrying                 | 44,245   | 14,800                             | 15,091                                  |
| Production                           | 1,634,558                                      | 504,100                            | 675,587                                 |
| Electricity, Gas and Water           | 6,924  | 11,700                             | 8,190                                   |
| Services                             | 2,269,449                                      | 1,834,000                          | 1,833,109                               |
| Wholesale and Retail Trade           | 489,456  | 995,300                            | 746,028                                 |
| Accommodation and Dining             | 843,615  | 122,000                            | 277,874                                 |
| Transportation and Telecom.          | 293,586  | 77,400                             | 93,599                                  |
| Financial Institutions               | 209,805  | 9,600                              | 173,371                                 |
| Real Estate and Rental Services      | 357,297  | 406,100                            | 375,933                                 |
| Self Employed Services               | 40,199   | 113,000                            | 81,815                                  |
| Educational Services                 | 3,444  | 24,500                             | 13,689                                  |
| Health and Social Services           | 32,047   | 86,100                             | 70,800                                  |
| Other                                | 5,638,195                                      | 800,465                            | 979,624                                 |
| <b>Total</b>                         | <b>9,683,939</b>                               | <b>3,331,265</b>                   | <b>3,617,152</b>                        |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### II. Explanations Related to the Consolidated Credit Risk (Continued)

#### Information about Value Adjustment and Change in Provisions

|  | 31.12.2021<br>Balance | Provision<br>for Period | Provision<br>Reversals | Written off<br>from Asset | Other<br>Adjustments (*) | 31.12.2022<br>Balance |
|--|-----------------------|-------------------------|------------------------|---------------------------|--------------------------|-----------------------|
| Default (Stage III)                    | 2,309,689             | 1,101,673               | (641,285)              | (757,322)                 | 19,193                   | 2,031,948             |
| Expected Credit Loss<br>(Stage I - II) | 2,123,337             | 2,065,911               | (741,940)              | -                         | 314,305                  | 3,761,613             |

(\*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company.

|  | 31.12.2020<br>Balance | Provision<br>for Period | Provision<br>Reversals | Written off<br>from Asset | Other<br>Adjustments (*) | 31.12.2021<br>Balance |
|--|-----------------------|-------------------------|------------------------|---------------------------|--------------------------|-----------------------|
| Default (Stage III)                    | 2,381,897             | 560,717                 | (314,824)              | (349,374)                 | 31,273                   | 2,309,689             |
| Expected Credit Loss<br>(Stage I - II) | 2,000,390             | 538,860                 | (808,471)              | -                         | 392,558                  | 2,123,337             |

(\*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company.

### III. Risks Involved in Counter-Cyclical Capital Buffer Calculation

#### Current Period

| Countries where the risk ultimately taken | Private sector loans<br>in banking accounts | Risk weighted amounts<br>calculated in trading<br>accounts | Total              |
|---|---|--|--------------------|
| Turkey                                    | 169,545,220                                 | 2,898,511  | 172,443,731        |
| Switzerland                               | 1,297,697                                   | -  | 1,297,697          |
| TRNC                                      | 648,735                                     | -  | 648,735            |
| Denmark                                   | 198,147                                     | -  | 198,147            |
| England                                   | 161,592                                     | -  | 161,592            |
| Egypt                                     | 156,927                                     | -  | 156,927            |
| Luxembourg                                | 151,797                                     | -  | 151,797            |
| Sweden                                    | 127,188                                     | -  | 127,188            |
| Poland                                    | 100,360                                     | -  | 100,360            |
| France                                    | 73,045                                      | -  | 73,045             |
| Italy                                     | 69,828                                      | -  | 69,828             |
| Other                                     | 244,930                                     | -  | 244,930            |
|   | <b>172,775,466</b>                          | <b>2,898,511</b>   | <b>175,673,977</b> |

#### Prior Period

| Countries where the risk ultimately taken | Private sector loans<br>in banking accounts | Risk weighted amounts<br>calculated in trading<br>accounts | Total              |
|---|---|--|--------------------|
| Turkey                                    | 99,525,750                                  | 1,263,046  | 100,788,796        |
| Switzerland                               | 942,117                                     | -  | 942,117            |
| England                                   | 458,683                                     | -  | 458,683            |
| TRNC                                      | 346,827                                     | -  | 346,827            |
| Denmark                                   | 170,726                                     | -  | 170,726            |
| Italy                                     | 116,529                                     | -  | 116,529            |
| Sweden                                    | 75,602                                      | -  | 75,602             |
| Poland                                    | 60,102                                      | -  | 60,102             |
| Germany                                   | 41,801                                      | -  | 41,801             |
| Romania                                   | 28,527                                      | -  | 28,527             |
| Spain                                     | 12,588                                      | -  | 12,588             |
| Other                                     | 40,108                                      | -  | 40,108             |
|   | <b>101,819,360</b>                          | <b>1,263,046</b>   | <b>103,082,406</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

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

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

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

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

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

As of 31 December 2022, the Group's balance sheet short position is TL 10,775,472 (31 December 2021: TL 24,005,711 short position) off-balance sheet long position is TL 6,325,402 (31 December 2021: TL 23,747,791 long position) and as a result net foreign currency short position is TL 4,450,070 (31 December 2021: net TL 257,920 short position).

The announced current foreign exchange buying rates of the Parent Bank at 31 December 2022 and the previous five working days in full TL are as follows:

|      | 26.12.2022 | 27.12.2022 | 28.12.2022 | 29.12.2022 | 30.12.2022 | 31.12.2022 |
|------|------------|------------|------------|------------|------------|------------|
| USD  | 18.5577    | 18.6183    | 18.6223    | 18.6278    | 18.6010    | 18.6010    |
| EURO | 19.7212    | 19.7615    | 19.8235    | 19.8386    | 19.8399    | 19.8399    |

The simple arithmetic averages of the major current foreign exchange buying rates of the Parent Bank for the thirty days before 31 December 2022 are as follows:

|      | Monthly Average Foreign Buying Rate |
|------|-------------------------------------|
| USD  | 18.5605                             |
| EURO | 19.6455                             |

### Information on the foreign currency risk of the Parent Bank:

The Parent Bank is exposed to foreign currency risk in large amounts in EURO and USD.

The table below shows the Parent Bank's sensitivity to a 10% change in USD and EURO rates. The rate of 10% used is the rate used to report the currency risk to the senior management within the Parent Bank, and this rate represents the possible change expected by the management in exchange rates. 10% depreciation of USD and EURO against TL affects profit and equity amounts positively in the case of a short position and negatively in the case of a long position.

| Change in FX Rate (%) |             | Effect on Profit/Loss | Effect on Equity (*) |
|-----------------------|-------------|-----------------------|----------------------|
|                       |             | 31 December 2022      | 31 December 2022     |
| USD                   | 10 increase | 107,311               | (2,504)              |
| USD                   | 10 decrease | (107,311)             | 2,504                |
| EURO                  | 10 increase | (14,020)              | 6,272                |
| EURO                  | 10 decrease | 14,020                | (6,272)              |
| Change in FX Rate (%) |             | Effect on Profit/Loss | Effect on Equity (*) |
|                       |             | 31 December 2021      | 31 December 2021     |
| USD                   | 10 increase | 46,648                | (11,283)             |
| USD                   | 10 decrease | (46,648)              | 11,283               |
| EURO                  | 10 increase | 7,278                 | (6,317)              |
| EURO                  | 10 decrease | (7,278)               | 6,317                |

(\*) The effect on equity does not include the effect of the change in exchange rates on the income statement.

The sensitivity of the Parent Bank to the changes in the exchange rates did not change significantly in the current period. Opening or closing positions in line with market expectations may increase the sensitivity to changes in the period's exchange rates.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### IV. Explanations Related to the Consolidated Currency Risk (Continued)

#### Information on the Parent Bank's currency risk:

The table below shows the Group's distribution of balance sheet and derivative foreign exchange transactions taking into account the options transactions with nominal values as indicated in the BRSA regulation on foreign currency position. Besides taking into account this position by monitoring legal limits, the Group also monitors the delta-adjusted position of the option transactions. As of 31 December 2022, there is a net long position of TL 1,472,842 in USD and a net long position of TL 117,453 in EURO.

| Current Period   | EURO               | USD                 | Other FC           | Total               |
|--|--------------------|---------------------|--------------------|---------------------|
| <b>Assets</b>  |                    |                     |                    |                     |
| Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey <sup>(1)</sup> | 12,445,173         | 19,063,318          | 5,114,911          | 36,623,402          |
| Banks <sup>(2)</sup>   | 1,311,501          | 692,733             | 4,206,120          | 6,210,354           |
| Financial Assets at Fair Value Through Profit or Loss  | 74,443             | 467,196             | -                  | 541,639             |
| Money Market Placements  | -                  | -                   | -                  | -                   |
| Financial Assets at Fair Value through Other Comprehensive Income  | 1,491,046          | 1,522,104           | 49,335             | 3,062,485           |
| Loans <sup>(3)</sup>   | 27,266,757         | 5,888,921           | 1,423,477          | 34,579,155          |
| Subsidiaries, Associates and Entities Under Common Control   | -                  | -                   | -                  | -                   |
| Financial Assets Measured at Amortised Cost <sup>(4)</sup>   | 3,664,924          | 5,944,828           | -                  | 9,609,752           |
| Derivative Financial Assets for Hedging Purposes <sup>(5)</sup>  | 168,148            | 140,016             | -                  | 308,164             |
| Tangible Assets  | -                  | -                   | -                  | -                   |
| Intangible Assets  | -                  | -                   | -                  | -                   |
| Other Assets <sup>(6)</sup>  | 2,946,351          | 334,792             | 128,052            | 3,409,195           |
| <b>Total Assets</b>  | <b>49,368,343</b>  | <b>34,053,908</b>   | <b>10,921,895</b>  | <b>94,344,146</b>   |
| <b>Liabilities</b>   |                    |                     |                    |                     |
| Bank Deposits  | 703                | -                   | 50                 | 753                 |
| Foreign Currency Deposits <sup>(7)</sup>   | 23,337,644         | 34,830,626          | 13,521,933         | 71,690,203          |
| Money Market Funds   | 5,706,506          | 1,084,154           | -                  | 6,790,660           |
| Funds Provided from Other Financial Institutions   | 13,511,183         | 9,795,715           | 111,550            | 23,418,448          |
| Securities Issued  | -                  | -                   | -                  | -                   |
| Derivative Financial Liabilities for Hedging Purposes  | -                  | -                   | -                  | -                   |
| Other Liabilities <sup>(8)</sup>   | 2,557,744          | 630,339             | 31,471             | 3,219,554           |
| <b>Total Liabilities</b>   | <b>45,113,780</b>  | <b>46,340,834</b>   | <b>13,665,004</b>  | <b>105,119,618</b>  |
| <b>Net Balance Sheet Position</b>  | <b>4,254,563</b>   | <b>(12,286,926)</b> | <b>(2,743,109)</b> | <b>(10,775,472)</b> |
| <b>Net Off-Balance Sheet Position</b>  | <b>(5,220,634)</b> | <b>9,769,785</b>    | <b>1,776,251</b>   | <b>6,325,402</b>    |
| Financial Derivative Assets <sup>(9)</sup>   | 32,515,163         | 58,915,548          | 8,465,255          | 99,895,966          |
| Financial Derivative Liabilities <sup>(9)</sup>  | 37,735,797         | 49,145,763          | 6,689,004          | 93,570,564          |
| Non-Cash Loans <sup>(10)</sup>   | 17,515,996         | 19,249,329          | 4,549,939          | 41,315,264          |
| <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 Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey TL 5,950 (31 December 2021: TL 4,982) includes the balances of expected credit losses.

<sup>(2)</sup> The banks include TL 17,100 (31 December 2021: TL 22,153) of expected credit loss provisions.

<sup>(3)</sup> Foreign currency indexed loans amounting to TL 59,195 TL (31 December 2021: TL 173,195) are included in the loan portfolio. It includes TL 1,364,418 (31 December 2021: TL 814,077) amounting to expected credit loss.

<sup>(4)</sup> Financial assets at amortised cost includes expected credit loss amounting to TL 2,163 (31 December 2021: TL 1,839)

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

<sup>(6)</sup> TL 711,819 (31 December 2021: TL 312,610) income accruals from derivative financial instruments are deducted from other assets. In the Other Assets line, TL 3,192,413 factoring receivables and TL 4,633 factoring receivables include expected loss provision.

<sup>(7)</sup> Precious metal accounts amounting to TL 9,500,243 (31 December 2021: TL 7,954,654) are included in the foreign currency deposits.

<sup>(8)</sup> TL 529,899 (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 2,836,459 (31 December 2021: TL 3,118,150) are added to derivative financial assets and TL 2,213,443 (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

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

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

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

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

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

The 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 the legal and internal limits and manages the interest rate risk in accordance with the bank's risk appetite.

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

|  | Up to 1<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 Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey <sup>(2)</sup> | -                   | -                  | -                 | -                 | -                | 43,832,308                             | 43,832,308         |
| Banks <sup>(3)</sup>   | 4,387,968           | -                  | -                 | -                 | -                | 4,631,268                              | 9,019,236          |
| Financial Assets at Fair Value Through Profit or Loss  | 1,906,651           | 817,219            | 126,562           | 152,209           | 49,451           | 416,777                                | 3,468,869          |
| Money Market Placement <sup>(4)</sup>  | 7,604,278           | -                  | -                 | -                 | -                | (589)                                  | 7,603,689          |
| Financial Assets at Fair Value Through Other Comprehensive Income  | 2,220,139           | 2,111,220          | 1,749,845         | 2,289,819         | -                | 49,313                                 | 8,420,336          |
| Loans <sup>(5)</sup>   | 21,690,951          | 23,791,434         | 60,342,773        | 40,236,470        | 1,010,386        | (2,419,589)                            | 144,652,425        |
| Financial Assets Measured at Amortised Cost <sup>(6)</sup>   | 1,483,985           | 4,986,368          | 16,807,897        | 11,498,454        | 5,679,232        | (9,103)                                | 40,446,833         |
| Other Assets <sup>(7)</sup>  | 3,495,071           | 3,369,588          | 2,157,186         | 1,347,759         | 473,153          | 15,249,568                             | 26,092,325         |
| <b>Total Assets</b>  | <b>42,789,043</b>   | <b>35,075,829</b>  | <b>81,184,263</b> | <b>55,524,711</b> | <b>7,212,222</b> | <b>61,749,953</b>                      | <b>283,536,021</b> |
| <b>Liabilities</b>   |                     |                    |                   |                   |                  |  |                    |
| Bank Deposit   | 1,597,800           | -                  | -                 | -                 | -                | 185,513                                | 1,783,313          |
| Other Deposits   | 83,442,527          | 34,885,992         | 6,979,900         | 46,388            | -                | 73,211,800                             | 198,566,607        |
| Money Market Funds   | 2,940,007           | 3,198,340          | 1,091,602         | -                 | -                | -                                      | 7,229,949          |
| Miscellaneous Payables   | -                   | -                  | -                 | -                 | -                | -                                      | -                  |
| Securities Issued  | -                   | 230,582            | 191,463           | -                 | -                | -                                      | 422,045            |
| Funds Provided from Other Financial Institutions   | 5,121,334           | 9,860,700          | 8,364,091         | -                 | 3,967,195        | -                                      | 27,313,320         |
| Other Liabilities  | 77,357              | 500,838            | 1,625,088         | 484,261           | 55,727           | 45,477,516                             | 48,220,787         |
| <b>Total Liabilities</b>   | <b>93,179,025</b>   | <b>48,676,452</b>  | <b>18,252,144</b> | <b>530,649</b>    | <b>4,022,922</b> | <b>118,874,829</b>                     | <b>283,536,021</b> |
| Balance Sheet Long Position  | -                   | -                  | 62,932,119        | 54,994,062        | 3,189,300        | -                                      | 121,115,481        |
| Balance Sheet Short Position   | (50,389,982)        | (13,600,623)       | -                 | -                 | -                | (57,124,876)                           | (121,115,481)      |
| Off-Balance Sheet Long Position  | 5,489,816           | 8,170,094          | -                 | -                 | 32,304           | -                                      | 13,692,214         |
| Off-Balance Sheet Short Position   | -                   | -                  | (8,668,203)       | (4,384,572)       | -                | -                                      | (13,052,775)       |
| <b>Total Position</b>  | <b>(44,900,166)</b> | <b>(5,430,529)</b> | <b>54,263,916</b> | <b>50,609,490</b> | <b>3,221,604</b> | <b>(57,124,876)</b>                    | <b>639,439</b>     |

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

(2) Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey include expected loss provisions amounting to TL 7,403.

(3) The banks include TL 28,900 expected loss provisions.

(4) Money Market Placement includes expected credit losses amounting to TL 589.

(5) The revolving loans amounting to TL 11,454,165 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 5,051,454.

(6) Financial assets at amortised cost includes expected credit loss amounting to TL 9,103.

(7) Includes factoring receivables amounting to TL 7,329,598 and factoring receivables expected loss provisions amounting to TL 59,890.

The other assets line in the non-interest-bearing column consists of tangible assets amounting to TL 1,276,406, intangible assets amounting to TL 903,856, assets held for resale amounting to TL 100,370, subsidiaries amounting to TL 50 and non-financial jointly controlled entities under common control joint venture amounting to TL 5 and the other liabilities line includes the shareholders' equity of TL 26,144,392.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### V. Explanations Related to Consolidated Interest Rate Risk (Continued)

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

|   | Up to 1<br>Month   | 1-3<br>Months     | 3-12<br>Months    | 1-5<br>Years      | Over 5<br>Years    | Non-interest<br>Bearing <sup>(1)</sup> | Total              |
|---|--------------------|-------------------|-------------------|-------------------|--------------------|--|--------------------|
| <b>Prior Period</b>   |                    |                   |                   |                   |                    |  |                    |
| <b>Assets</b>   |                    |                   |                   |                   |                    |  |                    |
| Cash (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central 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 or Loss   | 252,946            | 718,169           | 619,019           | 805,159           | 96,136             | 302,359                                | 2,793,788          |
| Money Market Placement  | 3,245              | -                 | -                 | -                 | -                  | -                                      | 3,245              |
| Financial Assets at Fair Value Through Other Comprehensive Income   | 502,497            | 476,140           | 1,672,179         | 4,511,890         | -                  | 13,250                                 | 7,175,956          |
| Credits Granted <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 Valued at Amortised Cost <sup>(5)</sup>  | 663,358            | 576,192           | 10,699,178        | 7,571,596         | 41,376             | (4,399)                                | 19,547,301         |
| Other Assets <sup>(6)</sup>   | 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>  |                    |                   |                   |                   |                    |  |                    |
| Banks Deposit   | 1,962,166          | -                 | -                 | -                 | -                  | 37,570                                 | 1,999,736          |
| Other Deposits  | 60,627,208         | 10,374,268        | 272,254           | 1,378             | -                  | 58,308,129                             | 129,583,237        |
| Money Market Funds  | 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 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>   |

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

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

(3) The banks include TL 23,547 of expected loss provisions.

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

(5) Financial assets at amortised cost includes expected credit loss amounting to TL 4,399.

(6) Includes factoring receivables amounting to TL 4,636,925 and factoring receivables expected loss provisions amounting to TL 35,600.

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### V. Explanations Related to Consolidated Interest Rate Risk (Continued)

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

|   | EURO<br>% | USD<br>% | YEN<br>% | TL<br>% |
|---|-----------|----------|----------|---------|
| <b>Current Period</b>   |           |          |          |         |
| Assets  |           |          |          |         |
| Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey | -         | -        | -        | -       |
| Banks   | 1.75      | 4.25     | -        | 10.04   |
| Financial Assets at Fair Value Through Profit or Loss   | 5.01      | 7.71     | -        | 11.41   |
| Money Market Placements   | -         | -        | -        | 10.27   |
| Financial Assets at Fair Value Through Other Comprehensive Income   | 2.71      | 3.50     | -        | 36.19   |
| Loans (*)   | 4.52      | 7.70     | 5.65     | 20.10   |
| Financial Assets Measured at Amortised Cost   | 3.16      | 5.18     | -        | 42.86   |
| Liabilities   |           |          |          |         |
| Bank Deposits   | -         | -        | -        | 3.74    |
| Other Deposits  | 0.70      | 3.02     | -        | 17.96   |
| Money Market Funds  | 1.88      | 3.00     | -        | 12.80   |
| Miscellaneous Payables  | -         | -        | -        | -       |
| Securities Issued   | -         | -        | -        | 22.32   |
| Funds Provided from Other Financial Institutions  | 5.39      | 7.42     | -        | 22.84   |
| (*) Includes factoring receivables.   |           |          |          |         |
|   | EURO<br>% | USD<br>% | YEN<br>% | TL<br>% |

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

#### Interest rate risk arising from banking accounts:

- a) Significant assumptions and frequency of measurement of interest rate risk, including the nature of interest rate risk arising from banking accounts and those related to the movement of deposits other than loan early repayments and time deposits:

Interest rate risk arising from banking accounts is monitored through different scenarios, and the interest risk exposed by presenting the results to the relevant committees is evaluated from different perspectives. There is a limit determined by the Board of Directors regarding the risk amount. It is taken care to ensure a certain harmony between assets and liabilities on the basis of currency, taking into account the market expectations of the bank.

Early repayment rates of loans were determined by examining the historic reaction of housing loans to interest movements in the previous periods. By analysing the movements of demand deposits on the basis of branches and accounts, it has been determined the duration of demand deposits that remain in the Parent Bank on account basis. Assumptions accepted in parallel with the results reached are reflected in the above mentioned products in interest rate sensitivity calculations.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### V. Explanations Related to Consolidated Interest Rate Risk (Continued)

#### Interest rate risk arising from banking accounts: (continued)

b) Economic value differences arising from fluctuations in interest rates in accordance with the "Regulation on Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts by Standard Shock Method":

| Currency                          | Shock Applied<br>(+/- x basis point) | Gains/<br>(Losses) | Gains/Equity-<br>(Losses)/Equity |
|-----------------------------------|--------------------------------------|--------------------|----------------------------------|
| TL                                | (400)                                | 1,964,724          | 5.47%                            |
| TL                                | 500                                  | (2,133,523)        | (5.94)%                          |
| EURO                              | (200)                                | 346,055            | 0.96%                            |
| EURO                              | 200                                  | (323,842)          | (0.90)%                          |
| USD                               | (200)                                | 52,328             | 0.15%                            |
| USD                               | 200                                  | (48,091)           | (0.13)%                          |
| <b>Total (Of negative shocks)</b> | <b>(800)</b>                         | <b>2,363,107</b>   | <b>6.58%</b>                     |
| <b>Total (Of positive shocks)</b> | <b>900</b>                           | <b>(2,505,456)</b> | <b>(6.98)%</b>                   |

### VI. Explanations Related to Certificates Share Position Risk from Consolidated Banking Book

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 whereby fair value cannot be calculated properly.

The Parent Bank has no shares traded on Borsa Istanbul.

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

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

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

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

The Risk Management Group monitors daily all set liquidity risk limits, and periodically reports internal and legal liquidity rates and changes to the Risk Committee, and Board of Directors, in addition to providing daily reports to senior management. Information about the 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.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### VII. Explanations Related to Consolidated Liquidity Risk Management and Liquidity Coverage Ratio (continued)

- 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 constituting at least five percent of the Parent Bank's total liabilities:

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

- e) Information on liquidity risk mitigation techniques:

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

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

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

- f) Explanation on the usage of the stress test:

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

- 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

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### VII. Explanations Related to Consolidated Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

#### Liquidity Coverage Ratio:

|  | Rate of Percentage to Be Taken into Account not Implemented Total Value (*)                        |    | Rate of Percentage to Be Taken into Account Implemented Total Value (*) |                   |
|--|--|----|---|-------------------|
|  | TL+FC  | FC | TL+FC   | FC                |
| <b>Current Period – 31 December 2022</b> |  |    |   |                   |
| <b>High Quality Liquid Assets</b>        |  |    |   |                   |
| 1  | High Quality Liquid Assets   |    | 85,142,469  | 40,305,054        |
| <b>Cash Outflows</b>                     |  |    |   |                   |
| 2  | Real Person and Retail Deposits  |    | 137,419,843   | 59,142,355        |
| 3  | Stable Deposits  |    | 23,918,844  | -                 |
| 4  | Less Stable Deposits   |    | 113,500,999   | 59,142,355        |
| 5  | Unsecured Debts Other than Real Person and Retail Deposits   |    | 65,292,487  | 29,488,733        |
| 6  | Operational Deposits   |    | 2,531,134   | 691,600           |
| 7  | Non-operational Deposits   |    | 53,259,982  | 24,788,855        |
| 8  | Other Unsecured Funding  |    | 9,501,371   | 4,008,278         |
| 9  | Secured Funding  |    | -   | -                 |
| 10                                       | Other Cash Outflows  |    | 2,258,023   | 10,237,534        |
| 11                                       | Outflows Related to Derivative Exposures   |    | 2,258,023   | 10,237,534        |
| 12                                       | Outflows Related to Restructured Financial Instruments   |    | -   | -                 |
| 13                                       | Payment Commitments and Other Off-balance Sheet Commitments Granted for Debts to Financial Markets |    | -   | -                 |
| 14                                       | Other Revocable Off-balance Sheet Commitments and Contractual Obligations                          |    | -   | -                 |
| 15                                       | Other Irrevocable or Conditionally Revocable Off-balance Sheet Obligations                         |    | 83,847,957  | 34,809,972        |
| <b>16</b>                                | <b>Total Cash Outflows</b>   |    | <b>59,854,132</b>   | <b>34,626,607</b> |
| <b>Cash Inflows</b>                      |  |    |   |                   |
| 17                                       | Secured Receivables  |    | -   | -                 |
| 18                                       | Unsecured Receivables  |    | 25,275,195  | 13,415,626        |
| 19                                       | Other Cash Inflows   |    | 302,282   | 29,318,691        |
| <b>20</b>                                | <b>Total Cash Inflows</b>  |    | <b>25,577,477</b>   | <b>42,734,317</b> |
|  |  |    | <b>Upper Limit Applied Values</b>                                       |                   |
| <b>21</b>                                | <b>Total High Quality Liquid Assets</b>  |    | <b>85,142,469</b>   | <b>40,305,054</b> |
| <b>22</b>                                | <b>Total Net Cash Outflows</b>   |    | <b>40,747,109</b>   | <b>8,656,652</b>  |
| <b>23</b>                                | <b>Liquidity Coverage Ratio (%)</b>  |    | <b>208.95</b>   | <b>465.60</b>     |

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### VII. Explanations Related to Consolidated Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

#### Liquidity Coverage Ratio: (continued)

| Prior Period – 31 December 2021  | Rate of Percentage to Be Taken into Account not Implemented Total Value (*) |                   | Rate of Percentage to Be Taken into Account Implemented Total Value (*) |                   |
|--|---|-------------------|---|-------------------|
|  | TL+FC   | FC                | TL+FC   | FC                |
| <b>High Quality Liquid Assets</b>  |   |                   |   |                   |
| 1 High Quality Liquid Assets   |   |                   | 46,888,056  | 29,282,626        |
| <b>Cash Outflows</b>   |   |                   |   |                   |
| 2 Real Person and Retail Deposits  | 81,720,904  | 42,598,230        | 7,319,601   | 4,259,823         |
| 3 Stable Deposits  | 17,049,779  | -                 | 852,489   | -                 |
| 4 Less Stable Deposits   | 64,671,125  | 42,598,230        | 6,467,112   | 4,259,823         |
| 5 Unsecured Debts Other than Real Person and Retail Deposits   | 44,985,951  | 23,081,623        | 25,444,605  | 12,624,562        |
| 6 Operational Deposits   | 1,256,434   | 554,315           | 314,109   | 138,579           |
| 7 Non-operational Deposits   | 34,324,870  | 16,803,402        | 15,771,063  | 6,762,239         |
| 8 Other Unsecured Funding  | 9,404,647   | 5,723,906         | 9,359,433   | 5,723,744         |
| 9 Secured Funding  | -   | -                 | 70,908  | -                 |
| 10 Other Cash Outflows   | 1,286,330   | 4,867,615         | 1,286,330   | 4,867,615         |
| 11 Outflows Related to Derivative Exposures  | 1,286,330   | 4,867,615         | 1,286,330   | 4,867,615         |
| 12 Other Collateral Requirements   | -   | -                 | -   | -                 |
| 13 Outflows Related to Restructured Financial Instruments  | -   | -                 | -   | -                 |
| 14 Payment Commitments and Other Off-Balance Sheet Commitments Granted for Debts to Financial Market | -   | -                 | -   | -                 |
| 15 Other Revocable Off-Balance Sheet   | 44,459,083  | 17,681,444        | 3,597,807   | 1,766,808         |
| <b>16 Total Cash Outflows</b>  | -   | -                 | <b>37,719,251</b>   | <b>23,518,808</b> |
| <b>Cash Inflows</b>  |   |                   |   |                   |
| 17 Secured Receivables   | -   | -                 | -   | -                 |
| 18 Unsecured Receivables   | 17,210,930  | 9,936,422         | 13,214,393  | 9,147,184         |
| 19 Other Cash Inflows  | 561,220   | 12,279,927        | 561,220   | 12,279,927        |
| <b>20 Total Cash Inflows</b>   | <b>17,772,150</b>   | <b>22,216,349</b> | <b>13,775,613</b>   | <b>21,427,111</b> |
|  |   |                   | <b>Upper Limit is Applied Values</b>                                    |                   |
| <b>21 Total High Quality Liquid Assets</b>   |   |                   | <b>46,888,056</b>   | <b>29,282,626</b> |
| <b>22 Total Net Cash Outflows</b>  |   |                   | <b>23,943,638</b>   | <b>5,879,702</b>  |
| <b>23 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 to their priority consist of the time accounts, bond portfolio, required reserve, cash and effective deposit. Funding sources consists of corporate customer deposits, real person deposits, borrowings and SME deposit accounts which are weighted by ratios used in Liquidity Coverage Ratio reporting considering their maturity types. Due to amount differences between buy and sell transactions, derivative products effect more FC Liquidity Coverage Ratio rather than the total. Besides, cash outflows due to withdrawal of the collaterals securing derivatives and market valuation changes on derivative transactions are considered in calculations.

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

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

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### VII. Explanations Related to Consolidated Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

#### Liquidity Coverage Ratio: (continued)

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

|               | Current Period |         |
|---------------|----------------|---------|
|               | TL+FC          | FC      |
| October 2022  | 207.33%        | 427.90% |
| November 2022 | 221.13%        | 402.52% |
| December 2022 | 209.05%        | 500.65% |
|               | Prior Period   |         |
|               | TL+FC          | FC      |
| October 2021  | 162.98%        | 418.13% |
| November 2021 | 192.56%        | 558.19% |
| December 2021 | 214.51%        | 465.71% |

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

| Current Period   | Demand              | Up to 1 Month       | 1-3 Months          | 3-12 Months       | 1-5 Years         | Over 5 Years       | Undistributed <sup>(1)</sup> | Total              |
|--|---------------------|---------------------|---------------------|-------------------|-------------------|--------------------|------------------------------|--------------------|
| <b>Assets</b>  |                     |                     |                     |                   |                   |                    |                              |                    |
| Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey <sup>(2)</sup> | 17,776,014          | 26,063,697          | -                   | -                 | -                 | -                  | (7,403)                      | 43,832,308         |
| Banks <sup>(3)</sup>   | 6,298,454           | 2,749,682           | -                   | -                 | -                 | -                  | (28,900)                     | 9,019,236          |
| Financial Assets at Fair Value Through Profit and Loss   | -                   | 1,638,038           | 105,815             | 498,962           | 759,825           | 49,451             | 416,778                      | 3,468,869          |
| Money Market Placements <sup>(4)</sup>   | -                   | 7,604,278           | -                   | -                 | -                 | -                  | (589)                        | 7,603,689          |
| Financial Assets at Fair Value Through Other Comprehensive Income  | 49,313              | 49,266              | 948,230             | 959,653           | 4,176,172         | 2,237,702          | -                            | 8,420,336          |
| Loans Given <sup>(5)</sup>   | -                   | 19,456,926          | 23,793,338          | 60,439,862        | 42,371,502        | 1,010,386          | (2,419,589)                  | 144,652,425        |
| Financial Assets Measured at Amortised Cost <sup>(6)</sup>   | -                   | 202,928             | 187,153             | 14,413,600        | 15,018,688        | 10,633,567         | (9,103)                      | 40,446,833         |
| Other Assets <sup>(7)</sup>  | -                   | 6,390,747           | 4,036,920           | 3,025,686         | 1,581,857         | 678,386            | 10,378,729                   | 26,092,325         |
| <b>Total Assets</b>  | <b>24,123,781</b>   | <b>64,155,562</b>   | <b>29,071,456</b>   | <b>79,337,763</b> | <b>63,908,044</b> | <b>14,609,492</b>  | <b>8,329,923</b>             | <b>283,536,021</b> |
| <b>Liabilities</b>   |                     |                     |                     |                   |                   |                    |                              |                    |
| Bank Deposits  | 185,513             | 1,597,800           | -                   | -                 | -                 | -                  | -                            | 1,783,313          |
| Other Deposits   | 73,211,800          | 83,442,527          | 34,885,992          | 6,979,900         | 46,388            | -                  | -                            | 198,566,607        |
| Funds Provided from Other Financial Institutions   | -                   | 3,003,051           | 4,216,063           | 10,368,813        | 17,175            | 9,708,218          | -                            | 27,313,320         |
| Money Market Funds   | -                   | 2,940,007           | 3,198,340           | 1,091,602         | -                 | -                  | -                            | 7,229,949          |
| Securities Issued  | -                   | -                   | 230,582             | 191,463           | -                 | -                  | -                            | 422,045            |
| Miscellaneous Payables   | -                   | -                   | -                   | -                 | -                 | -                  | -                            | -                  |
| Other Liabilities  | 63,326              | 12,926,135          | 658,001             | 3,355,966         | 1,199,934         | 427,872            | 29,589,553                   | 48,220,787         |
| <b>Total Liabilities</b>   | <b>73,460,639</b>   | <b>103,909,520</b>  | <b>43,188,978</b>   | <b>21,987,744</b> | <b>1,263,497</b>  | <b>10,136,090</b>  | <b>29,589,553</b>            | <b>283,536,021</b> |
| <b>Liquidity Gap</b>   | <b>(49,336,858)</b> | <b>(39,753,958)</b> | <b>(14,117,522)</b> | <b>57,350,019</b> | <b>62,644,547</b> | <b>4,473,402</b>   | <b>(21,259,630)</b>          | <b>-</b>           |
| <b>Net Off-Balance Sheet Position</b>  | <b>-</b>            | <b>(591,987)</b>    | <b>393,817</b>      | <b>1,196,457</b>  | <b>954,774</b>    | <b>307,126</b>     | <b>-</b>                     | <b>2,260,187</b>   |
| Financial Derivative Assets  | -                   | 44,409,942          | 57,618,886          | 39,771,836        | 20,496,290        | 4,034,812          | -                            | 166,331,766        |
| Financial Derivative Liabilities   | -                   | 45,001,929          | 57,225,069          | 38,575,379        | 19,541,516        | 3,727,686          | -                            | 164,071,579        |
| Non-Cash Loans   | 13,121,578          | 3,497,894           | 7,413,856           | 18,952,925        | 12,278,183        | -                  | -                            | 55,264,436         |
| <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                    | 198,854,118        |
| Total Liabilities  | 58,549,584          | 81,385,158          | 22,774,278          | 11,462,945        | 1,853,657         | 7,520,200          | 15,308,296                   | 198,854,118        |
| <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>-</b>           |
| <b>Net Off-Balance Sheet Position</b>  | <b>-</b>            | <b>1,157,348</b>    | <b>180,560</b>      | <b>1,768,166</b>  | <b>231,463</b>    | <b>180,567</b>     | <b>-</b>                     | <b>3,518,104</b>   |
| 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         |

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

(2) Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Turkey include expected loss provisions amounting of TL 7,403.

(3) The banks include TL 28,900 of expected loss provisions.

(4) Receivables from Money Markets includes expected loss provisions balance amounting to TL 589.

(5) The revolving loans amounting to TL 11,454,165 are presented under the “Up to 1 Month” column. It includes expected loss provisions amounting to TL 5,051,454.

(6) Financial assets at amortised cost includes expected credit loss amounting to TL 9,103.

(7) Includes factoring receivables amounting to TL 7,329,598 and factoring receivables expected loss provisions amounting to TL 59,890.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### VII. Explanations Related to Consolidated Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

#### Analysis of financial liabilities by remaining contractual maturities:

|                           | Demand            | Up to 1 Month     | 1-3 Months        | 3-12 Months       | 1-5 Years        | 5 Years and Over  | Adjustments         | Total              |
|---------------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|---------------------|--------------------|
| <b>31 December 2022</b>   |                   |                   |                   |                   |                  |                   |                     |                    |
| Money Market Funds        | -                 | 1,523,443         | 60,598            | 3,058,871         | 2,626,629        | -                 | (39,592)            | 7,229,949          |
| Other Deposit             | 73,211,800        | 83,822,501        | 35,569,275        | 7,524,987         | 52,135           | -                 | (1,614,091)         | 198,566,607        |
| Bank Deposit              | 185,513           | 1,598,124         | -                 | -                 | -                | -                 | (324)               | 1,783,313          |
| Funds Provided from Other |                   |                   |                   |                   |                  |                   |                     |                    |
| Financial Institutions    | -                 | 6,500,001         | 4,537,463         | 11,254,990        | 3,480,698        | 10,665,376        | (9,125,208)         | 27,313,320         |
| Issued Securities         | -                 | -                 | 230,582           | 191,463           | -                | -                 | -                   | 422,045            |
| <b>Total</b>              | <b>73,397,313</b> | <b>93,444,069</b> | <b>40,397,918</b> | <b>22,030,311</b> | <b>6,159,462</b> | <b>10,665,376</b> | <b>(10,779,215)</b> | <b>235,315,234</b> |
| <b>31 December 2021</b>   |                   |                   |                   |                   |                  |                   |                     |                    |
| Money Market Funds        | -                 | 4,764,898         | 2,598,569         | 1,593,351         | -                | -                 | (31,003)            | 8,925,815          |
| Other Deposit             | 58,308,129        | 60,759,151        | 10,547,680        | 303,238           | 1,427            | -                 | (336,388)           | 129,583,237        |
| Bank Deposit              | 37,570            | 1,963,832         | -                 | -                 | -                | -                 | (1,666)             | 1,999,736          |
| Funds Provided from Other |                   |                   |                   |                   |                  |                   |                     |                    |
| Financial Institutions    | -                 | 3,187,707         | 8,227,356         | 10,284,405        | 1,968,338        | 8,991,685         | (5,621,279)         | 27,038,212         |
| Issued Securities         | -                 | 1,078,661         | 150,058           | -                 | -                | -                 | (34,194)            | 1,194,525          |
| <b>Total</b>              | <b>58,345,699</b> | <b>71,754,249</b> | <b>21,523,663</b> | <b>12,180,994</b> | <b>1,969,765</b> | <b>8,991,685</b>  | <b>(6,024,530)</b>  | <b>168,741,525</b> |

#### The contract-based maturity analysis of the Bank's derivative instruments is as follows:

|  | Up to 1 Month     | 1-3 Month         | 3-12 Month        | 1-5 Year          | 5 Year and Over | Total              |
|--|-------------------|-------------------|-------------------|-------------------|-----------------|--------------------|
| <b>31 December 2022</b>                                      |                   |                   |                   |                   |                 |                    |
| <b>Derivative Financial Instruments for Hedging Purposes</b> |                   |                   |                   |                   |                 |                    |
| Fair Value Hedge   | -                 | -                 | -                 | -                 | -               | -                  |
| Cash Flow Hedge  | 2,043             | 35,935            | 8,885,847         | 6,909,227         | -               | 15,833,052         |
| <b>Trading Transactions</b>                                  |                   |                   |                   |                   |                 |                    |
| Foreign Exchange Forward                                     | 5,584,195         | 5,621,390         | 9,271,270         | 202,726           | -               | 20,679,581         |
| Swap Money Selling Agreement                                 | 28,853,242        | 28,436,597        | 5,729,997         | 9,044,195         | 340,851         | 72,404,882         |
| Interest Rate Swaps-Sell                                     | -                 | -                 | -                 | -                 | -               | -                  |
| Futures Monetary Agreement                                   | -                 | 1,614,567         | 287,832           | -                 | -               | 1,902,399          |
| Money Exchange Options Contract                              | 5,681,660         | 16,474,998        | 4,214,429         | 1,231,979         | -               | 27,603,066         |
| <b>Total</b>   | <b>40,121,140</b> | <b>52,183,487</b> | <b>28,389,375</b> | <b>17,388,127</b> | <b>340,851</b>  | <b>138,422,980</b> |
| <b>31 December 2021</b>                                      |                   |                   |                   |                   |                 |                    |
| <b>Derivative Financial Instruments for Hedging Purposes</b> |                   |                   |                   |                   |                 |                    |
| Fair Value Hedge   | -                 | -                 | -                 | -                 | -               | -                  |
| Cash Flow Hedge  | -                 | 35,186            | 3,887,312         | 636,913           | -               | 4,559,411          |
| <b>Trading Transactions</b>                                  |                   |                   |                   |                   |                 |                    |
| Foreign Exchange Forward                                     | 4,716,764         | 3,435,743         | 5,101,585         | 217,898           | -               | 13,471,990         |
| Swap Money Selling Agreement                                 | 19,240,938        | 25,863,945        | 4,280,649         | 9,392,381         | 217,139         | 58,995,052         |
| Interest Rate Swaps-Sell                                     | -                 | -                 | -                 | -                 | -               | -                  |
| Futures Monetary Agreement                                   | -                 | 321,698           | 42,622            | -                 | -               | 364,320            |
| Money Exchange Options Contract                              | 1,471,166         | 693,877           | 1,465,943         | -                 | -               | 3,630,986          |
| <b>Total</b>   | <b>25,428,868</b> | <b>30,350,449</b> | <b>14,778,111</b> | <b>10,247,192</b> | <b>217,139</b>  | <b>81,021,759</b>  |

Cash outflows of derivative instruments are shown in the table above.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### VIII. Explanations Related to Consolidated Leverage Ratio

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

Leverage ratio increased due to the increase in Tier 1 capital.

- b) Summary comparison table of the total risk amount and the total asset amount in the financial statements prepared as per TAS:

|  | Current<br>Period (**) | Prior<br>Period (**) |
|--|------------------------|----------------------|
| 1 Total Asset Amount in the Consolidated Financial Statements Prepared as per TAS (*)  | 285,523,114            | 184,154,597          |
| 2 The Difference between the Total Asset Amount in the Consolidated Financial Statements Prepared as per TAS and the Asset Amount in the Consolidated Financial statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks | -                      | -                    |
| 3 The Difference between the Derivative Financial Instruments and the Loan Derivatives Amount in the Consolidated Financial Statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts                | 1,205,781              | 612,168              |
| 4 The Difference between the Financial Transactions with Securities or Goods Warranty Amounts in the Consolidated Financial Statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts                | 2,727,317              | 854,257              |
| 5 The Difference between the Off-balance Sheet Transactions Amount in the Consolidated Financial Statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts   | 102,954,992            | 66,388,072           |
| 6 Other Differences between the Amount in the Consolidated Financial Statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts   | (3,630,176)            | (2,064,182)          |
| <b>7 Total risk amount</b>   | <b>388,781,028</b>     | <b>249,944,912</b>   |

(\*) Consolidated financial statements prepared as per the sixth paragraph of Article 5 of the Communiqué on the Preparation of the Consolidated Financial Statements of Banks.

(\*\*) The amounts in the table are calculated by using the 3 months average amounts.

- c) Leverage Ratio:

|  | Current<br>Period (*) | Prior<br>Period (*) |
|--|-----------------------|---------------------|
| <b>Assets on the Balance Sheet</b>   |                       |                     |
| 1 Assets on the Balance Sheet (Excluding Derivative Financial Instruments and Loan Derivatives, Including Collaterals) | 279,515,952           | 180,241,636         |
| 2 (Assets Deducted from Core Capital)  | (856,786)             | (608,185)           |
| 3 Total Risk Amount for Assets on the Balance Sheet  | 278,659,166           | 179,633,451         |
| <b>Derivative Financial Instruments and Credit Derivatives</b>   |                       |                     |
| 4 Renewal Cost of Derivative Financial Instruments and Credit Derivatives  | 3,233,772             | 2,456,964           |
| 5 Potential Credit Risk Amount of Derivative Financial Instruments and Credit Derivatives                              | 1,205,781             | 612,168             |
| 6 Total Risk Amount of Derivative Financial Instruments and Credit Derivatives   | 4,439,553             | 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)     | 2,727,317             | 854,257             |
| 8 Risk Amount Arising from Intermediated Transactions  | -                     | -                   |
| 9 Total Risk Amount of Financing Transactions with Securities or Goods Warranties                                      | 2,727,317             | 854,257             |
| <b>Off-Balance Sheet Transactions</b>  |                       |                     |
| 10 Gross Nominal Amount of the Off-balance Sheet Transactions  | 102,954,992           | 66,388,072          |
| 11 (Adjustment Amount Arising from Multiplying by the Credit Conversion Rate)  | -                     | -                   |
| 12 Total Risk Amount for Off-balance Sheet Transactions  | 102,954,992           | 66,388,072          |
| <b>Capital and Total Risk</b>  |                       |                     |
| 13 Tier 1 Capital  | 24,517,749            | 12,903,197          |
| 14 Total Risk Amount   | 388,781,028           | 249,944,912         |
| <b>Leverage Ratio</b>  |                       |                     |
| 15 Leverage Ratio  | 6.31%                 | 5.16%               |

(\*) The amounts in the table are calculated by using the 3 months average amounts.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values

|   | Book Value         |                    | Fair Value         |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | Current Period     | Prior Period       | Current Period     | Prior Period       |
| <b>Financial Assets</b>   | <b>217,412,227</b> | <b>146,831,890</b> | <b>222,324,731</b> | <b>146,273,203</b> |
| Money Market Placement  | 7,603,689          | 3,245              | 7,603,689          | 3,245              |
| Banks   | 9,019,236          | 11,641,191         | 9,019,236          | 11,641,191         |
| Financial Assets at Fair Value Through Other Comprehensive Income | 8,420,336          | 7,175,956          | 8,420,336          | 7,175,956          |
| Financial Assets Measured at Amortised Cost                       | 40,446,833         | 19,547,301         | 45,255,331         | 20,080,824         |
| Loans (**)  | 151,922,133        | 108,464,197        | 152,026,139        | 107,371,987        |
| <b>Financial Liabilities</b>                                      | <b>247,589,262</b> | <b>178,160,571</b> | <b>248,787,777</b> | <b>178,580,339</b> |
| Bank Deposit  | 1,783,313          | 1,999,736          | 1,783,313          | 1,999,736          |
| Other Deposit   | 198,566,607        | 129,583,237        | 199,590,583        | 129,824,244        |
| Funds Borrowed from Other Financial Institutions (*)              | 34,543,269         | 35,964,027         | 34,717,808         | 36,142,788         |
| Marketable Securities Issued                                      | 422,045            | 1,194,525          | 422,045            | 1,194,525          |
| Other Liabilities   | 12,274,028         | 9,419,046          | 12,274,028         | 9,419,046          |

(\*) Money market funds and subordinated loans are included in the line of funds from other financial institutions .

(\*\*) Factoring receivables are included in loans.

Investment securities in the current period include financial assets valued at their amortised cost and at fair value through other comprehensive income. The fair value of assets held to maturity assets are determined based on market prices or quoted market prices of other securities subject to redemption in terms of interest, maturity and other similar circumstances, where their prices cannot be determined.

Due to the fact that demand deposits, variable rate placements and overnight deposits are short-term, hence their carrying value reflects their fair value. Estimated fair value of fixed interest deposits and funds provided from other financial institutions is calculated with the presence of discounted cash flow using the current interest rates used for other debts of similar quality and similar maturity structure, by finding the discounted cash flow using the fair value of loans and the current interest rates used for receivables with similar and similar maturities. As the miscellaneous debts are short term, their carrying value approximately reflects their fair value.

The fair value of financial assets and liabilities are determined as follows:

- First level: Financial assets and liabilities are valued at the stock market prices traded in the active market for the same assets and liabilities.
- Second level: Financial assets and liabilities are valued from the inputs used to find the price of the relevant asset or liability directly or indirectly, which can be observed in the market other than the stock exchange price specified in the first level.
- Third level: Financial assets and liabilities are valued from inputs that are not based on any observable data in the market used to find the fair value of the asset or liability.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values (Continued)

The following table contains the analysis of the fair values of the financial instruments carried at fair values, including the stock market prices, valuation techniques, all model data of which can be measured in the market, or using valuation techniques whose data cannot be measured in the market:

| 31 December 2022   | Level 1           | Level 2          | Level 3        | Total             |
|--|-------------------|------------------|----------------|-------------------|
| <b>Financial Assets</b>  | <b>11,450,065</b> | <b>6,110,927</b> | <b>127,017</b> | <b>17,688,009</b> |
| Financial assets at Fair value through profit and loss                         | 3,128,377         | 5,327,500        | 77,704         | 8,533,581         |
| <i>Government Debt Securities</i>  | 3,011,802         | -                | -              | 3,011,802         |
| <i>Derivative Financial Assets at Fair Value Through Profit or Loss</i>        | -                 | 5,064,712        | -              | 5,064,712         |
| <i>Other Financial assets at Fair value through profit or loss</i>             | 116,575           | 262,788          | 77,704         | 457,067           |
| Derivative financial assets for hedging purposes                               | -                 | 734,092          | -              | 734,092           |
| Financial Assets at Fair Value Through Other Comprehensive Income              | 8,321,688         | 49,335           | 49,313         | 8,420,336         |
| <i>Government Debt Securities</i>  | 8,321,688         | 49,335           | -              | 8,371,023         |
| <i>Other Financial Assets at Fair Value Through Other Comprehensive Income</i> | -                 | -                | 49,313         | 49,313            |
| <b>Financial Liabilities</b>   | -                 | <b>3,567,233</b> | -              | <b>3,567,233</b>  |
| Derivative financial liabilities at fair value through profit or loss          | -                 | 3,497,620        | -              | 3,497,620         |
| Derivative financial liabilities for hedging purposes                          | -                 | 69,613           | -              | 69,613            |
| 31 December 2021   | Level 1           | Level 2          | Level 3        | Total             |
| <b>Financial Assets</b>  | <b>9,722,519</b>  | <b>8,308,644</b> | <b>73,026</b>  | <b>18,104,189</b> |
| Financial assets at Fair value through profit and loss                         | 2,599,074         | 6,466,914        | 59,776         | 9,125,764         |
| <i>Public sector debt securities</i>   | 2,491,428         | -                | -              | 2,491,428         |
| <i>Financial assets at Fair value through profit or loss</i>                   | -                 | 6,331,976        | -              | 6,331,976         |
| <i>Other Financial assets at Fair value through profit or loss</i>             | 107,646           | 134,938          | 59,776         | 302,360           |
| Derivative financial assets for hedging purposes                               | -                 | 1,802,469        | -              | 1,802,469         |
| Financial Assets at Fair Value Through Other Comprehensive Income              | 7,123,445         | 39,261           | 13,250         | 7,175,956         |
| <i>Public sector debt securities</i>   | 7,123,445         | 39,261           | -              | 7,162,706         |
| <i>Other Financial Assets at Fair Value Through Other Comprehensive Income</i> | -                 | -                | 13,250         | 13,250            |
| <b>Financial Liabilities</b>   | -                 | <b>4,489,788</b> | -              | <b>4,489,788</b>  |
| Derivative financial liabilities at fair value through profit or loss          | -                 | 4,159,177        | -              | 4,159,177         |
| Derivative financial liabilities for hedging purposes                          | -                 | 330,611          | -              | 330,611           |

There is no transition between levels in the current year.

The table below shows the movement table of financial assets at Level 3:

|   | Current Period | Prior Period  |
|---|----------------|---------------|
| <b>Balance at the Beginning of the Period</b> | <b>73,026</b>  | <b>58,652</b> |
| Purchases                                     | 30,420         | -             |
| Redemption or Sale                            | -              | -             |
| Valuation Difference                          | 23,571         | 14,374        |
| Transfers                                     | -              | -             |
| <b>Balance at the End of the Period</b>       | <b>127,017</b> | <b>73,026</b> |

### X. Explanations Related to Transactions Carried out on Behalf of Other Parties and Fiduciary Assets

The Group performs trading transactions on behalf of customers, and gives custody, administration and consultancy services.

The Group does not deal with fiduciary transactions.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

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### XI. Explanations Related to Consolidated Risk Management

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

#### 1. Risk management approach and risk weighted amounts

##### 1.1. The Parent Bank’s risk management approach

The objective of the Risk Management system is to provide that the risks that are derived from the bank’s activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Risk Management functions of the Parent Bank and all of its subsidiaries have been gathered under the Group Risk Management. Group Risk Management reports to the Boards of Directors of TEB Group through the Risk Committee and Audit Committee within the TEB A.Ş. and is responsible for fulfilling its duties of general supervision, notification and recommendation on behalf of the Boards of Directors in line with the principles laid down in this Regulation.

With Risk Policies, the Parent Bank aims to,

- i) Identify the main risks to which the Parent Bank is exposed and identified risks are within the controlled range;
- ii) Define roles and responsibilities to identify, analyse, measure, monitor, and control the main risks bank faces and other risks which may arise as a consequence of changes in activity structure and economic conditions,
- iii) Identify the volume of transactions which may cause non-controllable risks by considering equity strength or decrease the activities affected by such risks.

Risk policies and the procedures related there to contain written standards set by the Board of Directors and the “Senior Management” consisting of General Manager, Assistant General Managers and Chief Risk Officer.

Risk policies and related procedures are prepared in compliance with the Banking Law, external legislation and general banking practices and presented to the Senior Management / Board of Directors for approval.

It is the principal duty of all managers of the Parent Bank to provide compliance with risk policies containing the criteria required for each unit.

Risk Management Operations consist of;

- i) risk measurement,
- ii) monitoring of risks,
- iii) control of risk and reporting operations

Risk management operations are conducted by Group Risk Management and personnel.

Group Risk Management applies second order controls for quantifiable risks as part of continuous control system.

Head of Group Risk Management reports to the Board of Directors via Risk Committee and Audit Committee.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 1. Risk management approach and risk weighted amounts (Continued)

##### 1.2. Overview of Risk Weighted Amounts

|   | Risk Weighted Amounts |                    | Minimum Capital Requirement |
|---|-----------------------|--------------------|-----------------------------|
|   | Current Period        | Prior Period       | Current Period              |
| 1 Credit Risk (Excluding Counterparty Credit Risk) (CCR)                      | 178,531,951           | 106,230,712        | 14,282,556                  |
| 2 Of which Standardized Approach (SA)   | 178,531,951           | 106,230,712        | 14,282,556                  |
| 3 Of which Internal Rating-based (IRB) Approach                               | -                     | -                  | -                           |
| 4 Counterparty Credit Risk  | 5,339,572             | 2,882,445          | 427,166                     |
| 5 Of which Standardized Approach for Counterparty Credit Risk (SA-CCR)        | 5,339,572             | 2,882,445          | 427,166                     |
| 6 Of which Internal Model Method (IMM)  | -                     | -                  | -                           |
| 7 Equity positions in banking accounts under market-based approach            | -                     | -                  | -                           |
| 8 Equity Investments in Funds – Look-through Approach                         | -                     | -                  | -                           |
| 9 Equity Investments in Funds – Mandate-based Approach                        | -                     | -                  | -                           |
| 10 Equity Investments in Funds – 1250% Weighted Risk Approach                 | -                     | -                  | -                           |
| 11 Settlement Risk  | -                     | -                  | -                           |
| 12 Securitization Positions in banking accounts.                              | -                     | -                  | -                           |
| 13 Of which IRB Ratings-based Approach (RBA)                                  | -                     | -                  | -                           |
| 14 Of which IRB Supervisory Formula Approach (SFA)                            | -                     | -                  | -                           |
| 15 Of which SA/Simplified Supervisory Formula Approach (SSFA)                 | -                     | -                  | -                           |
| 16 Market Risk  | 5,913,116             | 3,023,546          | 473,049                     |
| 17 Standardized Approach (SA)   | 5,913,116             | 3,023,546          | 473,049                     |
| 18 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>201,587,244</b>    | <b>123,079,834</b> | <b>16,126,979</b>           |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 2. Linkages Between Financial Statements and Regulatory Exposures

##### 2.1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

| Current Period  | Valued amount of items in accordance with TAS                                |                                  |   |                          |                                      | Not subject to capital requirements or subject to deduction from capital |
|---|--|----------------------------------|---|--------------------------|--------------------------------------|--|
|   | Amount valued in accordance with TAS within the scope of legal consolidation | Subject to credit risk framework | Subject to counterparty credit risk framework | Securitization positions | Subject to the market risk framework |  |
| <b>Assets</b>   |  |                                  |   |                          |                                      |  |
| Cash balances and the Central bank  | 43,839,711   | 43,839,711                       | -   | -                        | -                                    | -  |
| Banks   | 9,048,136  | 9,048,151                        | -   | -                        | -                                    | -  |
| Money Market Placement  | 7,604,278  | -                                | 7,604,278                                     | -                        | -                                    | -  |
| Financial Assets at Fair Value through Profit Loss                              | 3,468,869  | 416,778                          | -   | -                        | 3,052,091                            | -  |
| Financial Assets at Fair Value Through Other Comprehensive Income               | 8,420,336  | 8,422,012                        | -   | -                        | -                                    | -  |
| Financial Assets Measured at Amortised Cost                                     | 40,455,936   | 40,455,936                       | -   | -                        | -                                    | -  |
| Derivative Financial Assets at Fair Value Through Profit and Loss               | 5,064,712  | -                                | 5,064,712                                     | -                        | 5,064,712                            | -  |
| Derivative Financial Assets at Fair Value Through Other Comprehensive Income    | 734,092  | -                                | 734,092                                       | -                        | 734,092                              | -  |
| Non-Performing Financial Assets   | -  | -                                | -   | -                        | -                                    | -  |
| Expected credit loss (-)  | (5,157,339)  | (1,950,572)                      | -   | -                        | -                                    | -  |
| Loans   | 149,703,879  | 149,703,879                      | -   | -                        | -                                    | -  |
| Factoring Receivables   | 7,329,598  | 7,329,598                        | -   | -                        | -                                    | -  |
| Non-Current Assets Held For Sale and Discontinued Operations (net)              | 100,370  | 100,370                          | -   | -                        | -                                    | -  |
| Affiliates (net)  | -  | -                                | -   | -                        | -                                    | -  |
| Subsidiaries (net)  | 50   | 50                               | -   | -                        | -                                    | -  |
| Joint ventures (net)  | 5  | 5                                | -   | -                        | -                                    | -  |
| Tangible assets (net)   | 1,276,406  | 1,231,584                        | -   | -                        | -                                    | 44,822   |
| Intangible assets (net)   | 903,856  | -                                | -   | -                        | -                                    | 903,856  |
| Investment properties (net)   | -  | -                                | -   | -                        | -                                    | -  |
| Current tax asset   | 28,388   | 28,388                           | -   | -                        | -                                    | -  |
| Deferred tax asset  | 1,624,898  | 1,624,898                        | -   | -                        | -                                    | -  |
| Other assets  | 9,089,840  | 8,531,682                        | 558,158                                       | -                        | -                                    | -  |
| <b>Total assets</b>   | <b>283,536,021</b>   | <b>268,782,470</b>               | <b>13,961,240</b>                             | -                        | <b>8,850,895</b>                     | <b>948,678</b>   |
| <b>Liabilities</b>  |  |                                  |   |                          |                                      |  |
| Deposit   | 200,349,920  | -                                | -   | -                        | -                                    | -  |
| Loans Received  | 17,605,102   | -                                | -   | -                        | -                                    | -  |
| Money Market Funds  | 7,229,949  | -                                | 7,229,949                                     | -                        | -                                    | -  |
| Issued securities   | 422,045  | -                                | -   | -                        | -                                    | -  |
| Financial Liabilities with Fair Value Through Profit or Loss                    | -  | -                                | -   | -                        | -                                    | -  |
| Derivative Financial Liabilities  | 3,567,233  | -                                | 2,296,084                                     | -                        | -                                    | -  |
| Factoring debts   | 4,791  | -                                | -   | -                        | -                                    | -  |
| Lease Liabilities   | 710,629  | -                                | -   | -                        | -                                    | -  |
| Provisions  | 3,472,499  | -                                | -   | -                        | -                                    | -  |
| Current Tax Liability   | 2,045,694  | -                                | -   | -                        | -                                    | -  |
| Deferred Tax Liability  | -  | -                                | -   | -                        | -                                    | -  |
| Fixed asset payables related to activities held and discontinued for sale (net) | -  | -                                | -   | -                        | -                                    | -  |
| Subordinated loans  | 9,708,218  | -                                | -   | -                        | -                                    | -  |
| Other liabilities   | 12,275,549   | -                                | 1,864,451                                     | -                        | -                                    | -  |
| Equity  | 26,144,392   | -                                | -   | -                        | -                                    | -  |
| <b>Total liabilities</b>  | <b>283,536,021</b>   | -                                | <b>11,390,484</b>                             | -                        | -                                    | -  |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 2. Linkages Between Financial Statements and Regulatory Exposures (Continued)

##### 2.1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories (Continued)

| Prior Period  | Amount valued in accordance with TAS within the scope of legal consolidation | Valued amount of items in accordance with TAS |   |                          |                                      | Not subject to capital requirements or subject to deduction from capital |
|---|--|---|---|--------------------------|--------------------------------------|--|
|   |  | Subject to credit risk framework              | Subject to counterparty credit risk framework | Securitization positions | Subject to the market risk framework |  |
| <b>Assets</b>   |  |   |   |                          |                                      |  |
| Cash balances and the central bank  | 35,791,295   | 35,791,295                                    | -   | -                        | -                                    | -  |
| Banks   | 11,664,738   | 11,666,385                                    | -   | -                        | -                                    | -  |
| Money Market Placements   | 3,245  | -   | 3,245   | -                        | -                                    | -  |
| Financial Assets at Fair Value through Profit Loss                              | 2,793,788  | 302,359                                       | -   | -                        | 2,491,428                            | -  |
| Financial Assets at Fair Value Through Other Comprehensive Income               | 7,175,956  | 7,177,624                                     | -   | -                        | -                                    | -  |
| Financial Assets Measured at Amortised Cost                                     | 19,551,700   | 19,551,700                                    | -   | -                        | -                                    | -  |
| Derivative Financial Assets at Fair Value Through Profit and Loss               | 6,331,976  | -   | 6,331,976                                     | -                        | 6,331,976                            | -  |
| Derivative Financial Assets at Fair Value Through Other Comprehensive Income    | 1,802,469  | -   | 1,802,469                                     | -                        | 1,802,469                            | -  |
| Non-Performing Financial Assets   | -  | -   | -   | -                        | -                                    | -  |
| Expected credit loss (-)  | (4,112,584)  | (2,286,333)                                   | -   | -                        | -                                    | -  |
| Loans   | 107,905,750  | 107,899,867                                   | -   | -                        | -                                    | -  |
| Factoring Receivables   | 4,636,925  | 4,636,925                                     | -   | -                        | -                                    | -  |
| Non-Current Assets Held For Sale and Discontinued Operations (net)              | 65,933   | 65,933  | -   | -                        | -                                    | -  |
| Associates (net)  | -  | -   | -   | -                        | -                                    | -  |
| Subsidiaries (net)  | 50   | 50  | -   | -                        | -                                    | -  |
| Joint ventures (net)  | 5  | 5   | -   | -                        | -                                    | -  |
| Tangible assets (net)   | 934,456  | 898,773                                       | -   | -                        | -                                    | 35,683   |
| Intangible assets (net)   | 611,252  | -   | -   | -                        | -                                    | 611,252  |
| Investment properties (net)   | -  | -   | -   | -                        | -                                    | -  |
| Current tax asset   | 138,894  | 138,894                                       | -   | -                        | -                                    | -  |
| Deferred tax asset  | 147,376  | 147,376                                       | -   | -                        | -                                    | -  |
| Other assets  | 3,410,894  | 3,133,205                                     | 277,689                                       | -                        | -                                    | -  |
| <b>Total assets</b>   | <b>198,854,118</b>   | <b>189,124,058</b>                            | <b>8,415,379</b>                              | <b>-</b>                 | <b>10,625,873</b>                    | <b>646,935</b>   |
| <b>Liabilities</b>  |  |   |   |                          |                                      |  |
| Deposit   | 131,582,973  | -   | -   | -                        | -                                    | -  |
| Loans Received  | 19,799,176   | -   | -   | -                        | -                                    | -  |
| Money Market Funds  | 8,925,815  | -   | 8,925,815                                     | -                        | -                                    | -  |
| Issued securities   | 1,194,525  | -   | -   | -                        | -                                    | -  |
| Financial Liabilities with Fair Value Through Profit or Loss                    | -  | -   | -   | -                        | -                                    | -  |
| Derivative Financial Liabilities  | 4,489,788  | -   | 2,065,014                                     | -                        | -                                    | -  |
| Factoring debts   | 21,277   | -   | -   | -                        | -                                    | -  |
| Lease Liabilities   | 577,660  | -   | -   | -                        | -                                    | -  |
| Provisions  | 1,276,435  | -   | -   | -                        | -                                    | -  |
| Current Tax Liability   | 272,117  | -   | -   | -                        | -                                    | -  |
| Deferred Tax Liability  | -  | -   | -   | -                        | -                                    | -  |
| Fixed asset payables related to activities held and discontinued for sale (net) | -  | -   | -   | -                        | -                                    | -  |
| Subordinated loans  | 7,239,036  | -   | -   | -                        | -                                    | -  |
| Other liabilities   | 9,419,046  | -   | 1,700,528                                     | -                        | -                                    | -  |
| Equity  | 14,056,270   | -   | -   | -                        | -                                    | -  |
| <b>Total liabilities</b>  | <b>198,854,118</b>   | <b>-</b>                                      | <b>12,691,357</b>                             | <b>-</b>                 | <b>-</b>                             | <b>-</b>   |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 2. Linkages Between Financial Statements and Regulatory Exposures (continued)

##### 2.2. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

| Current Period |  | Total              | Items subject to credit risk framework | Items subject to counterparty credit risk framework | Items subject to market risk framework |
|----------------|--|--------------------|--|---|--|
| <b>1</b>       | <b>Valued amounts of assets within the scope of legal consolidation in accordance with TAS</b> | <b>283,536,021</b> | <b>268,782,470</b>                     | <b>13,961,240</b>                                   | <b>8,850,895</b>                       |
| 2              | Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS   | 11,390,484         | -                                      | 11,390,484  | -                                      |
| <b>3</b>       | <b>Total net amount under legal consolidation</b>  | <b>272,145,537</b> | <b>268,782,470</b>                     | <b>2,570,756</b>                                    | <b>8,850,895</b>                       |
| 4              | Off-balance sheet amounts  | 100,847,275        | 36,043,145                             | 1,338,450   | -                                      |
| 5              | Differences in valuations  | -                  | -                                      | -   | -                                      |
| 6              | Differences due to different netting rules (other than those already included in row 2)        | -                  | -                                      | -   | -                                      |
| 7              | Differences due to consideration of provisions   | -                  | -                                      | -   | -                                      |
| 8              | Differences due to prudential filters  | -                  | -                                      | -   | -                                      |
| <b>9</b>       | <b>Exposure amounts</b>  | <b>372,992,812</b> | <b>304,825,615</b>                     | <b>3,909,206</b>                                    | <b>8,850,895</b>                       |

| Prior Period |  | Total              | Items subject to credit risk framework | Items subject to counterparty credit risk framework | Items subject to market risk framework |
|--------------|--|--------------------|--|---|--|
| <b>1</b>     | <b>Valued amounts of assets within the scope of legal consolidation in accordance with TAS</b> | <b>198,854,118</b> | <b>189,124,058</b>                     | <b>8,415,379</b>                                    | <b>10,625,873</b>                      |
| 2            | Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS   | 12,691,357         | -                                      | 12,691,357  | -                                      |
| <b>3</b>     | <b>Total net amount under legal consolidation</b>  | <b>186,162,761</b> | <b>189,124,058</b>                     | <b>(4,275,978)</b>                                  | <b>10,625,873</b>                      |
| 4            | Off-balance sheet amounts  | 75,925,749         | 26,462,489                             | 1,112,202   | -                                      |
| 5            | Differences in valuations  | -                  | -                                      | -   | -                                      |
| 6            | Differences due to different netting rules (other than those already included in row 2)        | -                  | -                                      | -   | -                                      |
| 7            | Differences due to consideration of provisions   | -                  | -                                      | -   | -                                      |
| 8            | Differences due to prudential filters  | -                  | -                                      | -   | -                                      |
| <b>9</b>     | <b>Exposure amounts</b>  | <b>262,088,510</b> | <b>215,586,547</b>                     | <b>(3,163,776)</b>                                  | <b>10,625,873</b>                      |

##### 2.3. Explanations of differences between accounting and regulatory exposure amounts in accordance with TAS

The market value approach is used to make valuation of the positions in the Parent Bank portfolios. The market data sources used for valuations are identified, defined in the Market Risk Policy, and reviewed annually. The relevant action is taken immediately when it is determined that the data does not reflect the market condition other than annual data source evaluation. Product valuations are checked by using sources such as Reuters and Bloomberg.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure

##### 3.1. General information about credit risk

###### 3.1.1. General qualitative information about credit risk

The objective of the Risk Management system is to provide that the risks that are derived from the Parent Bank’s activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Credit Risk Management reports aim to supply risk level trends and risk expectations for the future. Details and content vary depending on the requirements of meetings and are presented in graphs and figures for ease of explanation and taking decisions.

The main report presented to Senior Management is the Credit Risk General Overview report, which is prepared monthly and discussed by the Risk Policies Committee. This report is also presented to the Board of Directors, Risk Committee and to the Audit Committee. Additionally, Group Risk Management prepares reports with special titles less frequently. Most of these reports are presented to the Risk Policies Committee. These reports may also be used in irregular meetings where emergent subjects are discussed or in meetings where the attendance of Senior Management is not required.

Credit risk policies are prepared in line with the Banking Law, external regulations, and general banking practices, and are approved by the Risk Policies Committee, Risk Committee, and Board of Directors.

The Parent Bank’s credit activities are managed according to the General Credit Policy that is approved by the Risk Policies Committee, Risk Committee and the Board of Directors.

The Risk Appetite Declaration is approved by the Board of Directors and audited once a year. The Parent Bank combines existing risk management tools, processes, principles, and policies, using a consistent approach with risk appetite declaration, and ensures that risks taken are within the agreed upon limits. In this way, the consistency of risk practices is improved across the bank.

The Parent Bank controls the credit risk by monitoring loan receivables, limiting certain transactions with counter parties, evaluating the creditworthiness of the counter party regularly, diversifying loan types and products separately based on customer groups and industry to prevent the concentration of deferred payments and receiving guarantees when appropriate.

###### 3.1.2. Credit quality of assets

| Current Period              | Gross carrying value in consolidated financial statements prepared as per TAS |                         | Allowance/ depreciation and impairment | Net Values         |
|-----------------------------|---|-------------------------|--|--------------------|
|                             | Defaulted exposures   | Non-defaulted Exposures |  |                    |
| Loans                       | 2,692,115   | 154,341,362             | 5,111,344                              | 151,922,133        |
| Debt Securities             | -   | 48,826,959              | 9,103                                  | 48,817,856         |
| Off-balance sheet exposures | -   | 99,508,825              | 686,515                                | 98,822,310         |
| <b>Total</b>                | <b>2,692,115</b>  | <b>302,677,146</b>      | <b>5,806,962</b>                       | <b>299,562,299</b> |

| Prior Period                | Gross carrying value in consolidated financial statements prepared as per TAS |                         | Allowance / depreciation and impairment | Net Values         |
|-----------------------------|---|-------------------------|---|--------------------|
|                             | Defaulted exposures   | Non-defaulted Exposures |   |                    |
| 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> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.1. General information about credit risk (continued)

##### 3.1.3. Changes in stock of defaulted loans and debt securities

|          |   |                  |
|----------|---|------------------|
| <b>1</b> | <b>Defaulted loans and debt securities at end of the 31 December 2021</b>         | <b>3,359,316</b> |
| 2        | Loans and debt securities that have defaulted since the last reporting period     | 1,587,015        |
| 3        | Returned to non-defaulted status  | -                |
| 4        | Amounts written off (*)   | (873,816)        |
| 5        | Other changes (**)  | (1,380,400)      |
| <b>6</b> | <b>Defaulted loans and debt securities at end of 31 December 2022 (1+2-3-4+5)</b> | <b>2,692,115</b> |

(\*) The Group wrote off TL 454,825 of its non-performing loans. Additionally, the portion of the Group's non-performing loan portfolio amounting to TL 418,991 for which a provision of TL 390,257 was provided, was sold in 2022 with a price of TL 115,221 and following the completion of the necessary procedures, non-performing loans were written off from the records.

(\*\*) Includes collections during the period.

|          |   |                  |
|----------|---|------------------|
| <b>1</b> | <b>Defaulted loans and debt securities at end of the 31 December 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</b> | <b>Defaulted loans and debt securities at end of 31 December 2021 (1+2-3-4+5)</b> | <b>3,359,316</b> |

(\*) The Group wrote off TL 57,671 of its non-performing loans. Additionally, the portion of the Group's non-performing loan portfolio amounting to TL 335,276 for which a provision of TL 328,704 was provided, was sold in 2021 with a price of TL 43,096 and after following the completion of the necessary procedures, non-performing loans were written off from the records.

(\*\*) Includes collections during the period.

##### 3.1.4. Additional disclosure related to the credit quality

- a) The scope and definitions of “past due” and “impaired” exposures used for accounting purposes and the differences, if any, between the definition of “past due” and “impaired” for accounting purposes

According to the “Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” non-required delay time loans that is not classified as Stage III Loans, whose principal and interest payment collection delayed more than 30 days are considered as “non-performing loan” in the Accounting Practice.

Receivables past due more than 90 days are considered as “impaired receivables”, and they are classified as group III, IV, and V in accordance with Communiqué. A specific reserve is allocated for such receivables.

- b) The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this

A specific provision is allocated for receivables which are overdue for more than 90 days in accordance with the Communiqué.

- c) Description of methods used for determining impairments

Provision amount is determined in accordance with the regulation on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves.”

- d) The definition of the restructured exposure

If the borrower fails to make payment to the Parent Bank due to a temporary lack of liquidity, loans and other receivables including deferred interest payments may be restructured to provide the borrower with additional liquidity to enable the Bank to collect its receivables, or a new repayment schedule may be arranged.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.1. General information about credit risk (continued)

##### 3.1.4. Additional disclosure related to the credit quality (continued)

e) Breakdown of exposures by geographical areas, industry and residual maturity:

Breakdown of Loans and Receivables by sector:

|                                 | Current Period     |               |                   |               |
|---------------------------------|--------------------|---------------|-------------------|---------------|
|                                 | TL                 | (%)           | FC                | (%)           |
| Agriculture                     | 1,823,219          | 1.58          | 409,144           | 1.05          |
| Farming and Stockbreeding       | 1,811,390          | 1.57          | 50,736            | 0.13          |
| Forestry                        | -                  | -             | -                 | -             |
| Fishery                         | 11,829             | 0.01          | 358,408           | 0.92          |
| Manufacturing                   | 42,157,303         | 36.54         | 25,913,612        | 66.48         |
| Mining and Quarrying            | 2,020,478          | 1.75          | 2,412,585         | 6.19          |
| Production                      | 38,889,091         | 33.71         | 22,205,409        | 56.97         |
| Electricity, Gas and Water      | 1,247,734          | 1.08          | 1,295,618         | 3.32          |
| Construction                    | 1,697,024          | 1.47          | 143,420           | 0.37          |
| Services                        | 24,770,905         | 21.47         | 11,670,844        | 29.94         |
| Wholesale and Retail Trade      | 9,490,643          | 8.23          | 2,964,806         | 7.61          |
| Accommodation and Dining        | 1,018,010          | 0.88          | 1,386,086         | 3.56          |
| Transportation and Telecom.     | 3,374,333          | 2.92          | 4,155,986         | 10.66         |
| Financial Institutions          | 5,473,879          | 4.74          | 1,066,312         | 2.74          |
| Real Estate and Rental Services | 2,956,194          | 2.56          | 1,986,924         | 5.10          |
| Self-Employment Services        | 970,326            | 0.84          | 110,730           | 0.28          |
| Educational Services            | 51,208             | 0.04          | -                 | -             |
| Health and Social Services      | 1,436,312          | 1.25          | -                 | -             |
| Other                           | 44,914,433         | 38.93         | 841,458           | 2.16          |
| <b>Total</b>                    | <b>115,362,884</b> | <b>100.00</b> | <b>38,978,478</b> | <b>100.00</b> |
|                                 |                    |               |                   |               |
|                                 | Prior Period       |               |                   |               |
|                                 | TL                 | (%)           | FC                | (%)           |
| Agriculture                     | 1,135,193          | 1.47          | 268,876           | 0.85          |
| Farming and Stockbreeding       | 1,122,641          | 1.45          | 265,528           | 0.84          |
| Forestry                        | -                  | -             | -                 | -             |
| Fishery                         | 12,552             | 0.02          | 3,348             | 0.01          |
| Manufacturing                   | 23,748,835         | 30.68         | 21,481,541        | 67.59         |
| Mining and Quarrying            | 1,445,539          | 1.87          | 826,133           | 2.60          |
| Production                      | 21,095,383         | 27.25         | 19,352,946        | 60.89         |
| Electricity, Gas and Water      | 1,207,913          | 1.56          | 1,302,462         | 4.10          |
| Construction                    | 1,395,766          | 1.80          | 452,767           | 1.42          |
| Services                        | 18,620,706         | 24.06         | 8,756,942         | 27.55         |
| Wholesale and Retail Trade      | 7,611,831          | 9.83          | 1,405,625         | 4.42          |
| Accommodation and Dining        | 912,544            | 1.18          | 1,762,358         | 5.55          |
| Transportation and Telecom.     | 2,856,635          | 3.69          | 1,192,698         | 3.75          |
| Financial Institutions          | 3,401,105          | 4.39          | 2,389,845         | 7.52          |
| Real Estate and Rental Services | 1,906,889          | 2.46          | 1,732,708         | 5.45          |
| Self-Employment Services        | 699,496            | 0.90          | 273,708           | 0.86          |
| Educational Services            | 47,234             | 0.06          | -                 | -             |
| Health and Social Services      | 1,184,972          | 1.53          | -                 | -             |
| Other                           | 32,501,739         | 41.99         | 820,994           | 2.58          |
| <b>Total</b>                    | <b>77,402,239</b>  | <b>100.00</b> | <b>31,781,120</b> | <b>100.00</b> |

Breakdown of loans and receivables according to remaining maturities is provided in the note VI. of section four under the “Presentation of assets and liabilities according to their remaining maturities”.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.1. General information about credit risk (continued)

##### 3.1.4. Additional disclosure related to the credit quality (continued)

- f) Amounts of impaired exposures on geographical areas and industry basis (according to the definition used by the Bank for accounting purposes) and write-offs with related allowances.

All of the Parent Bank’s loans under follow-up is in Turkey. Amounts of provision allocated receivables based on sector are presented in the note II of section 4 under “Information in terms of major sectors and type of counterparties”

- g) Aging analysis of loans under close monitoring

| 31 December 2022      | 1-30 Day         | 31-60 Day      | 61-90 Day      | Total            |
|-----------------------|------------------|----------------|----------------|------------------|
| Loans and Receivables |                  |                |                |                  |
| Commercial Loans      | 122,898          | 40,277         | 141,447        | 304,622          |
| Consumer Loans        | 772,248          | 194,074        | 355,270        | 1,321,592        |
| Credit Cards          | 271,136          | 121,307        | 71,418         | 463,861          |
| <b>Total</b>          | <b>1,166,282</b> | <b>355,658</b> | <b>568,135</b> | <b>2,090,075</b> |

| 31 December 2021      | 1-30 Day       | 31-60 Day      | 61-90 Day      | Total            |
|-----------------------|----------------|----------------|----------------|------------------|
| Loans and Receivables |                |                |                |                  |
| Commercial Loans      | 107,880        | 146,438        | 365,250        | 619,568          |
| Consumer Loans        | 724,640        | 271,266        | 356,435        | 1,352,341        |
| Credit Cards          | 157,470        | 94,918         | 63,437         | 315,825          |
| <b>Total</b>          | <b>989,990</b> | <b>512,622</b> | <b>785,122</b> | <b>2,287,734</b> |

- h) Breakdown of restructured exposures between impaired and not impaired exposures:

Not impaired loans:

| Current Period   | Gross Amount     | Significant Increase in Credit Risk (Stage II) | Net Amount     |
|------------------|------------------|--|----------------|
| Commercial Loans | 949,303          | 488,458  | 460,845        |
| Consumer Loans   | 129,903          | 10,678   | 119,225        |
| Credit Cards     | 37,549           | 6,004  | 31,545         |
| <b>Total</b>     | <b>1,116,755</b> | <b>505,140</b>                                 | <b>611,615</b> |

| Prior Period     | Gross Amount     | Significant Increase in Credit Risk (Stage II) | Net Amount       |
|------------------|------------------|--|------------------|
| Commercial Loans | 1,643,640        | 721,330  | 922,310          |
| Consumer Loans   | 171,148          | 14,821   | 156,327          |
| Credit Cards     | 17,629           | 1,142  | 16,487           |
| <b>Total</b>     | <b>1,832,417</b> | <b>737,293</b>                                 | <b>1,095,124</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.1. General information about credit risk (continued)

##### 3.1.4. Additional disclosure related to the credit quality (continued)

Impaired loans:

| <b>Current Period</b> | <b>Gross Amount</b> | <b>Default (Stage III)</b> | <b>Net Amount</b> |
|-----------------------|---------------------|----------------------------|-------------------|
| Commercial Loans      | 24,320              | 16,277                     | 8,043             |
| Consumer Loans        | 87,437              | 62,413                     | 25,024            |
| Credit Cards          | 13,028              | 10,452                     | 2,576             |
| <b>Total</b>          | <b>124,785</b>      | <b>89,142</b>              | <b>35,643</b>     |

| <b>Prior Period</b> | <b>Gross Amount</b> | <b>Default (Stage III)</b> | <b>Net Amount</b> |
|---------------------|---------------------|----------------------------|-------------------|
| Commercial Loans    | 50,907              | 25,962                     | 24,945            |
| Consumer Loans      | 65,156              | 41,393                     | 23,763            |
| Credit Cards        | 12,712              | 9,707                      | 3,005             |
| <b>Total</b>        | <b>128,775</b>      | <b>77,062</b>              | <b>51,713</b>     |

#### 3.2. Credit Risk Mitigation

##### 3.2.1. Qualitative disclosure requirements related to credit risk mitigation techniques

- a) Core features of policies and processes for which the Parent Bank makes on and off-balance sheet netting

The Parent Bank does not perform on and off-balance sheet offsetting to decrease credit risk, and credit derivatives are not used.

- b) Core features of policies and processes for collateral evaluation and management.

Financial collaterals are measured at fair value as of reporting date and are included in the risk mitigation process. When allocating the collateral amount to loans provided, the Parent Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals. The legal validity of the mortgage is ensured by duly registering the mortgage in a timely manner, and significant changes in market conditions are monitored.

In terms of credit risk mitigation, the Parent Bank uses cash, government and treasury bonds, fund, gold, bank guarantee, stock and derivatives as main collateral type. Mortgages on residential and commercial real estate reported under different risk class are other main types of collaterals.

- c) Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e. by guarantor type, collateral and credit derivative providers).

Guarantor entity’s credit risk value is to be considered in credit risk mitigation process in cases where Parent bank credit customers obtained guarantee from other entities.

The Parent Bank mostly prefers cash, securities such as government and Treasury bond for collateral which have low market and credit risk concentration risk.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.2. Credit Risk Mitigation (continued)

##### 3.2.2. Credit risk mitigation techniques - Overview

| Current Period           | Exposures unsecured: valued amount in accordance with TAS | Exposures secured by collateral | Exposures secured by collateral, of which: secured amount | Exposures secured by financial guarantees | Exposures secured by financial guarantees, of which secured amount | Exposures secured by credit derivatives | Exposures secured by credit derivatives of which: secured amount |
|--------------------------|---|---------------------------------|---|---|--|---|--|
| 1 Loans (*)              | 137,819,828   | 11,267,710                      | 9,965,616   | 6,011,170                                 | 4,083,693  | -                                       | -  |
| 2 Debt Securities (*)    | 48,828,635  | -                               | -   | -   | -  | -                                       | -  |
| <b>3 Total</b>           | <b>186,648,463</b>  | <b>11,267,710</b>               | <b>9,965,616</b>  | <b>6,011,170</b>                          | <b>4,083,693</b>   | -                                       | -  |
| 4 Of which defaulted (*) | 2,649,403   | 25,935                          | 16,749  | 16,777                                    | 78   | -                                       | -  |

(\*) In the calculation of the amount subject to credit risk, the Central Bank's foreign currency buying rates of 31 December 2021 were used in accordance with the Board decision dated 28 April 2022 and numbered 10188, while calculating the valued amounts in foreign currency.

| Prior Period             | Exposures unsecured: valued amount in accordance with TAS | Exposures secured by collateral | Exposures secured by collateral, of which: secured amount | Exposures secured by financial guarantees | Exposures secured by financial guarantees, of which secured amount | Exposures secured by credit derivatives | Exposures secured by credit derivatives of which: secured amount |
|--------------------------|---|---------------------------------|---|---|--|---|--|
| 1 Loans (*)              | 86,467,923  | 9,173,629                       | 8,178,323   | 4,396,706                                 | 3,193,947  | -                                       | -  |
| 2 Debt Securities (*)    | 22,655,443  | -                               | -   | -   | -  | -                                       | -  |
| <b>3 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>   | -                                       | -  |
| 4 Of which defaulted (*) | 3,146,377   | 25,138                          | 16,168  | 53,540                                    | 101  | -                                       | -  |

(\*) With the BRSA decision dated 21 December 2021 and 9996, the average of the Central Bank's foreign exchange buying rates for the last 252 business days was used in the calculations of credit risk.

#### 3.3. Credit risk under standardized approach

##### 3.3.1. Disclosures on banks' use of credit ratings under the standard approach for credit risk

For portfolios that are risk-weighted under the standardized approach for credit risk, banks must disclose the following information:

- Names of the External Credit Assessment Institutions (ECAIs) and Export Credit Agencies (ECAs) used by the bank, and the reasons for any changes over the reporting period

The Parent Bank uses Fitch Ratings International Rating Agency's external ratings.

- The risk classes for which each ECAI or ECA is used

The credit rating of Fitch International Rating is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment of Capital Adequacy of the Bank, and the country risk classification announced by The Organization for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of three months or less, and 50% risk weight is used for receivables with a maturity period of more than three months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.3. Credit risk under standardized approach (continued)

###### 3.3.1. Disclosures on banks’ use of credit ratings under the standard approach for credit risk (continued)

- c) A description of the process used to apply the issuer to issue credit ratings onto other issuer comparable assets in the banking book

20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of 3 months or less, and a 50% risk weight is used for receivables with a maturity period of more than 3 months. According to the regulation on capital adequacy, corporates where the counterparties are domestic, the related exposures are included in the calculation of capital adequacy as unrated.

- d) The alignment of the alphanumerical scale of each agency used with risk buckets. (except where Agency (BRSA) publishes a standard mapping with which the bank has to comply)

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)’s are presented below:

| Credit Quality Level | Fitch Ratings Long-Term Credit Rating | Risk Weight of Receivables from Central Government or Central Banks | Receivables from Banks and Brokerage Houses |                          | Corporate Receivables (*) |
|----------------------|---------------------------------------|---|---|--------------------------|---------------------------|
|                      |                                       |   | DTM less than 3 months                      | DTM higher than 3 months |                           |
| 0                    | -                                     |   | 20%   | 50%                      | 100%                      |
| 1                    | AAA to AA-                            | 0%  | 20%   | 50%                      | 100%                      |
| 2                    | A+ to A-                              | 20%   | 20%   | 50%                      | 100%                      |
| 3                    | BBB+ to BBB-                          | 50%   | 50%   | 50%                      | 100%                      |
| 4                    | BB+ to BB-                            | 100%  | 100%  | 100%                     | 100%                      |
| 5                    | B+ to B-                              | 100%  | 100%  | 100%                     | 100%                      |
| 6                    | CCC+ and below                        | 150%  | 100%  | 100%                     | 100%                      |
| 7                    | -                                     |   | 150%  | 150%                     | 100%                      |

(\*) In accordance with the Board Decisions No. 10188 dated 28 April 2022 and No. 10265 dated 07 July 2022, 200% and 500% risk weights are applied to Corporate Receivables.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.3. Credit risk under standardized approach (continued)

##### 3.3.2. Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

| Current Period | Exposures before CCF and CRM  |                          | Exposures post-CCF and CRM |                          | Risk weighted Amounts and Risk Weighted Amounts density |                               |            |
|----------------|---|--------------------------|----------------------------|--------------------------|---|-------------------------------|------------|
|                | On-balance sheet amount   | Off-balance sheet amount | On-balance sheet amount    | Off-balance sheet amount | Risk Weighted amounts                                   | Risk Weighted amounts density |            |
| 1              | Exposures to central governments or central banks                                     | 74,091,323               | -                          | 75,593,419               | -   | 1,463,903                     | 2%         |
| 2              | Exposures to regional governments or local authorities                                | 874,800                  | 7,308                      | 839,040                  | 3,597   | 421,323                       | 50%        |
| 3              | Exposures to administrative units and non-commercial enterprises                      | -                        | -                          | -                        | -   | -                             | -          |
| 4              | Exposures to multilateral development banks   | -                        | -                          | -                        | -   | -                             | -          |
| 5              | Exposures to international organizations  | -                        | -                          | -                        | -   | -                             | -          |
| 6              | Exposures to banks and brokerage firms  | 9,898,321                | 3,713,730                  | 9,898,319                | 2,698,877   | 4,132,194                     | 33%        |
| 7              | Exposures to corporates   | 64,351,247               | 38,532,530                 | 62,907,498               | 19,932,259  | 79,949,600                    | 97%        |
| 8              | Retail exposures  | 42,249,188               | 36,431,162                 | 40,515,817               | 6,026,144   | 36,561,893                    | 79%        |
| 9              | Exposures secured by residential property   | 4,096,063                | 508,048                    | 4,096,063                | 212,529   | 1,508,007                     | 35%        |
| 10             | Exposures secured by commercial real estate   | 7,595,359                | 1,816,700                  | 7,322,006                | 758,038   | 5,377,787                     | 67%        |
| 11             | Past-due loans  | 720,126                  | 116,612                    | 720,048                  | 30,346  | 587,956                       | 78%        |
| 12             | Higher-risk categories by the Agency Board  | 25,075,336               | -                          | 24,972,896               | -   | 41,876,607                    | 168%       |
| 13             | Exposures in the form of covered bonds  | -                        | -                          | -                        | -   | -                             | -          |
| 14             | Exposures to institutions and corporates with a short-term credit assessment          | -                        | -                          | -                        | -   | -                             | -          |
| 15             | Exposures in the form of units or shares in collective investment undertakings (CIUs) | -                        | -                          | -                        | -   | -                             | -          |
| 16             | Other Receivables   | 14,774,442               | 6,248,311                  | 14,774,430               | 1,075   | 6,282,814                     | 43%        |
| 17             | Investments in equities   | 369,867                  | -                          | 369,867                  | -   | 369,867                       | 100%       |
| <b>18</b>      | <b>Total</b>  | <b>244,096,072</b>       | <b>87,374,401</b>          | <b>242,009,403</b>       | <b>29,662,865</b>                                       | <b>178,531,951</b>            | <b>66%</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.3. Credit risk under standardized approach (continued)

##### 3.3.2. Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects (continued)

| Prior Period | Exposures before CCF and CRM  |                          | Exposures post-CCF and CRM |                          | Risk weighted Amounts and Risk Weighted amounts density |                               |            |
|--------------|---|--------------------------|----------------------------|--------------------------|---|-------------------------------|------------|
|              | On-balance sheet amount   | Off-balance sheet amount | On-balance sheet amount    | Off-balance sheet amount | Risk Weighted amounts                                   | Risk Weighted amounts density |            |
| 1            | Exposures to central governments or central banks                                     | 44,410,886               | -                          | 44,707,458               | -   | 886,394                       | 2%         |
| 2            | Exposures to regional governments or local authorities                                | 1,174,357                | 8,474                      | 1,103,988                | 3,078   | 553,537                       | 50%        |
| 3            | Exposures to administrative units and non-commercial enterprises                      | -                        | -                          | -                        | -   | -                             | -          |
| 4            | Exposures to multilateral development banks   | -                        | -                          | -                        | -   | -                             | -          |
| 5            | Exposures to international organizations  | -                        | -                          | -                        | -   | -                             | -          |
| 6            | Exposures to banks and brokerage firms  | 10,622,799               | 3,780,085                  | 9,953,900                | 2,215,643   | 3,524,947                     | 29%        |
| 7            | Exposures to corporates   | 40,843,738               | 22,963,055                 | 39,080,030               | 12,234,060  | 49,729,760                    | 97%        |
| 8            | Retail exposures  | 45,808,379               | 22,387,583                 | 44,642,607               | 4,281,706   | 42,973,469                    | 88%        |
| 9            | Exposures secured by residential property   | 4,086,174                | 297,344                    | 4,086,174                | 107,587   | 1,467,816                     | 35%        |
| 10           | Exposures secured by commercial real estate   | 6,308,592                | 974,668                    | 6,115,491                | 377,729   | 4,361,886                     | 67%        |
| 11           | Past-due loans  | 1,038,020                | 193,065                    | 1,037,921                | 53,813  | 938,651                       | 86%        |
| 12           | Higher-risk categories by the Agency Board  | -                        | -                          | -                        | -   | -                             | -          |
| 13           | Exposures in the form of covered bonds  | -                        | -                          | -                        | -   | -                             | -          |
| 14           | Exposures to institutions and corporates with a short-term credit assessment          | -                        | -                          | -                        | -   | -                             | -          |
| 15           | Exposures in the form of units or shares in collective investment undertakings (CIUs) | -                        | -                          | -                        | -   | -                             | -          |
| 16           | Other Receivables   | 6,852,925                | 8,791,479                  | 6,852,922                | 2,902   | 1,560,701                     | 23%        |
| 17           | Investments in equities   | 233,551                  | -                          | 233,551                  | -   | 233,551                       | 100%       |
| <b>18</b>    | <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

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.3. Credit risk under standardized approach (continued)

##### 3.3.3. Receivables by risk classes and risk weights

| Current Period<br>Asset Classes / Risk Weights   | 0%                | 10%      | 20%              | 25%      | 35%              | 50% secured<br>by real estate (*) | 75%               | 100%              | 150%              | 250%     | 500%           | Others (**)      | Total credit risk<br>exposure amount<br>(after CCF and<br>CRM) |                    |
|--|-------------------|----------|------------------|----------|------------------|-----------------------------------|-------------------|-------------------|-------------------|----------|----------------|------------------|--|--------------------|
|  |                   |          |                  |          |                  |                                   |                   |                   |                   |          |                |                  |  |                    |
| 1 Exposures to regional governments or local authorities                                 | 74,129,516        | -        | -                | -        | -                | -                                 | -                 | 1,463,903         | -                 | -        | -              | -                | -  | 75,593,419         |
| 2 Exposures to regional governments or local authorities                                 | -                 | -        | -                | -        | -                | 842,628                           | -                 | 9                 | -                 | -        | -              | -                | -  | 842,637            |
| 3 Exposures to administrative units and non-commercial enterprises                       | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                 | -        | -              | -                | -  | -                  |
| 4 Exposures to multilateral development banks  | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                 | -        | -              | -                | -  | -                  |
| 5 Exposures to international organizations   | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                 | -        | -              | -                | -  | -                  |
| 6 Exposures to banks and financial intermediaries  | -                 | -        | 7,788,614        | -        | -                | 4,607,650                         | -                 | 61,505            | 139,427           | -        | -              | -                | -  | 12,597,196         |
| 7 Exposures to corporates  | -                 | -        | 888,731          | -        | -                | 4,358,344                         | -                 | 77,592,682        | -                 | -        | -              | -                | -  | 82,839,757         |
| 8 Retail exposures   | -                 | -        | 21               | -        | -                | 972                               | 39,918,259        | 6,622,709         | -                 | -        | -              | -                | -  | 46,541,961         |
| 9 Exposures secured by residential property  | -                 | -        | -                | -        | 4,308,592        | -                                 | -                 | -                 | -                 | -        | -              | -                | -  | 4,308,592          |
| 10 Exposures secured by commercial real estate   | -                 | -        | -                | -        | -                | 5,404,515                         | -                 | 2,675,529         | -                 | -        | -              | -                | -  | 8,080,044          |
| 11 Past-due loans  | -                 | -        | -                | -        | -                | 337,328                           | -                 | 400,615           | 12,451            | -        | -              | -                | -  | 750,394            |
| 12 Higher-risk categories by the Agency Board  | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | 17,039,475        | -        | 150,184        | 7,783,237        | -  | 24,972,896         |
| 13 Exposures in the form of covered bonds  | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                 | -        | -              | -                | -  | -                  |
| 14 Exposures to institutions and corporates with a short-term credit assessment          | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                 | -        | -              | -                | -  | -                  |
| 15 Exposures in the form of units or shares in collective investment undertakings (CIUs) | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                 | -        | -              | -                | -  | -                  |
| 16 Investments in equities   | -                 | -        | -                | -        | -                | -                                 | -                 | 369,867           | -                 | -        | -              | -                | -  | 369,867            |
| 17 Other Receivables   | 8,464,249         | -        | 35,552           | -        | -                | -                                 | -                 | 6,275,704         | -                 | -        | -              | -                | -  | 14,775,505         |
| <b>18 Total</b>  | <b>82,593,765</b> | <b>-</b> | <b>8,712,918</b> | <b>-</b> | <b>4,308,592</b> | <b>15,551,437</b>                 | <b>39,918,259</b> | <b>95,462,523</b> | <b>17,191,353</b> | <b>-</b> | <b>150,184</b> | <b>7,783,237</b> | <b>-</b>   | <b>271,672,268</b> |

(\*) The amount shown in the line "Receivables collateralised by mortgages on commercial real estate" is "Collateralised by mortgages on real estate" and the other amounts in this column represent the receivables 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 as per the decision) and shown in the "Others" column.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 3. Consolidated Credit Risk Disclosure (continued)

##### 3.3. Credit risk under standardized approach (continued)

##### 3.3.3. Receivables by risk classes and risk weights (continued)

|           | Prior Period<br>Asset Classes / Risk Weights  | 0%                | 10%      | 20%              | 25%      | 35%              | 50 %secured<br>by real estate (*) | 75%               | 100%              | 150%             | 250%     | Others   | Total credit risk<br>exposure amount<br>(after CCF and<br>CRM) |
|-----------|---|-------------------|----------|------------------|----------|------------------|-----------------------------------|-------------------|-------------------|------------------|----------|----------|--|
|           |   |                   |          |                  |          |                  |                                   |                   |                   |                  |          |          |  |
| 1         | Exposures to regional governments or local authorities                                | 43,821,064        | -        | -                | -        | -                | -                                 | -                 | 886,394           | -                | -        | -        | 44,707,458   |
| 2         | Exposures to regional governments or local authorities                                | -                 | -        | -                | -        | -                | 1,107,058                         | -                 | 8                 | -                | -        | -        | 1,107,066  |
| 3         | Exposures to administrative units and non-commercial enterprises                      | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 4         | Exposures to multilateral development banks   | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 5         | Exposures to international organizations  | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 6         | Exposures to banks and financial intermediaries                                       | -                 | -        | 8,594,137        | -        | -                | 3,539,341                         | -                 | 35,298            | 767              | -        | -        | 12,169,543   |
| 7         | Exposures to corporates   | -                 | -        | 586,701          | -        | -                | 2,229,939                         | -                 | 48,497,450        | -                | -        | -        | 51,314,090   |
| 8         | Retail exposures  | -                 | -        | 485              | -        | -                | 33,863                            | 39,491,984        | 1,519,037         | 7,878,944        | -        | -        | 48,924,313   |
| 9         | Exposures secured by residential property   | -                 | -        | -                | -        | 4,193,761        | -                                 | -                 | -                 | -                | -        | -        | 4,193,761  |
| 10        | Exposures secured by commercial real estate   | -                 | -        | -                | -        | -                | 4,262,668                         | -                 | 2,230,552         | -                | -        | -        | 6,493,220  |
| 11        | Past-due loans  | -                 | -        | -                | -        | -                | 418,050                           | -                 | 561,801           | 111,883          | -        | -        | 1,091,734  |
| 12        | Higher-risk categories by the Agency Board  | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 13        | Exposures in the form of covered bonds  | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 14        | Exposures to institutions and corporates with a short-term credit assessment          | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 15        | Exposures in the form of units or shares in collective investment undertakings (CIUs) | -                 | -        | -                | -        | -                | -                                 | -                 | -                 | -                | -        | -        | -  |
| 16        | Investments in equities   | -                 | -        | -                | -        | -                | -                                 | -                 | 233,551           | -                | -        | -        | 233,551  |
| 17        | Other Receivables   | 5,263,210         | -        | 39,891           | -        | -                | -                                 | -                 | 1,552,723         | -                | -        | -        | 6,855,824  |
| <b>18</b> | <b>Total</b>  | <b>49,084,274</b> | <b>-</b> | <b>9,221,214</b> | <b>-</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

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 4. Counterparty Credit Risk

##### 4.1. Qualitative disclosure related to counterparty credit risk

Limit requests of clients demanding derivative transactions are evaluated based on the related line of business in different credit committees. Limit amounts approved by credit committee are risk weighted limits. In calculation of risk amount that traced to risk weighted limits is multiplied by ratios based on each factor's historical movement that varies according to transaction's nominal amount, transaction's maturity, type, currency and purpose. Updates are generally conducted on a yearly basis except for the times of strict market fluctuations. In other words, if current tables do not cover risk calculations efficiently in case of strict market volatility, all tables are reviewed without waiting for annual period.

In table calculations, different time periods are considered while making analyses. If there is a period in data set with strictly fluctuating period, historical period after this period might be crucial. Also, in historical fluctuations, similar work meant for a data is organized separately. References provided by BNPP are also considered in the process. Eventually, all results are discussed firstly among line of business and then in the Market Risk Committee. Final decision is made by Risk Policy Committee and one of the alternatives is chosen. Approval of the Board of Directors members is obtained if the Risk Policy Committee members deem necessary.

Customers demanding derivative transactions are separated into two based on the purpose of the transaction. Decision of allocating the client to a group is given with taking into consideration client's all transactions. Related Credit Department decides on the evaluation of client either in trading derivative transaction limit or in hedging derivative transaction limit.

In principle, all individual customers are evaluated as in trading portfolio, and the Bank works with 100% cash and cash equivalent collaterals. Commercial and corporate customers are evaluated different for each firm and based on the decision given, are subject to different collateral conditions. Risks are monitored daily based on the collateral conditions set with the client, and additional collaterals are demanded when a necessity arises according to internally set principles.

For derivative transactions made with banks, ISDA, CSA, VM and GMRA agreements are requested from counterparties in principle, derivative transactions are not made with banks that do not sign these agreements. Collateral management is made on a daily basis with banks considering agreement conditions so that counterparty risk is minimized.

All open derivative transactions are evaluated daily by using market data and resulting evaluation amount is installed to system. As a new transaction is made, risk amount calculated with risk weights is reflected automatically to the system. In other words, counterparty risk regarding all derivative transactions is monitored on banking system. Collateral amount required for customer transactions, transaction evaluation amount and risk weighted nominal amount is monitored daily by considering collateral condition and limit monitoring principles set up by the Parent Bank.

Simulations of transactions are conducted in order to be able to see the level of capital consumption on transaction basis. Ratings and Basel risk classes of derivative customers and banks are reviewed and updated monthly. These are considered in the calculation of capital requirement and evaluation of collateral conditions

As of 1 July 2022, the "Standard Approach" method has been used in the calculation of counterparty credit risk.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 4. Counterparty Credit Risk (continued)

##### 4.2. Analysis of counterparty credit risk (CCR) exposure by approach

| Current Period  | Replacement cost | Potential future exposure | EEPE (*) | Alpha used for computing regulatory Exposure at Default | Exposure at Default post Credit Risk Mitigation | Risk Weighted Amounts |
|---|------------------|---------------------------|----------|---|---|-----------------------|
| Standardized Approach - CCR (For Derivatives)   | 3,213,569        | 1,338,450                 |          | 1.4   | 4,335,874                                       | 3,151,291             |
| 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   |                  |                           |          |   | 2,416,681                                       | 1,175,625             |
| <b>Total</b>  |                  |                           |          |   |   | <b>4,326,916</b>      |

(\*) Effective Expected Positive Exposure

| Prior Period  | Replacement cost | Potential future exposure | EEPE (*) | Alpha used for computing regulatory Exposure at Default | Exposure at Default post Credit Risk Mitigation | Risk Weighted Amounts |
|---|------------------|---------------------------|----------|---|---|-----------------------|
| 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

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 4. Counterparty Credit Risk (continued)

##### 4.3. Credit valuation adjustment (CVA) capital charge

| <b>Current Period</b>  | <b>Exposure at Default post-Credit<br/>Risk Mitigation</b> | <b>Risk Weighted<br/>Amounts</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      | 4,335,874  | 1,012,656                        |
| <b>Total subject to the CVA capital charge</b>                     | <b>4,335,874</b>   | <b>1,012,656</b>                 |

| <b>Prior Period</b>  | <b>Exposure at Default post-Credit<br/>Risk Mitigation</b> | <b>Risk Weighted<br/>Amounts</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

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 4. Counterparty Credit Risk (continued)

##### 4.4. Counterparty credit risk by risk classes and risk weights

| Current Period<br>Risk Weight/ Regulatory portfolio       | 0%             | 10%      | 20%            | 50%              | 75%            | 100%             | 150%     | 500%     | Others   | Total credit exposure (*) |
|---|----------------|----------|----------------|------------------|----------------|------------------|----------|----------|----------|---------------------------|
| Receivables from central governments and central banks    | 604,505        | -        | -              | -                | -              | -                | -        | -        | -        | 604,505                   |
| Receivables from regional and local governments           | -              | -        | -              | -                | -              | -                | -        | -        | -        | -                         |
| Receivables from administration and non-commercial entity | -              | -        | -              | -                | -              | -                | -        | -        | -        | -                         |
| Receivables from multilateral development banks           | -              | -        | -              | -                | -              | -                | -        | -        | -        | -                         |
| Receivables from international organizations              | -              | -        | -              | -                | -              | -                | -        | -        | -        | -                         |
| Receivables from banks and financial intermediaries       | -              | -        | 188,417        | 3,102,217        | -              | -                | -        | -        | -        | 3,290,634                 |
| Corporate receivables                                     | -              | -        | 10,495         | 154,955          | -              | 2,558,292        | -        | -        | -        | 2,723,742                 |
| Retail receivables  | -              | -        | -              | -                | 133,674        | -                | -        | -        | -        | 133,674                   |
| Other receivables (**)                                    | -              | -        | -              | -                | -              | -                | -        | -        | -        | -                         |
| <b>Total</b>  | <b>604,505</b> | <b>-</b> | <b>198,912</b> | <b>3,257,172</b> | <b>133,674</b> | <b>2,558,292</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>6,752,555</b>          |

(\*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

(\*\*) Other assets: The amounts not included in the credit risk of the counterparty reported in the risks table to the Central Counterparty.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 4. Counterparty Credit Risk (continued)

##### 4.4. CCR exposures by regulatory portfolio and risk weights (continued)

| Prior Period  |                  |          |                |                  |               |                  |          |          | Total credit exposure |
|---|------------------|----------|----------------|------------------|---------------|------------------|----------|----------|-----------------------|
| Risk Weight/ Regulatory portfolio                         | 0%               | 10%      | 20%            | 50%              | 75%           | 100%             | 150%     | Others   | (*)                   |
| Receivables from central governments and central banks    | 2,485,616        | -        | -              | -                | -             | -                | -        | -        | 2,485,616             |
| Receivables from regional and local governments           | -                | -        | -              | -                | -             | -                | -        | -        | -                     |
| Receivables from administration and non-commercial entity | -                | -        | -              | -                | -             | -                | -        | -        | -                     |
| Receivables from multilateral development banks           | -                | -        | -              | -                | -             | -                | -        | -        | -                     |
| Receivables from international organizations              | -                | -        | -              | -                | -             | -                | -        | -        | -                     |
| Receivables from banks and intermediary institutions      | -                | -        | 142,519        | 1,467,226        | -             | -                | -        | -        | 1,609,745             |
| Corporate receivables                                     | -                | -        | 12,010         | 128,680          | -             | 1,158,673        | -        | -        | 1,299,363             |
| Retail receivables  | -                | -        | 599            | 18               | 50,001        | -                | -        | -        | 50,618                |
| Other receivables (**)                                    | -                | -        | -              | -                | -             | -                | -        | -        | -                     |
| <b>Total</b>  | <b>2,485,616</b> | <b>-</b> | <b>155,128</b> | <b>1,595,924</b> | <b>50,001</b> | <b>1,158,673</b> | <b>-</b> | <b>-</b> | <b>5,445,342</b>      |

(\*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

(\*\*) Other assets: The amounts not included in the credit risk of the counterparty reported in the risks table to the Central Counterparty.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 4. Counterparty Credit Risk (continued)

##### 4.5. Composition of collateral for counterparty credit risk exposure

| Current Period           | Collateral used in derivative transactions |                |                   |              | Collateral used in other transactions |                   |
|--------------------------|--|----------------|-------------------|--------------|---------------------------------------|-------------------|
|                          | Collateral received                        |                | Posted collateral |              | Collateral received                   | Posted collateral |
|                          | Segregated                                 | Unsegregated   | Segregated        | Unsegregated |                                       |                   |
| Cash – domestic currency | -  | 205,815        | -                 | -            | -                                     | -                 |
| Cash – other currencies  | -  | 5,786          | -                 | -            | -                                     | -                 |
| Domestic sovereign debt  | -  | 4,544          | -                 | -            | -                                     | -                 |
| Other sovereign debt     | -  | -              | -                 | -            | -                                     | -                 |
| Government agency debt   | -  | -              | -                 | -            | -                                     | -                 |
| Corporate bonds          | -  | -              | -                 | -            | -                                     | -                 |
| Equity securities        | -  | -              | -                 | -            | -                                     | -                 |
| Other collateral         | -  | -              | -                 | -            | -                                     | -                 |
| <b>Total</b>             | -  | <b>216,145</b> | -                 | -            | -                                     | -                 |

| Prior Period             | Collateral used in derivative transactions |              |                   |              | Collateral used in other transactions |                   |
|--------------------------|--|--------------|-------------------|--------------|---------------------------------------|-------------------|
|                          | Collateral received                        |              | Posted collateral |              | Collateral received                   | Posted collateral |
|                          | Segregated                                 | Unsegregated | Segregated        | Unsegregated |                                       |                   |
| Cash – domestic currency | -  | 603          | -                 | -            | -                                     | -                 |
| Cash – other currencies  | -  | 4,823        | -                 | -            | -                                     | -                 |
| Domestic sovereign debt  | -  | -            | -                 | -            | -                                     | -                 |
| Other sovereign debt     | -  | 551          | -                 | -            | -                                     | -                 |
| Government agency debt   | -  | -            | -                 | -            | -                                     | -                 |
| Corporate bonds          | -  | -            | -                 | -            | -                                     | -                 |
| Equity securities        | -  | -            | -                 | -            | -                                     | -                 |
| Other collateral         | -  | -            | -                 | -            | -                                     | -                 |
| <b>Total</b>             | -  | <b>5,977</b> | -                 | -            | -                                     | -                 |

##### 4.6. Credit Derivatives

None.

##### 4.7. Exposures to central counterparties

None.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 5. Securitization Disclosures

Since the Parent Bank does not hold securitization position, the notes to be presented according to the ‘Communiqué on Disclosures about Risk Management to be announced to Public by Banks’ have not been presented.

#### 6. Market Risk Disclosures

The market risk section includes the market risk capital requirements calculated for trading book and banking book exposures that are subject to a market risk charge. It also includes capital requirements for securitization positions held in the trading book. However, it excludes the counterparty credit risk capital charges that apply to the same exposures, which are reported in Section 5 – Counterparty credit risk.

Notes and explanations prepared in accordance with “the Communiqué on Disclosures about Risk Management to be announced to Public by Banks” published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this note.

##### 6.1. Qualitative disclosure requirements related to market risk

Interest rate and foreign exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Parent Bank related to balance sheet and off-balance sheet accounts are measured and while calculating the capital adequacy and the amount subject to Value at Risk (VAR), as summarized below, is taken into consideration by the standard method. Beside the standard method, VAR is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by historic simulation. These results are also reported daily to the management.

For FX position, limits in different breakdowns are determined by Board of Directors and option operations are considered with delta conjugates.

In regular analysis, net interest income effects originating from interest rates changes are calculated for all interest rates sensitive products and the results are followed up in limits determined by Board of Directors. The shocks which are given to interest rates are changes by each currency and in linear scenario analysis, not only linear but also sudden shocks are evaluated. These analyses may be performed for both current and targeted financial figures.

According to economic cost approach, changes in market interest rates may affect the Parent Bank’s assets, liabilities and off-balance sheet items values. The Parent Bank’s economic value’s sensitivity to interest rate is an important issue for stockholders, management and auditors.

Economic value of a product is net present value that is calculated by discounting expected cash flow.

Economic value of the Parent Bank is the net present value of the cash flows that is subtracting expected cash flows of liabilities from net present value of assets and adding off balance sheet items expected cash flows. Economic value approach represents value of the Bank’s sensitivity to interest rate fluctuations.

Market value of equity is defined as the difference between the market value of assets and liabilities. The Board of Directors predefines a limit for market value of equity; shock method is applied to all items to be able to see equity’s influence on market value. Shocks applied may vary based on currencies.

As Economical Value approach considers effects of interest rate changes on all future cash flows, it enables to comprehensively understand effects of interest rate changes in the long run.

In addition to these analyses, Group Risk Management, based on current position, conducts stress testing to be able to predict possible losses as a consequence of exceptional fluctuations. Stress testings prepared by BNP Paribas and TEB Group Risk Management measure the sensitivity created as a result of market price changes based on scenarios. Scenario analysis both on historical and hypothetical basis are conducted. Both historical and hypothetical scenario analyzes are performed.

Scenario analysis is applied both to currency and interest rates to be able to understand the effects on current portfolio.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 6. Market Risk Disclosures (continued)

##### 6.1. Qualitative disclosure requirements related to market risk (continued)

Other than scenario analysis, various stress testings are applied to current portfolio; in order to see the effects of prior events on current position.

Nominal amount limits defined for bond portfolio, Value at Risk (“VAR”) limit for trading portfolio, and PV01 limits set for tracking interest rate risk are calculated daily, tracked and reported to the management. Both interest rate and liquidity gap calculations are made for each item of the balance sheet. For both calculations, as product-based cash flows are formed, repricing, maturity and product-based acceptances are also considered.

Monthly reports are prepared for Market and Liquidity Risk Committees. Reports include end of the day positions, monthly/annual cumulative profit/loss balances and some positions taken in that month.

All Limit and risk positions are represented to Risk Policies Committee, Risk Committee and to The Board of Directors.

##### 6.2. Standardized Approach

| Current Period    |   | Risk Weighted Amounts |
|-------------------|---|-----------------------|
| Outright products |   |                       |
| 1                 | Interest rate risk (general and specific) | 1,621,094             |
| 2                 | Equity risk (general and specific)        | -                     |
| 3                 | Foreign exchange risk                     | 1,813,652             |
| 4                 | Commodity risk                            | 1,778,832             |
| Options           |   |                       |
| 5                 | Simplified approach                       | -                     |
| 6                 | Delta-plus method                         | 699,538               |
| 7                 | Scenario approach                         | -                     |
| 8                 | Securitization                            | -                     |
| <b>9</b>          | <b>Total</b>                              | <b>5,913,116</b>      |

| Prior Period      |   | Risk Weighted Amounts |
|-------------------|---|-----------------------|
| Outright products |   |                       |
| 1                 | Interest rate risk (general and specific) | 1,377,018             |
| 2                 | Equity risk (general and specific)        | -                     |
| 3                 | Foreign exchange risk                     | 560,312               |
| 4                 | Commodity risk                            | 945,141               |
| Options           |   |                       |
| 5                 | Simplified approach                       | -                     |
| 6                 | Delta-plus method                         | 141,075               |
| 7                 | Scenario approach                         | -                     |
| 8                 | Securitization                            | -                     |
| <b>9</b>          | <b>Total</b>                              | <b>3,023,546</b>      |

#### 7. Explanations Related to the Consolidated Operational Risk

- a) Operational risk has been calculated using the basic indicator approach. Market risk measurements are performed annually.
- b) In case of Basic Indicator Approach the following:

|   | 31.12.2019 | 31.12.2020 | 31.12.2021 | Total/Number of positive gross income years | Rate (%) | Total      |
|---|------------|------------|------------|---|----------|------------|
| Gross Income                                      | 6,181,760  | 5,944,320  | 6,758,087  | 6,294,722                                   | 15       | 944,208    |
| Operational Risk Capital Requirement (Total*12.5) |            |            |            |   |          | 11,802,605 |



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### XI. Explanations Related to Consolidated Risk Management (Continued)

#### 7. Explanations Related to the Consolidated Operational Risk (continued)

|   | 31.12.2018 | 31.12.2019 | 31.12.2020 | Total/Number of positive gross income years | Rate (%) | Total      |
|---|------------|------------|------------|---|----------|------------|
| Gross Income                                      | 5,363,912  | 6,191,758  | 5,953,339  | 5,836,336                                   | 15       | 875,450    |
| Operational Risk Capital Requirement (Total*12.5) |            |            |            |   |          | 10,943,131 |

- c) The Group does not use the standard method.
- d) The Group does not use any alternative approach in standard method.
- e) The Group does not use advanced measurement approach.

#### 8. Explanations Related to Remuneration Policy in Banks

TEB pays net salaries on the last working day of each month, after the required legal deductions are made. In addition to receiving a monthly salary, all TEB employees are assessed based on meeting their qualitative and quantitative targets, and the Bank may pay performance-based success and sales premiums or annual performance bonuses to reward employees' collective and individual success.

An annual performance bonus is determined based on the Bank's profitability, the results of Bank activities, and the realization of targets in line with market practices (local and/or professional). A performance bonus is only paid when the target realized in a particular year is at least 80%. Employees included in the success and sales premium scheme are paid success and sales premiums based to the targets realized during the year.

The remuneration policy of the Bank was prepared in line with the BRSA's "Communiqué on Corporate Management of Banks" and "Guidance on Good Remuneration Practices" in Banks, and within the scope of the principle of proportionality, the content, structure, and strategies of the Bank's activities, long-term targets, the risk management structure of the Bank and local regulations. These regulations aim to prevent taking excessive risks and evaluate actual contributions to the risk management.

The remuneration policy supports the Bank in managing risks in line with the principles and parameters determined and approved by the Board of Directors. The remuneration policy aims to attract and retain expert employees who will contribute to the Bank reaching its strategic targets in both business line and support functions.

SECOM (Selection and Compensation Committee) is responsible, on behalf of the Board of Directors, for ensuring that the remuneration policy is prepared in line with local and BNP Paribas regulations. SECOM manages the principles of the remuneration policy, taking opinions from the Human Resources, Financial Affairs, Risk, Compliance, and Internal Control Groups. The remuneration policy is reviewed and approved by SECOM and submitted to the Board of Directors. The remuneration policy is reviewed annually.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 Turkey:

|  | Current Period   |                   | Prior Period     |                   |
|--|------------------|-------------------|------------------|-------------------|
|  | TL               | FC                | TL               | FC                |
| Cash in TL/Foreign Currency              | 752,200          | 10,004,814        | 480,825          | 6,992,493         |
| Balances with the Central Bank of Turkey | 6,458,159        | 26,063,697        | 5,237,670        | 22,851,875        |
| Other                                    | -                | 560,841           | -                | 228,432           |
| <b>Total</b>                             | <b>7,210,359</b> | <b>36,629,352</b> | <b>5,718,495</b> | <b>30,072,800</b> |

###### b) Information related to the account of the Central Bank of Turkey:

|                             | Current Period   |                   | Prior Period     |                   |
|-----------------------------|------------------|-------------------|------------------|-------------------|
|                             | TL               | FC                | TL               | FC                |
| Unrestricted Demand Deposit | 6,458,159        | -                 | 5,130,440        | -                 |
| Unrestricted Time Deposit   | -                | 7,868,041         | -                | 7,072,426         |
| Restricted Time Deposit     | -                | 18,195,656        | 107,230          | 15,779,449        |
| <b>Total</b>                | <b>6,458,159</b> | <b>26,063,697</b> | <b>5,237,670</b> | <b>22,851,875</b> |

The FC unrestricted amount is to TL 7,868,041 (31 December 2021: TL 7,072,426), the FC restricted amount is TL 18,195,656 (31 December 2021: TL 15,779,449), the TL unrestricted amount is TL 6,458,159 (31 December 2021: TL 5,130,440) there is no restricted TL amount (31 December 2021: TL 107,230).

As of 31 December 2022, the applicable rates for the reserve requirements established at the CBRT are between 3% and 8% (31 December 2021: between 3% and 8%) in Turkish currency and between 5% and 26% in foreign currency, depending on the maturity structure (31 December 2021: between 5% and 26%).

##### 2. Information on financial assets at fair value through profit or loss (net):

- a.1) Information on financial assets at fair value through profit or loss given as collateral / blocked: None (31 December 2021: None).
- a.2) Financial assets at fair value through profit or loss subject to repurchase agreements: None (31 December 2021: None).

Net book value of unrestricted financial assets at fair value through profit or loss is TL 3,011,802 (31 December 2021: TL 2,491,428).

|  | Current Period   |                | Prior Period     |                |
|--|------------------|----------------|------------------|----------------|
|  | TL               | FC             | TL               | FC             |
| Government Debt Securities               | 2,809,744        | 202,058        | 1,942,260        | 549,168        |
| Securities Representing Share in Capital | 77,197           | 263,295        | 59,388           | 135,326        |
| Other Financial Assets                   | 40,289           | 76,286         | -                | 107,646        |
| <b>Total</b>                             | <b>2,927,230</b> | <b>541,639</b> | <b>2,001,648</b> | <b>792,140</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 3. Positive differences related to derivative financial assets held-for-trading:

|                      | Current Period   |                | Prior Period     |                |
|----------------------|------------------|----------------|------------------|----------------|
|                      | TL               | FC             | TL               | FC             |
| Forward Transactions | 1,089,391        | 47,443         | 739,292          | 23,542         |
| Swap Transactions    | 2,953,184        | 228,144        | 5,160,990        | 258,119        |
| Futures Transactions | -                | -              | -                | -              |
| Options              | 357,592          | 388,958        | 106,295          | 43,738         |
| Other                | -                | -              | -                | -              |
| <b>Total</b>         | <b>4,400,167</b> | <b>664,545</b> | <b>6,006,577</b> | <b>325,399</b> |

#### 4. Information on banks:

##### a) Information on banks:

|                                   | Current Period   |                  | Prior Period     |                   |
|-----------------------------------|------------------|------------------|------------------|-------------------|
|                                   | TL               | FC               | TL               | FC                |
| Banks                             |                  |                  |                  |                   |
| Domestic                          | 2,122,206        | 580              | 1,532,763        | 1,247,634         |
| Foreign                           | 698,476          | 6,226,874        | 86,455           | 8,797,886         |
| Foreign Head Offices and Branches | -                | -                | -                | -                 |
| <b>Total</b>                      | <b>2,820,682</b> | <b>6,227,454</b> | <b>1,619,218</b> | <b>10,045,520</b> |

An expected loss provision of TL 28,900 (31 December 2021: TL 23,547) has been set aside for receivables from banks.

##### b) Information on foreign banks account:

|                           | Unrestricted Amount |                  | Restricted Amount |                |
|---------------------------|---------------------|------------------|-------------------|----------------|
|                           | Current Period      | Prior Period     | Current Period    | Prior Period   |
| EU Countries              | 1,023,288           | 1,724,460        | -                 | 380,464        |
| USA, Canada               | 2,791,436           | 3,192,869        | -                 | -              |
| OECD Countries (*)        | 878,376             | 2,332,760        | -                 | -              |
| Off-Shore Banking Regions | 20                  | 16               | -                 | -              |
| Other                     | 1,578,685           | 1,096,610        | 653,545           | 157,162        |
| <b>Total</b>              | <b>6,271,805</b>    | <b>8,346,715</b> | <b>653,545</b>    | <b>537,626</b> |

(\*) OECD countries other than EU countries, USA and Canada.

#### 5. Information on financial assets at fair value through other comprehensive income:

##### a.1) Information on financial assets at fair value through other comprehensive income given as collateral / blocked:

|   | Current Period   |          | Prior Period     |                  |
|---|------------------|----------|------------------|------------------|
|   | TL               | FC       | TL               | FC               |
| Equity Securities                                     | -                | -        | -                | -                |
| Bond, Treasury Bill and Similar Investment Securities | 1,411,005        | -        | 1,448,659        | 1,739,641        |
| Other   | -                | -        | -                | -                |
| <b>Total</b>  | <b>1,411,005</b> | <b>-</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                     | -              | 3,013,150        | 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>3,013,150</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 3,996,181 (31 December 2021: TL 1,283,588).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 5. Information on financial assets at fair value through other comprehensive income: (continued)

b.1) Information on financial assets at fair value through other comprehensive income:

|                              | Current Period   | Prior Period     |
|------------------------------|------------------|------------------|
| Debt Securities              | 8,371,023        | 7,162,706        |
| Quoted on a Stock Exchange   | 8,321,688        | 7,123,445        |
| Unquoted on a Stock Exchange | 49,335           | 39,261           |
| Equity Securities            | 49,313           | 13,250           |
| Quoted on a Stock Exchange   | -                | -                |
| Unquoted on a Stock Exchange | 49,313           | 13,250           |
| Impairment Provision (-)     | -                | -                |
| <b>Total</b>                 | <b>8,420,336</b> | <b>7,175,956</b> |

An expected loss provision of TL 1,676 (31 December 2021: TL 1,668) has been reserved for financial assets at fair value through other comprehensive income.

#### 6. Information on loans:

a) A Information on all types of loans and advances given to shareholders and employees of the Parent Bank:

|  | Current Period |                  | Prior Period   |                |
|--|----------------|------------------|----------------|----------------|
|  | Cash           | Non-Cash         | Cash           | Non-Cash       |
| Direct Loans Granted to Shareholders   | -              | 1,118,603        | -              | 389,230        |
| Corporate Shareholders                 | -              | 1,118,603        | -              | 389,230        |
| Real Person Shareholders               | -              | -                | -              | -              |
| Indirect Loans Granted to Shareholders | -              | -                | -              | -              |
| Loans Granted to Employees             | 212,298        | -                | 116,057        | -              |
| <b>Total</b>                           | <b>212,298</b> | <b>1,118,603</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               |                           |                  |
|---------------------------------|--------------------|--|---------------------------|------------------|
|                                 |                    | Not Under the<br>Scope of<br>Restructuring | Loans Under Restructuring |                  |
|                                 |                    |  | Revised Contract<br>Terms | Refinancing      |
| Non-specialized loans           | 135,719,372        | 10,235,887                                 | 49,531                    | 1,067,224        |
| Working Capital Loans           | 12,825,030         | 1,920,186                                  | -                         | 772,445          |
| Export Loans                    | 30,414,865         | 296,549                                    | -                         | 2,366            |
| Import Loans                    | -                  | -  | -                         | -                |
| Loans Given to Financial Sector | 5,290,513          | -  | -                         | -                |
| Consumer Loans                  | 24,973,760         | 4,727,764                                  | 7,431                     | 122,472          |
| Credit Cards                    | 12,700,358         | 1,669,035                                  | 37,549                    | -                |
| Other                           | 49,514,846         | 1,622,353                                  | 4,551                     | 169,941          |
| Specialized Loans               | -                  | -  | -                         | -                |
| Other Receivables               | -                  | -  | -                         | -                |
| <b>Total</b>                    | <b>135,719,372</b> | <b>10,235,887</b>                          | <b>49,531</b>             | <b>1,067,224</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

b) Information on the standard loans, loans under close monitoring and restructured loans under close monitoring: (continued)

**Prior Period:**

| Cash Loans                      | Standard Loans    | Loans Under Close Monitoring         |                                   |                  |
|---------------------------------|-------------------|--------------------------------------|-----------------------------------|------------------|
|                                 |                   | Not Under the Scope of Restructuring | Loans Under Restructuring         |                  |
|                                 |                   |                                      | Loans with Revised Contract Terms | Refinancing      |
| Non-specialized loans           | 94,890,546        | 7,851,522                            | 106,238                           | 1,726,179        |
| Working Capital Loans           | 8,292,445         | 938,278                              | 68,954                            | 1,191,876        |
| Export Loans                    | 15,734,234        | 150,052                              | -                                 | 4,939            |
| Import Loans                    | -                 | -                                    | -                                 | -                |
| Loans Given to Financial Sector | 4,592,585         | -                                    | -                                 | -                |
| Consumer Loans                  | 19,586,048        | 4,218,653                            | 12,207                            | 158,941          |
| Credit Cards                    | 7,079,515         | 1,069,945                            | 17,629                            | -                |
| Other                           | 39,605,719        | 1,474,594                            | 7,448                             | 370,423          |
| Specialized Loans               | -                 | -                                    | -                                 | -                |
| Other Receivables               | -                 | -                                    | -                                 | -                |
| <b>Total</b>                    | <b>94,890,546</b> | <b>7,851,522</b>                     | <b>106,238</b>                    | <b>1,726,179</b> |

|                                     | Current Period |                              | Prior Period   |                              |
|-------------------------------------|----------------|------------------------------|----------------|------------------------------|
|                                     | Standard Loans | Loans Under Close Monitoring | Standard Loans | Loans Under Close Monitoring |
| 12 Month Expected Credit Losses     | 734,536        | -                            | 428,726        | -                            |
| Significant increase in Credit Risk | -              | 2,418,591                    | -              | 1,351,897                    |
| <b>Total</b>                        | <b>734,536</b> | <b>2,418,591</b>             | <b>428,726</b> | <b>1,351,897</b>             |

c) Distribution of cash loans by maturity structure:

| Current Period             | Loans Under Close Monitoring |                                      |                  |
|----------------------------|------------------------------|--------------------------------------|------------------|
|                            | Standard Loans               | Not under the Scope of Restructuring | Restructured     |
| Short-term loans           | 81,476,871                   | 3,329,771                            | 21,414           |
| Medium and Long-term loans | 54,242,501                   | 6,906,116                            | 1,095,341        |
| <b>Total</b>               | <b>135,719,372</b>           | <b>10,235,887</b>                    | <b>1,116,755</b> |

| Prior Period               | Loans Under Close Monitoring |                                      |                  |
|----------------------------|------------------------------|--------------------------------------|------------------|
|                            | Standard Loans               | Not under the Scope of Restructuring | Restructured     |
| Short-term loans           | 49,294,310                   | 2,130,065                            | 57,948           |
| Medium and Long-term loans | 45,596,236                   | 5,721,457                            | 1,774,469        |
| <b>Total</b>               | <b>94,890,546</b>            | <b>7,851,522</b>                     | <b>1,832,417</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

| Current Period                                  | Short Term        | Medium and Long Term | Total             |
|---|-------------------|----------------------|-------------------|
| <b>Consumer Loans-TL</b>                        | <b>3,035,284</b>  | <b>24,646,725</b>    | <b>27,682,009</b> |
| Housing Loans                                   | 13,586            | 3,421,072            | 3,434,658         |
| Vehicle Loans                                   | 38,477            | 356,529              | 395,006           |
| General Purpose Loans                           | 2,983,221         | 20,869,124           | 23,852,345        |
| Other   | -                 | -                    | -                 |
| <b>Consumer Loans –Indexed to FC</b>            | <b>-</b>          | <b>5,243</b>         | <b>5,243</b>      |
| Housing Loans                                   | -                 | 5,243                | 5,243             |
| Vehicle Loans                                   | -                 | -                    | -                 |
| General Purpose Loans                           | -                 | -                    | -                 |
| Other   | -                 | -                    | -                 |
| <b>Consumer Loans-FC (**)</b>                   | <b>-</b>          | <b>12,322</b>        | <b>12,322</b>     |
| Housing Loans                                   | -                 | 3,612                | 3,612             |
| Vehicle Loans                                   | -                 | -                    | -                 |
| General Purpose Loans                           | -                 | 8,710                | 8,710             |
| Other   | -                 | -                    | -                 |
| <b>Individual Credit Cards-TL</b>               | <b>9,899,605</b>  | <b>33,500</b>        | <b>9,933,105</b>  |
| With Instalments                                | 3,773,824         | 33,500               | 3,807,324         |
| Without Instalments                             | 6,125,781         | -                    | 6,125,781         |
| <b>Individual Credit Cards-FC</b>               | <b>33,398</b>     | <b>-</b>             | <b>33,398</b>     |
| With Instalments                                | -                 | -                    | -                 |
| Without Instalments                             | 33,398            | -                    | 33,398            |
| <b>Personnel Loans-TL</b>                       | <b>37,523</b>     | <b>98,869</b>        | <b>136,392</b>    |
| Housing Loans                                   | -                 | 326                  | 326               |
| Vehicle Loans                                   | -                 | -                    | -                 |
| General Purpose Loans                           | 37,523            | 98,543               | 136,066           |
| 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>68,406</b>     | <b>18</b>            | <b>68,424</b>     |
| With Instalments                                | 27,336            | 18                   | 27,354            |
| Without Instalments                             | 41,070            | -                    | 41,070            |
| <b>Personnel Credit Cards-FC</b>                | <b>652</b>        | <b>-</b>             | <b>652</b>        |
| With Instalments                                | -                 | -                    | -                 |
| Without Instalments                             | 652               | -                    | 652               |
| <b>Overdraft Accounts-TL (Real Persons) (*)</b> | <b>1,995,461</b>  | <b>-</b>             | <b>1,995,461</b>  |
| <b>Overdraft Accounts-FC (Real Persons)</b>     | <b>-</b>          | <b>-</b>             | <b>-</b>          |
| <b>Total</b>                                    | <b>15,070,329</b> | <b>24,796,677</b>    | <b>39,867,006</b> |

(\*) Overdraft accounts include personnel loans amounting to TL 6,830.

(\*\*) Loans granted via branches abroad.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

- d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel (continued):

| Prior Period                                    | Short Term       | Medium and Long Term | Total             |
|---|------------------|----------------------|-------------------|
| <b>Consumer Loans-TL</b>                        | <b>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

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

e) Information on commercial loans with instalments and corporate credit cards:

| Current Period  | Short Term       | Medium and Long<br>Term | Total             |
|---|------------------|-------------------------|-------------------|
| <b>Commercial Loans with Instalment -TL</b>             | <b>2,378,337</b> | <b>10,547,993</b>       | <b>12,926,330</b> |
| Business Loans  | 4,639            | 160,686                 | 165,325           |
| Vehicle Loans   | 344,111          | 2,564,430               | 2,908,541         |
| General Purpose Loans                                   | 2,029,587        | 7,822,877               | 9,852,464         |
| Other   | -                | -                       | -                 |
| <b>Commercial Loans with Instalment - Indexed to FC</b> |                  | <b>20,114</b>           | <b>20,114</b>     |
| Business Loans  | -                | 6,082                   | 6,082             |
| Vehicle Loans   | -                | -                       | -                 |
| General Purpose Loans                                   | -                | 14,032                  | 14,032            |
| Other   | -                | -                       | -                 |
| <b>Commercial Loans with Instalment - FC</b>            | <b>939</b>       |                         | <b>939</b>        |
| Business Loans  | -                | -                       | -                 |
| Vehicle Loans   | -                | -                       | -                 |
| General Purpose Loans                                   | 939              | -                       | 939               |
| Other   | -                | -                       | -                 |
| <b>Corporate Credit Cards-TL</b>                        | <b>4,364,826</b> | <b>36</b>               | <b>4,364,862</b>  |
| With Instalments  | 1,655,525        | 36                      | 1,655,561         |
| Without Instalments                                     | 2,709,301        | -                       | 2,709,301         |
| <b>Corporate Credit Cards-FC</b>                        | <b>6,501</b>     |                         | <b>6,501</b>      |
| With Instalments  | -                | -                       | -                 |
| Without Instalments                                     | 6,501            | -                       | 6,501             |
| <b>Overdraft Accounts-TL (Legal Entities)</b>           | <b>985,557</b>   |                         | <b>985,557</b>    |
| <b>Overdraft Accounts-FC (Legal Entities)</b>           |                  |                         |                   |
| <b>Total</b>  | <b>7,736,160</b> | <b>10,568,143</b>       | <b>18,304,303</b> |

| Prior Period  | Short Term       | Medium and Long<br>Term | Total             |
|---|------------------|-------------------------|-------------------|
| <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>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>            |                  |                         |                   |
| 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>3,537</b>      |
| With Instalments  | -                | -                       | -                 |
| Without Instalments                                     | 3,537            | -                       | 3,537             |
| <b>Overdraft Accounts-TL (Legal Entities)</b>           | <b>836,380</b>   |                         | <b>836,380</b>    |
| <b>Overdraft Accounts-FC (Legal Entities)</b>           |                  |                         |                   |
| <b>Total</b>  | <b>4,658,196</b> | <b>10,539,619</b>       | <b>15,197,815</b> |



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

##### f) Distribution of loans by users:

|              | Current Period     | Prior Period       |
|--------------|--------------------|--------------------|
| Public       | 1,686,191          | 1,974,740          |
| Private      | 145,385,823        | 102,599,745        |
| <b>Total</b> | <b>147,072,014</b> | <b>104,574,485</b> |

##### g) Distribution of domestic and foreign loans:

|                | Current Period     | Prior Period       |
|----------------|--------------------|--------------------|
| Domestic Loans | 146,214,496        | 103,893,581        |
| Foreign Loans  | 857,518            | 680,904            |
| <b>Total</b>   | <b>147,072,014</b> | <b>104,574,485</b> |

##### h) Loans granted to subsidiaries and associates:

These amounts are eliminated in the consolidated financial statements.

##### i) Specific or non-performing loan (Stage 3) provisions for loans:

|                                    | Current Period   | Prior Period     |
|------------------------------------|------------------|------------------|
| Loans with Limited Collectability  | 197,372          | 275,137          |
| Loans with Doubtful Collectability | 365,183          | 256,267          |
| Uncollectible Loans                | 1,335,772        | 1,733,851        |
| <b>Total</b>                       | <b>1,898,327</b> | <b>2,265,255</b> |

##### j) Information on non-performing loans (Net):

##### j.1) Information on non-performing loans and restructured loans:

|                                 | Group III<br>Loans with Limited<br>Collectability | Group IV<br>Loans with Doubtful<br>Collectability | Group V<br>Uncollectible<br>Loans |
|---------------------------------|---|---|-----------------------------------|
| <b>Current Period</b>           |   |   |                                   |
| Gross Amounts before Provisions | 51,719  | 38,533  | 34,533                            |
| Restructured Loans              | 51,719  | 38,533  | 34,533                            |
| <b>Prior Period</b>             |   |   |                                   |
| Gross Amounts before Provisions | 72,529  | 14,239  | 42,007                            |
| Restructured Loans              | 72,529  | 14,239  | 42,007                            |

##### j.2) Movement of non-performing:

|   | Group III<br>Loans with Limited<br>Collectability | Group IV<br>Loans with Doubtful<br>Collectability | Group V<br>Uncollectible<br>Loans |
|---|---|---|-----------------------------------|
| <b>Prior Period end balance</b>                           | <b>448,493</b>                                    | <b>396,553</b>                                    | <b>2,486,219</b>                  |
| Additions (+)   | 1,486,236   | 15,112  | 33,941                            |
| Transfers from Other Accounts of Non-performing Loans (+) | -   | 1,265,449   | 939,862                           |
| Transfers to Other Accounts of Non-performing Loans (-)   | 1,267,584   | 937,727   | -                                 |
| Collections (-)   | 310,354   | 252,097   | 802,825                           |
| Write-offs (-)  | 50,967  | -   | 403,858                           |
| Sold Portfolio (-) (*)                                    | 34  | 1,968   | 416,989                           |
| Corporate and Commercial Loans                            | 4   | 1,587   | 60,510                            |
| Retail Loans  | 1   | 20  | 267,490                           |
| Credit Cards  | 29  | 361   | 88,989                            |
| Other   | 9,976   | 25,484  | (31,057)                          |
| <b>Current Period End Balance</b>                         | <b>315,766</b>                                    | <b>510,806</b>                                    | <b>1,805,293</b>                  |
| Provision (-)   | 197,372   | 365,183   | 1,335,772                         |
| <b>Net Balance on Balance Sheet</b>                       | <b>118,394</b>                                    | <b>145,623</b>                                    | <b>469,521</b>                    |

(\*) Non-performing loans amounting to TL 418,991 for which TL 390,257 of provision had been allocated, is sold for TL 115,221 during 2022 and after all sales procedures were completed, these non-performing loans have been written off from the portfolio.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

j) Information on non-performing loans (Net) (continued):

j.3) Information on foreign currency non-performing loans:

|                                     | Group III<br>Loans and Receivables<br>with Limited<br>Collectability | Group IV<br>Loans and Receivables<br>with Doubtful<br>Collectability | Group V<br>Uncollectable<br>Loans and<br>Receivables |
|-------------------------------------|--|--|--|
| <b>31 December 2022</b>             |  |  |  |
| Current Period End Balance          | 92,224   | 3,070  | 99,092   |
| Provision Amount (-)                | 64,461   | 1,354  | 72,617   |
| <b>Net Balance on Balance Sheet</b> | <b>27,763</b>  | <b>1,716</b>   | <b>26,475</b>  |
| <b>31 December 2021</b>             |  |  |  |
| Current Period End Balance          | 90,621   | 19,011   | 181,764  |
| Provision Amount (-)                | 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>  |

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

|   | Group III<br>Loans and Receivables<br>with Limited<br>Collectability | Group IV<br>Loans and Receivables<br>with Doubtful<br>Collectability | Group V<br>Uncollectable<br>Loans and<br>Receivables |
|---|--|--|--|
| <b>Current Period (Net)</b>                           |  |  |  |
| Loans to Real Persons and Legal Entities (Gross)      | 315,766  | 510,806  | 1,805,293  |
| Provision (-)   | 197,372  | 365,183  | 1,335,772  |
| <b>Loans to Real Persons and Legal Entities (Net)</b> | <b>118,394</b>   | <b>145,623</b>   | <b>469,521</b>                                       |
| Banks (Gross)   | -  | -  | -  |
| Provision Amount (-)                                  | -  | -  | -  |
| <b>Banks (Net)</b>                                    | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| Other Loans and Receivables (Gross)                   | -  | -  | -  |
| Provision Amount (-)                                  | -  | -  | -  |
| <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 Amount (-)                                  | 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 Amount (-)                                  | -  | -  | -  |
| <b>Banks (Net)</b>                                    | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| Other Loans and Receivables (Gross)                   | -  | -  | -  |
| Provision Amount (-)                                  | -  | -  | -  |
| <b>Other Loans and Receivables (Net)</b>              | <b>-</b>   | <b>-</b>   | <b>-</b>   |

j.5) Information on interest accruals, rediscounts and valuation differences calculated for non-performing loans and their provisions:

|  | Group III<br>Loans with Limited<br>Collectability | Group IV<br>Loans with Doubtful<br>Collectability | Group V<br>Uncollectable<br>Loans |
|--|---|---|-----------------------------------|
| <b>Current Period (Net)</b>                              |   |   |                                   |
| Interest Accruals, Rediscounts and Valuation Differences | 699   | 83  | 7,659                             |
| Provision Amount (-)                                     | 28,808  | 58,354  | 457,827                           |
| <b>Prior Period (Net)</b>                                | <b>28,109</b>                                     | <b>58,271</b>                                     | <b>450,168</b>                    |
| Interest Accruals, Rediscounts and Valuation Differences | 1,434   | 3,340   | 34,109                            |
| Provision Amount (-)                                     | 45,534  | 52,087  | 573,512                           |
| <b>Provision Amount (-)</b>                              | <b>44,100</b>                                     | <b>48,747</b>                                     | <b>539,403</b>                    |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

k) Disclosures regarding the unregistered policy:

Loans that will be subject to write-off are applied for loans that are classified as 5 Group - Loans classified as Bad Debt and provided with life-long expected credit loss provision due to the debtor’s default and there is no reasonable expectation of their recovery within the scope of TFRS 9 standard Write-off is an accounting practice and does not result in giving up the right on the receivable. Loans which are written-off do not affect the legal follow-up of the Parent Bank. Indicators are utilized concerning the absence of reasonable expectations regarding the recovery of loans. The write-off is examined on an incident basis with predefined criteria’s and the following write-off criteria’s are considered:

- The possibility of recovery is limited: Loans with low collateralization, limited collateral capability, limited assets that provide foreclosure collection, and less than expected cost income for collection are evaluated.

- Financial indicators: Financial indicators that show that the entire loan does not have the ability to recover, or that the monetary cost to be incurred due to lawsuit/prosecution to be filed is higher than the collection to be made, are evaluated.

- Long-term follow-up: Those who do not have reasonable collection expectations are evaluated in order to recover the loans that have been pursuing for a long time,

The following practices for the loans bank monitors, although the loans have been written-off by the Bank, cannot be different from its registered loans.

- The methods applied for legal collection of loans from debtors,
- Decisions to be subjected to the sale of non-performing loans,
- Decisions to waive the credit by waiving the loans.

Within the scope of TFRS 9, the deducted amount during the period is TL 454,825 (31 December 2021: TL 57,671) and its effect on NPL ratio is 0.30% (31 December 2021: 0.06%). The follow-up conversion rate, after deductions, is 1.76% (31 December 2021 3.08%) in the current period non-performing loan figures, while the calculated rate including the loans deducted during the year is 2.06 % (31 December 2021: 3.14%).

l) Other explanations and disclosures:

| <b>Current Period</b>                              | <b>Commercial</b>  | <b>Consumer</b>   | <b>Credit Cards</b> | <b>Total</b>       |
|--|--------------------|-------------------|---------------------|--------------------|
| Standard Loans                                     | 98,045,254         | 24,973,760        | 12,700,358          | 135,719,372        |
| Loans Under Close Monitoring                       | 4,788,391          | 4,857,667         | 1,706,584           | 11,352,642         |
| Loans Under Follow-Up                              | 862,889            | 1,606,859         | 162,117             | 2,631,865          |
| <b>Total</b>                                       | <b>103,696,534</b> | <b>31,438,286</b> | <b>14,569,059</b>   | <b>149,703,879</b> |
| 12 month expected credit loss (Stage I) (-)        | 365,454            | 231,139           | 137,943             | 734,536            |
| Significant increase in credit risk (Stage II) (-) | 1,775,605          | 385,520           | 257,466             | 2,418,591          |
| Default (Stage III) (-)                            | 596,016            | 1,173,192         | 129,119             | 1,898,327          |
| <b>Total</b>                                       | <b>2,737,075</b>   | <b>1,789,851</b>  | <b>524,528</b>      | <b>5,051,454</b>   |
| <b>Net Credit Balance on Balance Sheet</b>         | <b>100,959,459</b> | <b>29,648,435</b> | <b>14,044,531</b>   | <b>144,652,425</b> |

| <b>Prior Period</b>                                | <b>Commercial</b> | <b>Consumer</b>   | <b>Credit Cards</b> | <b>Total</b>       |
|--|-------------------|-------------------|---------------------|--------------------|
| Standard Loans                                     | 68,224,983        | 19,586,048        | 7,079,515           | 94,890,546         |
| Loans Under Close Monitoring                       | 4,206,564         | 4,389,801         | 1,087,574           | 9,683,939          |
| Loans Under Follow-Up                              | 1,280,878         | 1,808,745         | 241,642             | 3,331,265          |
| <b>Total</b>                                       | <b>73,712,425</b> | <b>25,784,594</b> | <b>8,408,731</b>    | <b>107,905,750</b> |
| 12 month expected credit loss (Stage I) (-)        | 203,624           | 160,661           | 64,441              | 428,726            |
| Significant increase in credit risk (Stage II) (-) | 1,091,318         | 209,746           | 50,833              | 1,351,897          |
| Default (Stage III) (-)                            | 855,823           | 1,221,062         | 188,370             | 2,265,255          |
| <b>Total</b>                                       | <b>2,150,765</b>  | <b>1,591,469</b>  | <b>303,644</b>      | <b>4,045,878</b>   |
| <b>Net Credit Balance on Balance Sheet</b>         | <b>71,561,660</b> | <b>24,193,125</b> | <b>8,105,087</b>    | <b>103,859,872</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

The following is a reclassification of provision for impairment on loans by stage;

#### Current Period

| Commercial  | Standard Loans<br>(Stage 1) | Loans under close<br>monitoring (Stage 2) | Loans under<br>follow-up (Stage 3) | Total            |
|---|-----------------------------|---|------------------------------------|------------------|
| 31 December 2021                                      | 203,624                     | 1,091,318                                 | 855,823                            | 2,150,765        |
| Transfers;  |                             |   |                                    |                  |
| - Stage 1 to Stage 2                                  | (8,312)                     | 38,492                                    | -                                  | 30,180           |
| - Stage 1 to Stage 3                                  | (1,438)                     | -   | 59,763                             | 58,325           |
| - Stage 2 to Stage 3                                  | -                           | (26,383)                                  | 80,297                             | 53,914           |
| - Stage 2 to Stage 1                                  | 1,105                       | (7,514)                                   | -                                  | (6,409)          |
| - Stage 3 to Stage 2                                  | -                           | -   | -                                  | -                |
| Transferred within the period                         | 283,428                     | 606,714                                   | 629,266                            | 1,519,408        |
| Collections   | (135,016)                   | (131,055)                                 | (548,378)                          | (814,449)        |
| Sold Portfolio  | -                           | -   | (47,297)                           | (47,297)         |
| Write-offs  | -                           | -   | (452,651)                          | (452,651)        |
| Currency differences                                  | 22,063                      | 204,033                                   | 19,193                             | 245,289          |
| <b>Total Expected Loss Provision 31 December 2022</b> | <b>365,454</b>              | <b>1,775,605</b>                          | <b>596,016</b>                     | <b>2,737,075</b> |

#### Prior Period

| Commercial  | Standard Loans<br>(Stage 1) | Loans under close<br>monitoring (Stage 2) | Loans under<br>follow-up (Stage 3) | Total            |
|---|-----------------------------|---|------------------------------------|------------------|
| 31 December 2020                                      | 176,623                     | 1,033,284                                 | 1,996,399                          | 3,206,306        |
| Transfers;  |                             |   |                                    |                  |
| - Stage 1 to Stage 2                                  | (6,296)                     | 17,266                                    | -                                  | 10,970           |
| - Stage 1 to Stage 3                                  | (775)                       | -   | 24,630                             | 23,855           |
| - Stage 2 to Stage 3                                  | -                           | (88,038)                                  | 90,252                             | 2,214            |
| - Stage 2 to Stage 1                                  | 3,960                       | (20,577)                                  | -                                  | (16,617)         |
| - Stage 3 to Stage 2                                  | -                           | -   | -                                  | -                |
| Transferred within the period                         | 104,257                     | 211,577                                   | (869,052)                          | (553,218)        |
| Collections   | (101,505)                   | (326,605)                                 | (239,832)                          | (667,942)        |
| Sold Portfolio  | -                           | -   | (112,757)                          | (112,757)        |
| Write-offs  | -                           | -   | (55,520)                           | (55,520)         |
| Currency differences                                  | 27,360                      | 264,411                                   | 21,703                             | 313,474          |
| <b>Total Expected Loss Provision 31 December 2021</b> | <b>203,624</b>              | <b>1,091,318</b>                          | <b>855,823</b>                     | <b>2,150,765</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

##### Current Period

| Consumer  | Standard Loans<br>(Stage 1) | Loans under close<br>monitoring (Stage 2) | Loans under<br>follow-up (Stage 3) | Total            |
|---|-----------------------------|---|------------------------------------|------------------|
| 31 December 2021                                      | 160,661                     | 209,746                                   | 1,221,062                          | 1,591,469        |
| Transfers;  |                             |   |                                    |                  |
| - Stage 1 to Stage 2                                  | (10,183)                    | 58,020                                    | -                                  | 47,837           |
| - Stage 1 to Stage 3                                  | (6,038)                     | -   | 272,728                            | 266,690          |
| - Stage 2 to Stage 3                                  | -                           | (42,527)                                  | 285,430                            | 242,903          |
| - Stage 2 to Stage 1                                  | 7,548                       | (47,903)                                  | -                                  | (40,355)         |
| - Stage 3 to Stage 2                                  | -                           | -   | -                                  | -                |
| Transferred within the period                         | 120,047                     | 258,623                                   | (377,532)                          | 1,138            |
| Collections   | (40,896)                    | (50,439)                                  | (36,569)                           | (127,904)        |
| Sold Portfolio  | -                           | -   | (189,753)                          | (189,753)        |
| Write-offs  | -                           | -   | (2,174)                            | (2,174)          |
| Currency differences                                  | -                           | -   | -                                  | -                |
| <b>Total Expected Loss Provision 31 December 2022</b> | <b>231,139</b>              | <b>385,520</b>                            | <b>1,173,192</b>                   | <b>1,789,851</b> |

##### Prior Period

| Consumer  | Standard Loans<br>(Stage 1) | Loans under close<br>monitoring (Stage 2) | Loans under<br>follow-up (Stage 3) | Total            |
|---|-----------------------------|---|------------------------------------|------------------|
| 31 December 2020                                      | 162,525                     | 263,142                                   | 228,731                            | 654,398          |
| Transfers;  |                             |   |                                    |                  |
| - Stage 1 to Stage 2                                  | (11,426)                    | 52,675                                    | -                                  | 41,249           |
| - Stage 1 to Stage 3                                  | (2,574)                     | -   | 71,107                             | 68,533           |
| - Stage 2 to Stage 3                                  | -                           | (58,101)                                  | 114,361                            | 56,260           |
| - Stage 2 to Stage 1                                  | 4,100                       | (35,657)                                  | -                                  | (31,557)         |
| - Stage 3 to Stage 2                                  | -                           | -   | -                                  | -                |
| Transferred within the period                         | 39,799                      | 59,480                                    | 951,475                            | 1,050,754        |
| Collections   | (31,763)                    | (71,793)                                  | (23,338)                           | (126,894)        |
| Sold Portfolio  | -                           | -   | (119,123)                          | (119,123)        |
| Write-offs  | -                           | -   | (2,151)                            | (2,151)          |
| Currency differences                                  | -                           | -   | -                                  | -                |
| <b>Total Expected Loss Provision 31 December 2021</b> | <b>160,661</b>              | <b>209,746</b>                            | <b>1,221,062</b>                   | <b>1,591,469</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

##### 1) Other explanations and disclosures: (continued)

#### Current Period

| Credit Cards  | Standard Loans<br>(Stage 1) | Loans under close<br>monitoring (Stage 2) | Loans under<br>follow-up (Stage 3) | Total          |
|---|-----------------------------|---|------------------------------------|----------------|
| 31 December 2021                                      | 64,441                      | 50,833                                    | 188,370                            | 303,644        |
| Transfers;  |                             |   |                                    |                |
| - Stage 1 to Stage 2                                  | (5,435)                     | 104,931                                   | -                                  | 99,496         |
| - Stage 1 to Stage 3                                  | (1,659)                     | -   | 62,282                             | 60,623         |
| - Stage 2 to Stage 3                                  | -                           | (9,503)                                   | 48,019                             | 38,516         |
| - Stage 2 to Stage 1                                  | 13,394                      | (21,936)                                  | -                                  | (8,542)        |
| - Stage 3 to Stage 2                                  | -                           | -   | -                                  | -              |
| Transferred within the period                         | 74,569                      | 146,765                                   | (53,220)                           | 168,114        |
| Collections   | (7,367)                     | (13,624)                                  | (50,885)                           | (71,876)       |
| Sold Portfolio  | -                           | -   | (65,447)                           | (65,447)       |
| Write-offs  | -                           | -   | -                                  | -              |
| Currency differences                                  | -                           | -   | -                                  | -              |
| <b>Total expected loss provision 31 December 2022</b> | <b>137,943</b>              | <b>257,466</b>                            | <b>129,119</b>                     | <b>524,528</b> |

#### Prior Period

| Credit Cards  | Standard Loans<br>(Stage 1) | Loans under close<br>monitoring (Stage 2) | Loans under<br>follow-up (Stage 3) | Total          |
|---|-----------------------------|---|------------------------------------|----------------|
| 31 December 2020                                      | 54,298                      | 63,826                                    | 68,943                             | 187,067        |
| Transfers;  |                             |   |                                    |                |
| - Stage 1 to Stage 2                                  | (5,019)                     | 26,181                                    | -                                  | 21,162         |
| - Stage 1 to Stage 3                                  | (1,490)                     | -   | 41,681                             | 40,191         |
| - Stage 2 to Stage 3                                  | -                           | (19,857)                                  | 44,873                             | 25,016         |
| - Stage 2 to Stage 1                                  | 6,064                       | (18,256)                                  | -                                  | (12,192)       |
| - Stage 3 to Stage 2                                  | -                           | -   | -                                  | -              |
| Transferred within the period                         | 15,726                      | 12,638                                    | 92,696                             | 121,060        |
| Collections   | (5,138)                     | (13,699)                                  | -                                  | (18,837)       |
| Sold Portfolio  | -                           | -   | (59,823)                           | (59,823)       |
| Write-offs  | -                           | -   | -                                  | -              |
| Currency differences                                  | -                           | -   | -                                  | -              |
| <b>Total expected loss provision 31 December 2021</b> | <b>64,441</b>               | <b>50,833</b>                             | <b>188,370</b>                     | <b>303,644</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 6. Information on loans: (continued)

##### 1) Other explanations and disclosures: (continued)

The fair value of collaterals of non- performing loans, capped with the respective outstanding loan balance, as of 31 December 2022 is TL 842,665 (31 December 2021: TL 1,453,443).

#### The fair value of the collateral of non-performing loans that do not exceed the risk:

|              | Current Period | Prior Period     |
|--------------|----------------|------------------|
| Mortgage     | 668,114        | 1,080,929        |
| Vehicle      | 63,499         | 129,617          |
| Cash         | 113            | 440              |
| Other (*)    | 110,939        | 242,457          |
| <b>Total</b> | <b>842,665</b> | <b>1,453,443</b> |

(\*) Other amount includes Treasury backed and Portfolio guaranteed CGF guarantee amounting to TL 110,939 (31 December 2021: TL 242,457).

As of 31 December 2022, the fair value of the collaterals of the customers' total principal risk related to the loans under close monitoring that do not exceed the risk is TL 3,767,830 (31 December 2021: TL 3,742,470).

#### Fair value of the part of the collaterals of the closely monitored loans that do not exceed the risk:

|                        | Current Period   | Prior Period     |
|------------------------|------------------|------------------|
| Mortgage               | 3,182,343        | 3,171,659        |
| Vehicle                | 466,367          | 328,721          |
| Cash, Government Bonds | 116,555          | 207,134          |
| Other                  | 2,565            | 34,956           |
| <b>Total</b>           | <b>3,767,830</b> | <b>3,742,470</b> |

As of 31 December 2022 and 31 December 2021, the details of the commodities and real estates that the Parent Bank has acquired for disposal of credit receivables are as follows:

| 31 December 2022                                 | Commercial    | Consumer     | Total          |
|--|---------------|--------------|----------------|
| Residential, commercial or industrial properties | 99,958        | 412          | 100,370        |
| Other  | -             | -            | -              |
| <b>Total</b>                                     | <b>99,958</b> | <b>412</b>   | <b>100,370</b> |
| 31 December 2021                                 | Commercial    | Consumer     | Total          |
| Residential, commercial or industrial properties | 64,440        | 1,493        | 65,933         |
| Other  | -             | -            | -              |
| <b>Total</b>                                     | <b>64,440</b> | <b>1,493</b> | <b>65,933</b>  |

#### 7. Information on financial assets measured at amortised cost:

##### a) a.1) Information on financial assets measured at amortised cost and subject to repurchase agreements:

|   | Current Period |                  | Prior Period     |                  |
|---|----------------|------------------|------------------|------------------|
|   | TL             | FC               | TL               | FC               |
| Equity Securities                                     | -              | -                | -                | -                |
| Bond, Treasury bill and similar investment securities | -              | 7,460,842        | 2,592,783        | 5,020,254        |
| <b>Total</b>  | <b>-</b>       | <b>7,460,842</b> | <b>2,592,783</b> | <b>5,020,254</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 7. Information on financial assets measured at amortised cost: (continued)

a.2) Information on financial assets measured at amortised cost and given as collateral / blocked:

|   | Current Period    |          | Prior Period     |                  |
|---|-------------------|----------|------------------|------------------|
|   | TL                | FC       | TL               | FC               |
| Equity Securities                                     | -                 | -        | -                | -                |
| Bond, Treasury bill and similar investment securities | 19,897,126        | -        | 3,025,653        | 2,970,779        |
| Other   | -                 | -        | -                | -                |
| <b>Total</b>  | <b>19,897,126</b> | <b>-</b> | <b>3,025,653</b> | <b>2,970,779</b> |

Financial assets valued over their amortised cost classified as free warehouse TL 13,097,968 (31 December 2021: TL 5,942,231).

a.3) Information on government debt securities measured at amortised cost:

|                                     | Current Period    | Prior Period      |
|-------------------------------------|-------------------|-------------------|
| Government Bonds                    | 40,455,936        | 19,551,700        |
| Treasury Bills                      | -                 | -                 |
| Other Public Sector Debt Securities | -                 | -                 |
| <b>Total</b>                        | <b>40,455,936</b> | <b>19,551,700</b> |

a.4) Information on financial assets measured at amortised cost:

|                              | Current Period    | Prior Period      |
|------------------------------|-------------------|-------------------|
| Debt securities              | 40,455,936        | 19,551,700        |
| Quoted on a Stock Exchange   | 40,455,936        | 19,551,700        |
| Unquoted on a Stock Exchange | -                 | -                 |
| Impairment Provision (-)     | -                 | -                 |
| <b>Total</b>                 | <b>40,455,936</b> | <b>19,551,700</b> |

a.5) Movement of financial assets measured at amortised cost:

|   | Current Period    | Prior Period      |
|---|-------------------|-------------------|
| Balance at the Beginning of the Period          | 19,551,700        | 12,522,941        |
| Foreign Currency Differences on Monetary Assets | 2,524,109         | 841,915           |
| Purchases During the Year (*)                   | 20,808,138        | 8,203,718         |
| Disposals Through Sales and Redemptions         | (2,428,011)       | (2,016,874)       |
| Impairment Provision (-)                        | -                 | -                 |
| <b>Closing Balance</b>                          | <b>40,455,936</b> | <b>19,551,700</b> |

(\*) Includes rediscount 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) Information 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

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 9. Information on subsidiaries (Net):

- 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                                 | 10,000                       |
| Reserves   | 178,260               | 39,465                                 | 1,607                        |
| Net income for the period and prior period income                        | 219,723               | 358,021                                | 51,252                       |
| Income/ Loss recognized under equity in accordance with TAS              | -                     | -                                      | (16)                         |
| Leasehold Improvements on Operational Leases (-)                         | 2,974                 | 284                                    | 1,799                        |
| Goodwill and intangible asset and the related deferred tax liability (-) | 5,748                 | 14,266                                 | 1325                         |
| <b>Total Common Equity Tier 1 Capital</b>                                | <b>439,261</b>        | <b>411,730</b>                         | <b>59,719</b>                |
| Provision  | 7,645                 | -                                      | -                            |
| <b>Total Equity</b>  | <b>446,906</b>        | <b>411,730</b>                         | <b>59,719</b>                |

The Parent Bank does not have any capital requirement arising from its subsidiaries included in the consolidated capital adequacy standard ratio.

- b) If there is any unconsolidated subsidiary, total equity amount that is lack of subsection to the reasonable justifications of non-consolidate and minimum capital requirement: None (31 December 2021: None).
- c) Information on the unconsolidated subsidiaries: None (31 December 2021: None).
- d) Information on the consolidated financial subsidiaries:

- d.1) Information on the consolidated financial subsidiaries:

| Title                              | Address (City / Country) | Group’s share percentage-<br>If different voting<br>percentage (%) | Other<br>shareholders’ share<br>percentage (%) |
|------------------------------------|--------------------------|--|--|
| 1 TEB Faktoring A.Ş.               | İstanbul/Turkey          | 100.00   | -  |
| 2 TEB Yatırım Menkul Değerler A.Ş. | İstanbul/Turkey          | 100.00   | -  |
| 3 TEB Portföy Yönetimi A.Ş.        | İstanbul/Turkey          | 54.74  | 45.26  |

Explanations on the consolidated subsidiaries with the order as presented in the table above:

|   | Total<br>Assets | Shareholders’<br>Equity | Total Fixed<br>Assets | Interest<br>Income | Income on<br>Marketable<br>Securities<br>Portfolio | Current<br>Period<br>Profit/Loss | Prior Period<br>Profit/Loss (*) | Fair<br>Value |
|---|-----------------|-------------------------|-----------------------|--------------------|--|----------------------------------|---------------------------------|---------------|
| 1 | 7,424,890       | 447,983                 | 10,827                | 984,801            | -  | 208,685                          | 54,321                          | -             |
| 2 | 1,486,272       | 426,280                 | 7,524                 | 209,804            | -  | 153,417                          | 105,250                         | -             |
| 3 | 96,167          | 62,843                  | 6,334                 | 8,126              | 87   | 38,853                           | 18,042                          | -             |

(\*) These figures are shown per BRSA financial statements as of 31 December 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                   | 4,758          | 3,542          |
| Purchases                                     | -              | -              |
| Bonus Shares Obtained                         | -              | -              |
| Share in Current Year Income                  | -              | -              |
| Sales   | -              | -              |
| Revaluation Increase                          | 4,758          | 3,542          |
| Provision for Impairment                      | -              | -              |
| <b>Balance at the End of the Period</b>       | <b>134,897</b> | <b>130,139</b> |
| Capital Commitments                           | -              | -              |
| Share Percentage at the End of the Period (%) | -              | -              |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 9. Information on subsidiaries (Net): (continued)

d) Information on the consolidated financial subsidiaries: (continued)

d.3) Sectoral information on the consolidated subsidiaries and the related carrying amounts:

|                              | Current Period | Prior Period   |
|------------------------------|----------------|----------------|
| Banks                        | -              | -              |
| Insurance Companies          | -              | -              |
| Factoring Companies          | 43,417         | 43,417         |
| Leasing Companies            | -              | -              |
| Finance Companies            | -              | -              |
| Other Financial Subsidiaries | 91,480         | 86,722         |
| <b>Total</b>                 | <b>134,897</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 non-financial subsidiaries that are not consolidated:

TEB ARF Teknoloji A.Ş. was established by the Bank with TL 50,000 paid-in capital and 100% ownership; was registered in the Trade Registry Gazette on 16 July 2020.

#### 10. Explanations on entities under common control (joint ventures):

a) Information on entities under common control (joint ventures):

| Entities under common control (joint ventures)                  | Share of the Parent Bank (%) | Share of the Group (%) | Current Asset | Non-current Asset | Long-term Receivable | Profit  | Loss      |
|---|------------------------------|------------------------|---------------|-------------------|----------------------|---------|-----------|
| Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. | 0.1                          | 33.3                   | 208,653       | 96,559            | 45,178               | 540,764 | (490,430) |

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, 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              | 425,928        | 308,164        | 1,796,596        | 5,873        |
| Foreign Net Investment Hedge | -              | -              | -                | -            |
| <b>Total</b>                 | <b>425,928</b> | <b>308,164</b> | <b>1,796,596</b> | <b>5,873</b> |

In case of termination of the fair value hedge accounting, any adjustment to the book value of the hedging instrument calculated using the effective interest method under fair value hedge accounting is amortised through profit or loss to the financial asset price until the maturity of the asset.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 12. Positive differences related to derivative financial assets for hedging purposes (continued)

According to cash flow hedges terminated by the Parent Bank, accumulated valuation differences amounted TL 49,903 (31 December 2021: TL 60,244) is recorded under equity as of 31 December 2022. These amounts are transferred into income statement by considering maturity date of hedged items.

#### 13. Information on tangible assets:

|   | 31 December 2021 | Purchases                | Sales            | Other      | 31 December 2022 |
|---|------------------|--------------------------|------------------|------------|------------------|
| <b>Cost:</b>  |                  |                          |                  |            |                  |
| Real Estate   | 117,940          | 631                      | (2,160)          | 114        | 116,525          |
| Right of Use  | 1,024,840        | 457,869                  | (284,831)        | (53)       | 1,197,825        |
| Furniture, Furnishings, Office Machines and<br>Other Securities | 1,185,258        | 366,108                  | (47,979)         | 107        | 1,503,494        |
| <b>Total Cost</b>   | <b>2,328,038</b> | <b>824,608</b>           | <b>(334,970)</b> | <b>168</b> | <b>2,817,844</b> |
|   | 31 December 2021 | Charge for<br>the Period | Sales            | Other      | 31 December 2022 |
| <b>Accumulated Depreciation:</b>                                |                  |                          |                  |            |                  |
| Real Estate   | 58,476           | 3,430                    | (1,053)          | 49         | 60,902           |
| Right of Use Depreciation                                       | 581,038          | 184,493                  | (145,906)        | -          | 619,625          |
| Furniture, Furnishing, Office Machines and<br>Other Securities  | 754,068          | 151,913                  | (45,070)         | -          | 860,911          |
| <b>Total Accumulated Depreciation</b>                           | <b>1,393,582</b> | <b>339,836</b>           | <b>(192,029)</b> | <b>49</b>  | <b>1,541,438</b> |
| <b>Net Book Value</b>   | <b>934,456</b>   |                          |                  |            | <b>1,276,406</b> |

- The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.
- Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None.

#### 14. Information on intangible assets:

|                                       | 31 December 2021 | Purchases                | Sales           | Other        | 31 December 2022 |
|---------------------------------------|------------------|--------------------------|-----------------|--------------|------------------|
| <b>Cost:</b>                          |                  |                          |                 |              |                  |
| Other intangible assets               | 696,917          | 438,405                  | (44,099)        | (172)        | 1,091,051        |
| <b>Total Cost</b>                     | <b>696,917</b>   | <b>438,405</b>           | <b>(44,099)</b> | <b>(172)</b> | <b>1,091,051</b> |
|                                       | 31 December 2021 | Charge for<br>the Period | Sales           | Other        | 31 December 2022 |
| <b>Accumulated Depreciation:</b>      |                  |                          |                 |              |                  |
| Other intangible assets               | 506,789          | 104,476                  | (2,946)         | -            | 608,319          |
| <b>Total Accumulated Depreciation</b> | <b>506,789</b>   | <b>104,476</b>           | <b>(2,946)</b>  | <b>-</b>     | <b>608,319</b>   |
| <b>Net Book Value</b>                 | <b>190,128</b>   |                          |                 |              | <b>482,732</b>   |

- Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements: None.
- Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.
- The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition: None.
- Book value of intangible assets that are restricted or pledged in use: None.
- Amount of purchase commitments for intangible fixed assets: None.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 14. Information on intangible assets: (continued)

- f) Information on revalued intangible assets according to their types: None.
- g) Amount of total research and development expenses recorded in income statement within the period if any: None.
- h) Positive or negative consolidation goodwill on entity basis: None.
- i) Information on goodwill:

Following the publication of the BRSA's permission dated 10 February 2011 in the Official Gazette dated 12 February 2011 and numbered 27844, all rights by the termination of the legal personality of Fortis Bank A.Ş. The merger of two banks was realized through the transfer of receivables, liabilities and liabilities to the Bank in the form of ashes. The shareholders of Fortis Bank A.Ş., which was dismissed due to the merger, were given 1.0518 registered TEB shares for each share with a nominal value of 1 TL to be replaced with their existing shares. Since the enterprises subject to this merger are not controlled by the same person or persons before and after the business merger, the transaction has been evaluated within the scope of TFRS 3. In the merger, Fortis Bank A.Ş. has been identified as an acquired business, and the fair value of the equity shares subject to the change as a result of the merger, as of 14 February 2011, is taken into account as the transferred price, and the difference between this value and the fair value of the identifiable net assets of Fortis Bank A.Ş. is recognized as goodwill.

- j) Beginning and ending balance of the goodwill and movement on goodwill in the current period:

|                              | Current Period | Prior Period   |
|------------------------------|----------------|----------------|
| Beginning of the period      | 421,124        | 421,124        |
| Foreign currency differences | -              | -              |
| Acquisitions                 | -              | -              |
| <b>Period End Balance</b>    | <b>421,124</b> | <b>421,124</b> |

- 15. Information on investment properties: None (31 December 2021: None).

#### 16. Information on deferred tax asset:

- a) As of 31 December 2022, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TL 1,624,898 (31 December 2021: TL 147,376). There are no tax exemptions or deductions over which deferred tax asset is computed.
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.
- d) Movement of deferred tax:

|   | Current Period   | Prior Period   |
|---|------------------|----------------|
| <b>As of 1 January</b>                  | <b>147,376</b>   | <b>651,589</b> |
| Exchange Difference                     | -                | (133)          |
| Deferred Tax Income / (Expense)         | 1,639,946        | (424,609)      |
| Deferred Tax Accounted for Under Equity | (162,424)        | (79,471)       |
| <b>Deferred Tax Asset</b>               | <b>1,624,898</b> | <b>147,376</b> |

After net off the net deferred tax asset is presented as deferred tax asset on the balance sheet and net deferred tax liability presented as deferred tax liability on balance sheet. The deferred tax income of TL 1,639,946 is stated under the tax provision in the income statement (31 December 2021: TL 424,609 expense). The portion of the deferred tax that is directly attributable to equity which is presented in the table below has been netted within the relevant accounts in the statement of shareholders' equity.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 16. Information on deferred tax asset: (continued)

|   | Current Period   | Prior Period    |
|---|------------------|-----------------|
| Financial Assets at Fair Value Through Other Comprehensive Income | (282,454)        | 29,458          |
| From Hedge Accounting   | (12,097)         | (138,725)       |
| Actuarial Gains and Losses  | 132,127          | 29,796          |
| <b>Total</b>  | <b>(162,424)</b> | <b>(79,471)</b> |

#### 17. Information on assets held for sale and discontinued operations:

|   | Current Period | Prior Period   |
|---|----------------|----------------|
| Beginning of the Period Cost                                | 65,933         | 112,859        |
| Accumulated Depreciation at the Beginning of the Period (-) | -              | -              |
| <b>Net Book Value</b>                                       | <b>65,933</b>  | <b>112,859</b> |
| Opening Balance   | 65,933         | 112,859        |
| Acquired  | 129,422        | 116,792        |
| Disposed (-)  | 94,115         | 166,760        |
| Impairment (-)  | 870            | (3,042)        |
| Depreciation Value (-)                                      | -              | -              |
| Period End Cost   | 100,370        | 65,933         |
| Period End Accumulated Depreciation (-)                     | -              | -              |
| <b>Closing Net Book Value</b>                               | <b>100,370</b> | <b>65,933</b>  |

As of 31 December 2022, the Group does not have any non-current assets related to discontinued operations (31 December 2021: None).

#### 18. Information on factoring receivables of Group:

##### a) Maturity analysis explanation:

|                       | Current Period   |                  | Prior Period     |                  |
|-----------------------|------------------|------------------|------------------|------------------|
|                       | TL               | FC               | TL               | FC               |
| Short Term (*)        | 4,137,185        | 3,192,413        | 2,138,839        | 2,494,644        |
| Mid and Long Term     | -                | -                | 3,442            | -                |
| Stage 1 Provision (-) | 2,316            | 25               | 1,540            | 115              |
| Stage 2 Provision (-) | 5,302            | 2                | 3,975            | 9                |
| Stage 3 Provision (-) | 47,639           | 4,606            | 23,281           | 3,680            |
| <b>Total</b>          | <b>4,081,928</b> | <b>3,187,780</b> | <b>2,113,485</b> | <b>2,490,840</b> |

(\*) Includes factoring receivables which is impaired amounting to TL 60,250 (31 December 2021: TL 28,051).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

#### 18. Information on factoring receivables of Group: (continued)

b) Other explanations and disclosures:

| <b>Current Period</b>                              | <b>Commercial</b> | <b>Consumer</b> | <b>Total</b>     |
|--|-------------------|-----------------|------------------|
| Standard Loans                                     | 6,478,745         | -               | 6,478,745        |
| Close Monitoring Loans                             | 790,603           | -               | 790,603          |
| Loans Under Follow-Up                              | 60,250            | -               | 60,250           |
| <b>Total</b>                                       | <b>7,329,598</b>  | <b>-</b>        | <b>7,329,598</b> |
| 12 month expected credit loss (Stage I) (-)        | 2,341             | -               | 2,341            |
| Significant increase in credit risk (Stage II) (-) | 5,304             | -               | 5,304            |
| Default (Stage III) (-)                            | 52,245            | -               | 52,245           |
| <b>Total Allowance for Impairment (-)</b>          | <b>59,890</b>     | <b>-</b>        | <b>59,890</b>    |
| <b>Net Credit Balance on Balance Sheet</b>         | <b>7,269,708</b>  | <b>-</b>        | <b>7,269,708</b> |
| <b>Prior Period</b>                                | <b>Commercial</b> | <b>Consumer</b> | <b>Total</b>     |
| Standard Loans                                     | 4,137,945         | -               | 4,137,945        |
| Close Monitoring Loans                             | 470,929           | -               | 470,929          |
| Loans Under Follow-Up                              | 28,051            | -               | 28,051           |
| <b>Total</b>                                       | <b>4,636,925</b>  | <b>-</b>        | <b>4,636,925</b> |
| 12 month expected credit loss (Stage I) (-)        | 1,655             | -               | 1,655            |
| Significant increase in credit risk (Stage II) (-) | 3,984             | -               | 3,984            |
| Default (Stage III) (-)                            | 26,961            | -               | 26,961           |
| <b>Total Allowance for Impairment (-)</b>          | <b>32,600</b>     | <b>-</b>        | <b>32,600</b>    |
| <b>Net Credit Balance on Balance Sheet</b>         | <b>4,604,325</b>  | <b>-</b>        | <b>4,604,325</b> |

c) Aging analysis of accounting past-due exposures:

| <b>31 December 2022</b> | <b>1-30 Days</b> | <b>31-60 Days</b> | <b>61-90 Days</b> | <b>Total</b> |
|-------------------------|------------------|-------------------|-------------------|--------------|
| Commercial Loans        | 2,091            | 124               | 1,906             | 4,121        |
| Consumer Loans          | -                | -                 | -                 | -            |
| Credit Cards            | -                | -                 | -                 | -            |
| <b>Total</b>            | <b>2,091</b>     | <b>124</b>        | <b>1,906</b>      | <b>4,121</b> |
| <b>31 December 2021</b> | <b>1-30 Days</b> | <b>31-60 Days</b> | <b>61-90 Days</b> | <b>Total</b> |
| Commercial Loans        | 1,362            | 1,191             | 2,554             | 5,107        |
| Consumer Loans          | -                | -                 | -                 | -            |
| Credit Cards            | -                | -                 | -                 | -            |
| <b>Total</b>            | <b>1,362</b>     | <b>1,191</b>      | <b>2,554</b>      | <b>5,107</b> |

#### 19. Information on other assets:

Other Assets item of the balance sheet amounting to TL 9,089,840 (31 December 2021: TL 3,410,894) does not exceed 10% of the total amount of balance sheet except for off-balance sheet commitments.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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:

|                                   | Demand            | 7 Day Call<br>Accounts | Up to 1<br>Month  | 1-3<br>Months     | 3-6<br>Months    | 6 Month -<br>1 Year | 1 Year Accumulated<br>and Over | Deposits | Total              |
|-----------------------------------|-------------------|------------------------|-------------------|-------------------|------------------|---------------------|--------------------------------|----------|--------------------|
| Saving Deposits                   | 8,171,822         | -                      | 14,087,065        | 51,169,720        | 2,161,080        | 37,848              | 2,076,773                      | -        | 77,704,308         |
| Foreign Currency Deposits         | 41,602,360        | -                      | 9,563,959         | 10,687,797        | 158,722          | 62,260              | 114,862                        | -        | 62,189,960         |
| Residents in Turkey               | 39,562,308        | -                      | 9,079,292         | 10,025,022        | 145,626          | 58,115              | 108,559                        | -        | 58,978,922         |
| Residents Abroad                  | 2,040,052         | -                      | 484,667           | 662,775           | 13,096           | 4,145               | 6,303                          | -        | 3,211,038          |
| Public Sector Deposits            | 1,022,181         | -                      | 8,529             | 568,611           | -                | -                   | -                              | -        | 1,599,321          |
| Commercial Deposits               | 12,649,467        | -                      | 11,477,484        | 16,113,341        | 2,246,338        | 102,882             | 3,409,323                      | -        | 45,998,835         |
| Other Institutions Deposits       | 599,846           | -                      | 126,746           | 756,087           | 90,788           | 22                  | 451                            | -        | 1,573,940          |
| Precious Metals Deposits          | 9,166,124         | -                      | 21,852            | 277,988           | 18,928           | 13,856              | 1,495                          | -        | 9,500,243          |
| Bank Deposits                     | 185,513           | -                      | 1,597,800         | -                 | -                | -                   | -                              | -        | 1,783,313          |
| Central Bank of Turkey            | -                 | -                      | -                 | -                 | -                | -                   | -                              | -        | -                  |
| Domestic Banks                    | 8                 | -                      | -                 | -                 | -                | -                   | -                              | -        | 8                  |
| Foreign Banks                     | 185,505           | -                      | 1,597,800         | -                 | -                | -                   | -                              | -        | 1,783,305          |
| Special Financial<br>Institutions | -                 | -                      | -                 | -                 | -                | -                   | -                              | -        | -                  |
| Other                             | -                 | -                      | -                 | -                 | -                | -                   | -                              | -        | -                  |
| <b>Total</b>                      | <b>73,397,313</b> | <b>-</b>               | <b>36,883,435</b> | <b>79,573,544</b> | <b>4,675,856</b> | <b>216,868</b>      | <b>5,602,904</b>               | <b>-</b> | <b>200,349,920</b> |

Currency-protected deposit product, the operating rules of which is determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign currency exchange rates, started to be offered to bank customers as of the current accounting period reported. As of 31 December 2022, TL deposit amount includes TL 37,257,017 (31 December 2021: TL 1,034,667) deposits within this scope.

##### a.2) Prior period:

|                                   | Demand            | 7 Day Call<br>Accounts | Up to 1<br>Month  | 1-3<br>Months     | 3-6<br>Months  | 6 Month-<br>1 Year | 1 Year Accumulated<br>and Over | Deposits | Total              |
|-----------------------------------|-------------------|------------------------|-------------------|-------------------|----------------|--------------------|--------------------------------|----------|--------------------|
| Saving Deposits                   | 4,278,511         | -                      | 14,264,883        | 11,870,281        | 96,810         | 13,847             | 26,937                         | -        | 30,551,269         |
| Foreign Currency Deposits         | 39,648,035        | -                      | 10,242,404        | 18,190,816        | 82,942         | 42,412             | 70,690                         | -        | 68,277,299         |
| Residents in Turkey               | 37,424,416        | -                      | 9,783,843         | 17,651,543        | 69,065         | 31,523             | 63,345                         | -        | 65,023,735         |
| Residents Abroad                  | 2,223,619         | -                      | 458,561           | 539,273           | 13,877         | 10,889             | 7,345                          | -        | 3,253,564          |
| Public Sector Deposits            | 623,121           | -                      | 12,318            | 181,742           | -              | -                  | -                              | -        | 817,181            |
| Commercial Deposits               | 5,708,716         | -                      | 6,349,627         | 8,270,253         | 98,577         | 47                 | 74,049                         | -        | 20,501,269         |
| Other Institutions Deposits       | 249,537           | -                      | 43,734            | 1,044,713         | 143,065        | 89                 | 427                            | -        | 1,481,565          |
| Precious Metals Deposits          | 7,800,209         | -                      | 31,527            | 87,947            | 12,525         | 20,060             | 2,386                          | -        | 7,954,654          |
| Bank Deposits                     | 37,570            | -                      | 1,962,166         | -                 | -              | -                  | -                              | -        | 1,999,736          |
| Central Bank of Turkey            | -                 | -                      | -                 | -                 | -              | -                  | -                              | -        | -                  |
| Domestic Banks                    | 1                 | -                      | -                 | -                 | -              | -                  | -                              | -        | 1                  |
| Foreign Banks                     | 37,569            | -                      | 1,962,166         | -                 | -              | -                  | -                              | -        | 1,999,735          |
| Special Financial<br>Institutions | -                 | -                      | -                 | -                 | -              | -                  | -                              | -        | -                  |
| Other                             | -                 | -                      | -                 | -                 | -              | -                  | -                              | -        | -                  |
| <b>Total</b>                      | <b>58,345,699</b> | <b>-</b>               | <b>32,906,659</b> | <b>39,645,752</b> | <b>433,919</b> | <b>76,455</b>      | <b>174,489</b>                 | <b>-</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  | 26,516,373                            | 15,675,439        | 48,478,289                            | 14,553,028        |
| Foreign Currency Saving Deposits   | 11,272,053                            | 10,609,693        | 25,728,396                            | 27,744,894        |
| Other Deposits in the Form of Saving Deposits                            | 2,818,412                             | 2,368,105         | 5,428,436                             | 4,756,372         |
| Foreign Branches' Deposits under Foreign Authorities' Insurance          | -                                     | -                 | -                                     | -                 |
| Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance | -                                     | -                 | -                                     | -                 |
| <b>Total</b>   | <b>40,606,838</b>                     | <b>28,653,237</b> | <b>79,635,121</b>                     | <b>47,054,294</b> |

(\*) Pursuant to the “Regulation Amending the Regulation on the Insured Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund” published in the Official Gazette dated 27 August 2022 and numbered 31936, all deposits and participation funds, excluding those belonging to official institutions, credit institutions and financial institutions in the presence of credit institutions, started to be insured. In this context, commercial deposits covered by the insurance amount to TL 5,370,596 and the relevant amount is not included in the note.

(\*\*) According to the BRSA’s circular no 1584 dated on 23 February 2005, accruals are included in the saving deposit amounts.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations and Disclosures Related to the Consolidated Liabilities (continued)

b) Information on saving deposits under the guarantee of saving deposit insurance: (continued)

b.1) Saving deposits exceeding the limit of insurance: (continued)

ii) Deposit of real persons not under the guarantee of saving deposit insurance:

|  | Current Period | Prior Period |
|--|----------------|--------------|
| Foreign Branches' Deposits and Other Accounts  | 1,336,331      | 956,353      |
| Deposits of Controlling Shareholders and Their Close Families  | 4,182,430      | 2,749,556    |
| Deposits of Chairman and Members of the Board of Directors and Their Close Families  | 91,901         | 81,965       |
| Deposits Obtained through Illegal Acts Defined in the 282 <sup>nd</sup> Article of the 5237 Numbered Turkish Criminal Code Dated September 26, 2004. | -              | -            |
| Saving Deposits in Banks Established in Turkey exclusively for Off-shore Banking Activities  | -              | -            |

### 2. Information on derivative financial liabilities:

a) Negative differences related to derivative financial liabilities held-for-trading:

|                      | Current Period   |                | Prior Period     |                |
|----------------------|------------------|----------------|------------------|----------------|
|                      | TL               | FC             | TL               | FC             |
| Forward Transactions | 93,782           | 34,238         | 1,360,622        | 19,529         |
| Swap Transactions    | 2,665,390        | 156,043        | 2,503,569        | 104,698        |
| Futures Transactions | -                | -              | -                | 124            |
| Options              | 142,470          | 405,697        | 131,168          | 39,467         |
| Other                | -                | -              | -                | -              |
| <b>Total</b>         | <b>2,901,642</b> | <b>595,978</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       | 3,894,869        | 74,613            | 2,234,687        | 66,852            |
| From Foreign Banks, Institutions and Funds | 3                | 13,635,617        | 133,810          | 17,363,827        |
| <b>Total</b>                               | <b>3,894,872</b> | <b>13,710,230</b> | <b>2,368,497</b> | <b>17,430,679</b> |

As of 31 December 2022, the Group has borrowings from its related parties amounting to TL 3,142,174 (31 December 2021: TL 8,606,953).

b) Explanation on maturity analysis of borrowings:

|                      | Current Period   |                   | Prior Period     |                   |
|----------------------|------------------|-------------------|------------------|-------------------|
|                      | TL               | FC                | TL               | FC                |
| Short-term           | 3,851,876        | 4,933,207         | 2,194,000        | 9,153,798         |
| Medium and Long-term | 42,996           | 8,777,023         | 174,497          | 8,276,881         |
| <b>Total</b>         | <b>3,894,872</b> | <b>13,710,230</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     | 422,045        | -        | 1,194,525        | -        |
| Treasury Bills | -              | -        | -                | -        |
| <b>Total</b>   | <b>422,045</b> | <b>-</b> | <b>1,194,525</b> | <b>-</b> |



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

#### 4. Funds provided through repurchase transactions:

Information on funds provided through repurchase transactions:

|  | Current Period |                  | Prior Period     |                  |
|--|----------------|------------------|------------------|------------------|
|  | TL             | FC               | TL               | FC               |
| <b>From Domestic Transactions</b>        | <b>439,289</b> | <b>1,084,154</b> | <b>3,923,853</b> | -                |
| Financial Institutions and Organizations | -              | 1,084,154        | 3,839,747        | -                |
| Other Institutions and Organizations     | 439,289        | -                | 84,106           | -                |
| Individuals                              | -              | -                | -                | -                |
| <b>From Foreign Transactions</b>         | -              | <b>5,706,506</b> | -                | <b>5,001,962</b> |
| Financial Institutions and Organizations | -              | 5,706,506        | -                | 5,001,962        |
| Other Institutions and Organizations     | -              | -                | -                | -                |
| Individuals                              | -              | -                | -                | -                |
| <b>Total</b>                             | <b>439,289</b> | <b>6,790,660</b> | <b>3,923,853</b> | <b>5,001,962</b> |

#### 5. Other external funding payables which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:

Other foreign sources item of the balance sheet is TL 12,274,028 (31 December 2021: TL 9,419,046) does not exceed 10% of the total balance sheet.

#### 6. Explanation on financial lease obligations (Net):

With the “IFRS 16 Leases” standard which became effective as of 1 January 2020, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognized under “Tangible Fixed Assets” as an asset (tenure) and under “Liabilities from Leasing” as a liability. As of 31 December 2022, Parent Bank has TL 710,629 (31 December 2021: TL 577,660) liabilities from Leasing amount.

#### 7. Negative differences table of derivative financial liabilities for hedging purposes:

|                              | Current Period |          | Prior Period   |              |
|------------------------------|----------------|----------|----------------|--------------|
|                              | TL             | FC       | TL             | FC           |
| Fair Value Hedge             | -              | -        | -              | -            |
| Cash Flow Hedge              | 69,613         | -        | 326,410        | 4,201        |
| Foreign Net Investment Hedge | -              | -        | -              | -            |
| <b>Total</b>                 | <b>69,613</b>  | <b>-</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 amortised through profit or loss until the maturity of the financial instrument.

As of 31 December 2022, there are accumulated valuation differences of TL 49,903 (31 December 2021: TL 60,244) under equity. Regarding the cash flow hedging transactions terminated by the Parent Bank, this amount is spread over the remaining terms of the hedged items by the Parent Bank and transferred to the income statement.

#### 8. Information on provisions:

- 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 indemnifies non-cash loans or expected credit loss for non-cash loans:

|              | Current Period | Prior Period   |
|--------------|----------------|----------------|
| Stage 1      | 163,475        | 67,930         |
| Stage 2      | 389,419        | 233,196        |
| Stage 3      | 133,621        | 44,434         |
| <b>Total</b> | <b>686,515</b> | <b>345,560</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

#### 8. Information on provisions: (continued)

##### c) Liabilities on unused vacation, bonus, health, employee termination benefits:

As of 31 December 2022, the Parent Bank received TL 31,493 (31 December 2021: TL 17,454) allowance for unused vacation TL 1,291,701 (31 December 2021: TL 499,936) employee termination benefits and TL 859,982 (31 December 2021: TL 276,914) related to the premiums to be paid to bank personnel, and TL 1,887 (31 December 2021: None) provision of other personnel expenses reflected the to the “Provisions for Employee Rights” account in the financial statements.

##### c.1) Termination benefits:

In determining the liability, the Parent Bank makes use of independent actuaries and makes assumptions on issues such as discount rate, employee turnover rate and future salary increases. These assumptions are reviewed annually.

|  | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
| Discount Rate (%)                            | 10.60            | 20.01            |
| Estimated inflation rate (%)                 | 7.48             | 16.03            |
| Salary Increase Rate over Inflation Rate (%) | 1.00             | 1.00             |

##### Movement of employee termination benefits

|                         | Current Period   | Prior Period   |
|-------------------------|------------------|----------------|
| As of 1 January         | 499,936          | 297,060        |
| Current service cost    | 215,539          | 28,612         |
| Interest cost           | 96,968           | 41,843         |
| Reductions and payments | 9,747            | 8,250          |
| Actuarial loss / (gain) | 522,413          | 164,670        |
| Compensations paid      | (52,902)         | (40,499)       |
| <b>Total</b>            | <b>1,291,701</b> | <b>499,936</b> |

##### c.2) Retirement Benefits:

The employees who have joined the Bank as a consequence of the merger of the Parent Bank and Fortis Bank are members of the “Pension Fund Foundation” established in accordance with the Social Security Law No.506, provisional Article No.20.

The liabilities described in the Retirement Fund Section 3 No. XVI “Explanations on Liabilities related to Rights of Employees” which may arise during the transfer have been calculated by the actuary based on the principles of the related regulation, whereas the liabilities in connection with other social rights and benefits which will not be undertaken by the SSI after the transfer have been calculated by the actuary based on TAS 19 principles. The Parent Bank is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2022 and 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.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

#### 8. Information on provisions: (continued)

##### c) Liabilities on unused vacation, bonus, health, employee termination benefits: (continued)

##### c.2) Retirement Benefits: (continued)

Within the frame of the assumptions determined;

| <b>Period Based Pension and Health Obligations:</b>                    | <b>31 December 2022</b> | <b>31 December 2021</b> |
|--|-------------------------|-------------------------|
| Net Present Value of Transferrable Retirement Liabilities              | (2,265,564)             | (1,450,105)             |
| Net Present Value of Transferrable Retirement and Health Contributions | 653,404                 | 397,240                 |
| General Administration Expenses  | (22,656)                | (14,501)                |
| Present Value of Pension and Medical Benefits Transferable to SSF (1)  | (1,634,816)             | (1,067,366)             |
| Fair Value of Plan Assets (2)  | 5,915,152               | 3,607,657               |
| Asset Surplus over Transferable Benefits ((2)-(1) = (3))               | 4,280,336               | 2,540,291               |
| Non-Transferable Benefits (4)  | (1,138,155)             | (960,056)               |
| Asset Surplus over Total Benefits ((3)-(4))                            | 3,142,181               | 1,580,235               |

As of 31 December 2022 and 31 December 2021, the distribution of the fair value of the total assets of the Pension Fund is as follows:

|   | <b>31 December 2022</b> | <b>31 December 2021</b> |
|---|-------------------------|-------------------------|
| Bank placements   | 1,792,939               | 3,368,742               |
| Tangible assets   | 199,608                 | 121,397                 |
| Government Bonds and Treasury Bills, Funds and Rediscount Interest Income | 3,483,749               | -                       |
| Other   | 438,856                 | 117,518                 |
| <b>Total</b>  | <b>5,915,152</b>        | <b>3,607,657</b>        |

Actuarial assumptions used in the calculation of liabilities excluding the period-based liabilities according to TAS 19 are as follows:

|                        | <b>31 December 2022</b> | <b>31 December 2021</b> |
|------------------------|-------------------------|-------------------------|
| Discount Rates         | 10.60%                  | 20.01%                  |
| Inflation expectations | 7.48%                   | 16.03%                  |

As of 31 December 2022, health inflation is assumed to be 20% (31 December 2021: 20%) above inflation. It is assumed that the general wage increase and SSI ceiling increase rates will be 25% and 39.9%, respectively, for the year 2023 and wage increases for the following years will be 1% above inflation, and the SSI ceiling increase will be at the same rate as inflation. The CSO 2001 (31 December 2021: CSO 2001) Female/Male mortality table is used to represent expected death (mortality) rates both before and after retirement.

##### d) Information on other provisions:

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Provision for Non-cash Loans                                  | 686,515               | 345,560             |
| Provision for Legal Cases                                     | 137,465               | 83,179              |
| Provision for Promotions of Credit Cards and Banking Services | 10,677                | 17,562              |
| Other   | 454,300               | 35,830              |
| <b>Total</b>  | <b>1,288,957</b>      | <b>482,131</b>      |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

#### 8. Information on provisions: (continued)

d) Information on other provisions: (continued)

The following table is represented reconciliation on the provision for impairment of non-cash loans;

| Current Period  | Standard Loans<br>(Stage 1) | Loans under<br>close monitoring<br>(Stage 2) | Loans under<br>follow-up<br>(Stage 3) | Total          |
|---|-----------------------------|--|---------------------------------------|----------------|
| 31 December 2021                                      | 67,930                      | 233,196                                      | 44,434                                | 345,560        |
| Transfers;  |                             |  |                                       |                |
| - Stage 1 to Stage 2                                  | (5,046)                     | 29,766                                       | -                                     | 24,720         |
| - Stage 1 to Stage 3                                  | (307)                       | -  | 217,440                               | 217,133        |
| - Stage 2 to Stage 3                                  | -                           | (655)  | 173,847                               | 173,192        |
| - Stage 2 to Stage 1                                  | -                           | -  | -                                     | -              |
| - Stage 3 to Stage 2                                  | 223                         | (5,819)                                      | -                                     | (5,596)        |
| Transferred within the period                         | 109,436                     | 81,401                                       | (296,647)                             | (105,810)      |
| Collections   | (17,885)                    | (18,611)                                     | (5,453)                               | (41,949)       |
| Exchange differences                                  | 9,124                       | 70,141                                       | -                                     | 79,265         |
| <b>Total expected loss provision 31 December 2022</b> | <b>163,475</b>              | <b>389,419</b>                               | <b>133,621</b>                        | <b>686,515</b> |

| Prior Period  | Standard Loans<br>(Stage 1) | Loans under<br>close monitoring<br>(Stage 2) | Loans under<br>follow-up<br>(Stage 3) | Total          |
|---|-----------------------------|--|---------------------------------------|----------------|
| 31 December 2020                                      | 58,241                      | 165,265                                      | 87,824                                | 311,330        |
| Transfers;  |                             |  |                                       |                |
| - Stage 1 to Stage 2                                  | (1,178)                     | 6,565  | -                                     | 5,387          |
| - Stage 1 to Stage 3                                  | (67)                        | -  | 914                                   | 847            |
| - Stage 2 to Stage 3                                  | -                           | (1,576)                                      | 41,347                                | 39,771         |
| - Stage 2 to Stage 1                                  | -                           | -  | -                                     | -              |
| - Stage 3 to Stage 2                                  | 734                         | (2,554)                                      | -                                     | (1,820)        |
| Transferred within the period                         | 14,255                      | 84,776                                       | (43,567)                              | 55,464         |
| Collections   | (16,332)                    | (95,551)                                     | (51,654)                              | (163,537)      |
| Exchange differences                                  | 12,277                      | 76,271                                       | 9,570                                 | 98,118         |
| <b>Total expected loss provision 31 December 2021</b> | <b>67,930</b>               | <b>233,196</b>                               | <b>44,434</b>                         | <b>345,560</b> |

#### 9. Explanations on taxes payable:

a) Information on tax provision:

The Group’s corporate tax liability is TL 1,584,567 as of 31 December 2022 (31 December 2021: TL 13,357). As of 31 December 2022, the Group’s total tax and premium debt is TL 2,045,694 (31 December 2021: TL 272,117).

b) Information on current tax liability:

|  | Current Period   | Prior Period   |
|--|------------------|----------------|
| Corporate Tax Payable                    | 1,584,567        | 13,357         |
| Taxation on Securities                   | 69,692           | 48,920         |
| Property Tax                             | 3,907            | 2,875          |
| Banking Insurance Transaction Tax (BITT) | 154,358          | 87,846         |
| Foreign Exchange Transaction Tax         | 10,779           | 31,498         |
| Value Added Tax Payable                  | 34,536           | 16,774         |
| Other (*)                                | 74,901           | 42,606         |
| <b>Total</b>                             | <b>1,932,740</b> | <b>243,876</b> |

(\*) Others include income taxes deducted from wages amounting to TL 57,679 (31 December 2021: TL 27,243) and stamp taxes payable amounting to TL 6,855 (31 December 2021: TL 2,077).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

#### 9. Explanations on taxes payable: (continued)

##### c) Information on Premiums:

|  | Current Period | Prior Period  |
|--|----------------|---------------|
| Social Security Premiums-Employee                    | 79,488         | 12,192        |
| Social Security Premiums-Employer                    | 27,840         | 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                      | 2,081          | 1,023         |
| Unemployment Insurance-Employer                      | 3,545          | 1,721         |
| Other  | -              | -             |
| <b>Total</b>   | <b>112,954</b> | <b>28,241</b> |

##### d) Explanations on deferred tax liabilities, if any: The Group does not have any deferred tax liability of the Group as of 31 December 2022 (31 December 2021: None).

#### 10. Information on fixed assets payables related to activities held and discontinued for sale: None (31 December 2021: None).

#### 11. Explanations on the number of subordinated loans the Parent Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:

The Parent Bank was issued Subordinated debt instrument on 5 November 2018, which has two Call Dates: falling on the fifth anniversary notes and the Interest Payment Date falling thereafter amounting USD 210 million with the final maturity of 10 years. The interest rate of the issuance is 10.40% per annum and will be continued at the end of the 5th year with an annual interest rate of 6 months Libor + 7.32% after the first early redemption date. The “Tier 2 capital” was provided by BNP Paribas Fortis SA / NV.

The Parent Bank, aligned its Board of Directors’ decision dated 8 May 2012, had issued a debt instrument as T2 Capital Subordinated debt instrument with a value of USD 65 million on 14 May 2012 and the debt instrument was redeemed on 14 May 2019 with the decision of the Board of Directors and upon the approval of Banking Regulation and Supervision Agency (BRSA). On 14 May 2019, the Parent Bank issued a subordinated debt security with amount of 60 million EURO with the final maturity of 10 years, with no call till the 5th anniversary of the notes. The Notes have two Call Dates, falling on the fifth anniversary notes and the Interest Payment Date falling thereafter. The interest rate of the issuance is six months Euribor + 7.10% annually. The “Tier 2 capital” was provided by BNP Paribas Fortis SA / NV.

On 20 July 2012, the Parent Bank had issued a debt instrument of EUR 100 million as T2 capital and the debt instrument was redeemed on 22 July 2019 after the decision of the relevant Board of Directors and the approval of the BRSA. On 22 July 2019, the Parent Bank issued a subordinated debt security with amount of 100 million EURO, with the final maturity of 10 years, with no call till 5<sup>th</sup> anniversary of the notes. The Notes have two Call Dates, falling on the fifth anniversary notes and the Interest Payment Date falling thereafter. The interest rate of the issuance is six months Euribor + 7.10% annually. The “Tier 2 capital” was provided by BNP Paribas Fortis SA / NV.

The Parent Bank issued subordinated debt instrument, which has early redemption right on 27 June 2023, with the final maturity of 10 years in the amount of EUR 125 million in 27 June 2018. The interest rate of the issuance is 6-month Euribor + 5.10% per annum. The “Tier 2 capital” was provided by BNP Paribas Fortis SA / NV.

The above mentioned four subordinated loans are utilized in-line with the “loan capital” definition of BRSA and will positively affect the capital adequacy ratio of the Parent Bank as well as utilizing long term funding.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

#### 11. Explanations on the number of subordinated loans the Parent Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any: (continued)

Information on subordinated loans:

|  | Current Period |                  | Prior Period |                  |
|--|----------------|------------------|--------------|------------------|
|  | TL             | FC               | TL           | FC               |
| Debt Instruments to be Included in Additional Capital Calculation      | -              | -                | -            | -                |
| Subordinated loans   | -              | -                | -            | -                |
| Subordinated Debt Instruments  | -              | -                | -            | -                |
| Debt Instrument to be Included in the Contribution Capital Calculation | -              | 9,708,218        | -            | 7,239,036        |
| Subordinated Loans   | -              | -                | -            | -                |
| Subordinated Debt Instruments  | -              | 9,708,218        | -            | 7,239,036        |
| <b>Total</b>   | -              | <b>9,708,218</b> | -            | <b>7,239,036</b> |

|                                  | Current Period |                  | Prior Period |                  |
|----------------------------------|----------------|------------------|--------------|------------------|
|                                  | TL             | FC               | TL           | FC               |
| From Domestic Banks              | -              | -                | -            | -                |
| From Other Domestic Institutions | -              | -                | -            | -                |
| From Foreign Banks               | -              | 9,708,218        | -            | 7,239,036        |
| From Other Foreign Institutions  | -              | -                | -            | -                |
| <b>Total</b>                     | -              | <b>9,708,218</b> | -            | <b>7,239,036</b> |

#### 12. Information on Shareholders' Equity:

##### a) Presentation of Paid-in capital:

|                 | Current Period | Prior Period |
|-----------------|----------------|--------------|
| Common Stock    | 2,204,390      | 2,204,390    |
| Preferred Stock | -              | -            |

##### b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at the Bank if so amount of registered share capital ceiling:

| Capital System            | Paid-in capital | Ceiling |
|---------------------------|-----------------|---------|
| Registered Capital System | 2,204,390       | -       |

##### c) Information on share capital increases, their sources and other information on increased capital shares in current period: None.

##### d) Information on share capital increases from revaluation funds: None.

##### e) Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments: None.

##### f) Indicators of the 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 this 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, long and medium term. It is also reported to Asset-Liability Committee and other related organs. As result, current and future negative effect on equity is not occurred and expected.

##### g) Information on privileges given to stocks representing the capital: None.

##### h) Information on marketable securities valuation differences:

|  | Current Period |                 | Prior Period    |                  |
|--|----------------|-----------------|-----------------|------------------|
|  | TL             | FC              | TL              | FC               |
| From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.) | -              | -               | -               | -                |
| Valuation Difference   | 773,927        | (82,686)        | (22,120)        | (177,639)        |
| Foreign Exchange Difference  | -              | -               | -               | -                |
| <b>Total</b>   | <b>773,927</b> | <b>(82,686)</b> | <b>(22,120)</b> | <b>(177,639)</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

**13. Information on minority interest:** As of 31 December 2022, part of the Group equity that belongs to minority shares is TL 28,443 (31 December 2021: TL 18,217).

**14. Information on factoring liabilities:** As of 31 December 2022, the Group has factoring debt of TL 4,791 (31 December 2021: TL 21,277).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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                              | 22,073,226        | 12,007,806        |
| Used Guarantee Loan Allocation Commitments                                  | 11,657,703        | 7,173,859         |
| Forward Assets Trading Commitments  | 7,231,850         | 11,251,216        |
| Payment Commitment for Cheques  | 2,776,761         | 2,135,381         |
| Tax and Fund Liabilities from Export Commitments                            | 127,411           | 51,363            |
| Commitments for Promotions Related with Credit Cards and Banking Activities | 2,141             | 5,797             |
| Other Irrevocable Commitments   | 375,297           | 877,062           |
| <b>Total</b>  | <b>44,244,389</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   | 15,650,244        | 10,343,834        |
| Bank Acceptances    | 23,623            | 33,680            |
| Other Commitments   | 7,350,992         | 5,663,908         |
| Other Contingencies | 2,207,625         | 1,396,766         |
| <b>Total</b>        | <b>25,232,484</b> | <b>17,438,188</b> |

##### b.2) Guarantees, surety ships, and similar transactions:

|                                     | Current Period    | Prior Period      |
|-------------------------------------|-------------------|-------------------|
| Guarantee Letters                   | 17,249,510        | 13,828,475        |
| Advance Guarantee Letters           | 6,944,286         | 3,937,404         |
| Guarantee Letters Given for Customs | 961,508           | 662,089           |
| Temporary Guarantee Letters         | 1,517,892         | 616,871           |
| Other Guarantee Letters             | 3,358,756         | 2,049,250         |
| <b>Total</b>                        | <b>30,031,952</b> | <b>21,094,089</b> |

##### c) c.1) Total amount of non-cash loans:

|   | Current Period    | Prior Period      |
|---|-------------------|-------------------|
| Non-Cash Loans Given Against Achieving Cash Loans | 3,362,152         | 2,051,917         |
| With Maturity of One Year or Less Than One Year   | 469,739           | 328,711           |
| With Maturity of More Than One Year               | 2,892,413         | 1,723,206         |
| Other Non-Cash Loans                              | 51,902,284        | 36,480,360        |
| <b>Total</b>                                      | <b>55,264,436</b> | <b>38,532,277</b> |

For non-cash loans amounting to TL 253,300 (31 December 2021: TL 240,978) followed in off-balance sheet accounts, which are not compensated and turned into cash, TL 133,621 (31 December 2021: TL 44,434) third stage expected loss provision has been made. In addition, TL 163,475 (31 December 2021: TL 67,930) Stage 1, TL 389,419 (31 December 2021: TL 233,196) Stage 2 TFRS 9 expected loss provision have been made.



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 (Continued)

#### 1. Information on off-balance sheet liabilities: (continued)

c.2) Information on sectoral risk breakdown of non-cash loans:

|                                  | Current Period    |               |                   |               | Prior Period     |               |                   |               |
|----------------------------------|-------------------|---------------|-------------------|---------------|------------------|---------------|-------------------|---------------|
|                                  | TL                | (%)           | FC                | (%)           | TL               | (%)           | FC                | (%)           |
| Agricultural                     | 119,802           | 0.86          | 52,460            | 0.13          | 26,762           | 0.32          | 8,145             | 0.03          |
| Farming and raising livestock    | 114,335           | 0.82          | 52,460            | 0.13          | 25,289           | 0.30          | 8,145             | 0.03          |
| Forestry                         | -                 | -             | -                 | -             | -                | -             | -                 | -             |
| Fishery                          | 5,467             | 0.04          | -                 | -             | 1,473            | 0.02          | -                 | -             |
| Manufacturing                    | 6,237,580         | 44.72         | 19,941,531        | 48.27         | 3,015,251        | 35.60         | 12,659,113        | 42.11         |
| Mining and Quarry                | 335,419           | 2.40          | 782,573           | 1.89          | 162,871          | 1.92          | 656,530           | 2.18          |
| Production                       | 5,692,150         | 40.81         | 19,137,263        | 46.32         | 2,730,960        | 32.24         | 11,937,958        | 39.71         |
| Electricity, Gas and Water       | 210,011           | 1.51          | 21,695            | 0.05          | 121,420          | 1.43          | 64,625            | 0.21          |
| Construction                     | 1,862,922         | 13.36         | 7,618,827         | 18.44         | 1,333,966        | 15.75         | 5,512,742         | 18.34         |
| Services                         | 5,571,367         | 39.94         | 12,033,878        | 29.13         | 3,914,534        | 46.22         | 9,281,790         | 30.88         |
| Wholesale and Retail Trade       | 3,209,837         | 23.01         | 3,599,235         | 8.71          | 2,244,993        | 26.50         | 3,625,225         | 12.06         |
| Hotel and Restaurant Services    | 229,190           | 1.64          | 121,394           | 0.29          | 128,509          | 1.52          | 451,138           | 1.50          |
| Transportation and Communication | 864,851           | 6.20          | 1,064,592         | 2.58          | 507,134          | 5.99          | 888,727           | 2.96          |
| Financial Institutions           | 419,562           | 3.01          | 1,521,563         | 3.68          | 400,544          | 4.73          | 1,056,623         | 3.51          |
| Real Estate and Renting          | 422,995           | 3.03          | 3,717,166         | 9.00          | 412,861          | 4.87          | 2,191,885         | 7.29          |
| Self-employment Services         | 405,832           | 2.91          | 2,009,031         | 4.86          | 202,745          | 2.39          | 1,067,378         | 3.55          |
| Education Services               | 5,975             | 0.04          | 745               | -             | 5,272            | 0.06          | 595               | -             |
| Health and Social Services       | 13,125            | 0.09          | 152               | -             | 12,476           | 0.15          | 219               | -             |
| Other                            | 157,501           | 1.13          | 1,668,568         | 4.04          | 179,583          | 2.12          | 2,600,391         | 8.65          |
| <b>Total</b>                     | <b>13,949,172</b> | <b>100.00</b> | <b>41,315,264</b> | <b>100.00</b> | <b>8,470,096</b> | <b>100.00</b> | <b>30,062,181</b> | <b>100.00</b> |

c.3) Information on Stage I and Stage II non-cash loans:

#### Current Period

| Non-cash loans                      | Stage I           |                   | Stage II       |                  |
|-------------------------------------|-------------------|-------------------|----------------|------------------|
|                                     | TL                | FC                | TL             | FC               |
| Letters of guarantee                | 9,024,453         | 18,132,753        | 409,458        | 2,465,288        |
| Bank acceptances                    | -                 | 23,623            | -              | -                |
| Letters of credit                   | -                 | 15,632,222        | -              | 18,022           |
| Endorsements                        | -                 | -                 | -              | -                |
| Underwriting commitments            | -                 | -                 | -              | -                |
| Factoring commitments               | -                 | -                 | -              | -                |
| Other commitments and contingencies | 4,326,186         | 5,043,356         | 189,075        | -                |
| <b>Total</b>                        | <b>13,350,639</b> | <b>38,831,954</b> | <b>598,533</b> | <b>2,483,310</b> |

#### Prior Period

| Non-cash loans                      | Stage I          |                   | Stage II       |                  |
|-------------------------------------|------------------|-------------------|----------------|------------------|
|                                     | TL               | FC                | TL             | FC               |
| Letters of guarantee                | 6,574,741        | 12,912,708        | 482,202        | 1,124,438        |
| Bank acceptances                    | -                | 33,680            | -              | -                |
| Letters of credit                   | -                | 10,333,813        | -              | 10,021           |
| Endorsements                        | -                | -                 | -              | -                |
| Underwriting commitments            | -                | -                 | -              | -                |
| Factoring commitments               | -                | -                 | -              | -                |
| Other commitments and contingencies | 1,353,507        | 5,521,330         | 59,646         | 126,191          |
| <b>Total</b>                        | <b>7,928,248</b> | <b>28,801,531</b> | <b>541,848</b> | <b>1,260,650</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 (Continued)

#### 2. Information related to derivative financial instruments

|   | Derivative Transactions According to Purposes |                    |                   |                   |
|---|---|--------------------|-------------------|-------------------|
|   | Trading                                       |                    | Hedging           |                   |
|   | Current Period                                | Prior Period       | Current Period    | Prior Period      |
| Types of trading transactions                                 |   |                    |                   |                   |
| Foreign currency related derivative transactions (I):         | 228,974,961                                   | 149,362,128        | -                 | -                 |
| Forward transactions  | 43,058,781                                    | 26,910,085         | -                 | -                 |
| Swap transactions   | 126,894,040                                   | 114,361,290        | -                 | -                 |
| Futures transactions  | 4,145,296                                     | 806,991            | -                 | -                 |
| Option transactions   | 54,876,844                                    | 7,283,762          | -                 | -                 |
| Interest related derivative transactions (II):                | 80,543,010                                    | 29,272,626         | -                 | -                 |
| Forward rate transactions                                     | -   | -                  | -                 | -                 |
| Interest rate swap transactions                               | 72,607,050                                    | 23,197,546         | -                 | -                 |
| Interest option transactions                                  | 7,935,960                                     | 6,075,080          | -                 | -                 |
| Futures interest transactions                                 | -   | -                  | -                 | -                 |
| Marketable securities call-put options (III)                  | -   | -                  | -                 | -                 |
| Other trading derivative transactions (IV)                    | 1,395,731                                     | 2,084,252          | -                 | -                 |
| <b>A. Total trading derivative transactions (I+II+III+IV)</b> | <b>310,913,702</b>                            | <b>180,719,006</b> | -                 | -                 |
| Types of hedging transactions                                 |   |                    |                   |                   |
| Fair value hedges   | -   | -                  | -                 | -                 |
| Cash flow hedges  | -   | -                  | 19,489,643        | 29,455,518        |
| Net investment hedges   | -   | -                  | -                 | -                 |
| <b>B. Total hedging related derivatives</b>                   | -   | -                  | <b>19,489,643</b> | <b>29,455,518</b> |
| <b>Total Derivative Transactions (A+B)</b>                    | <b>310,913,702</b>                            | <b>180,719,006</b> | <b>19,489,643</b> | <b>29,455,518</b> |

Related to agreements of forward transactions and options; the information based on the type of forward and options transactions are disclosed separately, specified with related amounts, type of agreement, purpose of transaction, nature of risk, strategy of risk management, hedging relationship, possible effects on the bank’s financial position, timing of cash flows, reasons of unrealized transactions which previously projected to be realized, income and expenses that could not be linked to income statement in the current period because of the agreements:

Forward foreign exchange and swap transactions are based on protection from interest and currency fluctuations. According to TAS, they do not qualify as hedging instruments and are remeasured at fair value as trading transactions by the Parent Bank.

#### i) Derivative Instruments for Fair Value Hedging Purposes:

As of 31 December 2022, the Bank has no derivative instruments for hedging purposes.

#### ii) Derivative Instruments for Cash Flow Hedge Purposes

The Parent Bank has applied cash flow hedge accounting by matching its swap portfolio with total notional amounting to TL 19,489,643 (31 December 2021: TL 29,455,518) and 1-90 days of maturity deposit portfolio together with selected borrowing portfolio. TL 376,592 (31 December 2021: TL 374,849 credit) credit accounted for under equity is presented after deducting its deferred tax effect of TL 94,148 (31 December 2021: TL 82,051 debit) debit in the financial statements.

|                      | Current Period    |                |               | Prior Period      |                  |                |
|----------------------|-------------------|----------------|---------------|-------------------|------------------|----------------|
|                      | Nominal           | Fair Value     |               | Nominal           | Fair Value       |                |
|                      |                   | Asset          | Liability     |                   | Asset            | Liability      |
| Cross Currency Swaps | 10,604,665        | 533,642        | 68,920        | 4,195,454         | -                | 145,122        |
| Interest Rate Swaps  | 8,884,978         | 200,450        | 693           | 25,260,064        | 1,802,469        | 185,489        |
| <b>Total</b>         | <b>19,489,643</b> | <b>734,092</b> | <b>69,613</b> | <b>29,455,518</b> | <b>1,802,469</b> | <b>330,611</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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### III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Items (Continued)

3. Credit derivatives and risk exposures on credit derivatives: None.

#### 4. Explanations on contingent liabilities and assets:

- a) a.1) The Group's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.
- a.2) Share of entity under common control (joint ventures) in its own contingent liabilities: None.
- a.3) The Group's contingent liabilities resulting from liabilities of other ventures in entities under common control (joint ventures): None.
- b) Accounting and presentation of contingent assets and liabilities in the financial statements:
  - b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: As of 31 December 2022, there are no contingent assets that need to be explained (31 December 2021: None).
  - b.2) A provision is made for contingent liabilities, if realization is probable and the amount can be reliably determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes. The Bank and financial institution subject to consolidation have provided provision amounting to TL 137,465 (31 December 2021: TL 83,179) for various lawsuits filed by various individuals and institutions with high probability of occurrence and cash outflow. This amount is presented under “Other Provisions” in the financial statements.

#### 5. Custodian and intermediary services:

The Group provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of the Consolidated Off-Balance Accounts.

Investment fund participation certificates held in custody which belong to the customers and the portfolio are accounted for with their nominal values. As of 31 December 2022, the total nominal value and number of certificates are TL 23,356,409 and 23,356,409 (31 December 2021: TL 7,112,025 and 7,112,025) and the total fair value is TL 4,985,945 (31 December 2021: TL 7,999,604).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 (Continued)

#### 6. The information on the banks’ rating by the international rating introductions (\*):

TEB maintained its position as one of the most highly rated banks in Turkey. As of 31 December 2022, TEB’s ratings were as follows:

##### **Moody’s Investor Services:**

|                                     |        |
|-------------------------------------|--------|
| Baseline Credit Assessment          | b3     |
| Adjusted Baseline Credit Assessment | b1     |
| Long Term FC Deposits               | B3     |
| Short Term FC Deposits              | NP     |
| Long Term TL Deposits               | B1     |
| Short Term TL Deposits              | NP     |
| Outlook                             | Stable |

##### **Fitch Ratings:**

|                          |          |
|--------------------------|----------|
| <i>Foreign Currency</i>  |          |
| Long-term                | B-       |
| Short-term               | B        |
| Outlook                  | Negative |
| <i>Turkish Lira</i>      |          |
| Long-term                | B        |
| Short-term               | B        |
| Outlook                  | Negative |
| National                 | AA (tur) |
| Outlook                  | Stable   |
| Financial Strength       | b-       |
| Shareholder Support Note | b-       |

(\*) Ratings above are not performed based on the “Communiqué for Authorization and Activities of Rating Institutions” published by the Capital Markets Board.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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   | 11,925,052        | 935,198          | 5,294,706         | 307,573        |
| Medium- and Long-Term Loans                              | 8,710,805         | 715,586          | 5,813,984         | 292,761        |
| Interest on Loans under Follow-Up                        | 237,239           | 1,869            | 162,289           | -              |
| Premiums Received from Resource Utilization Support Fund | -                 | -                | -                 | -              |
| <b>Total</b>   | <b>20,873,096</b> | <b>1,652,653</b> | <b>11,270,979</b> | <b>600,334</b> |

(\*) Includes fees and commissions obtained from cash loans amounting to TL 594,372 (31 December 2021: TL 236,001).

b) Information on interest income on banks:

|                                 | Current Period |               | Prior Period   |                |
|---------------------------------|----------------|---------------|----------------|----------------|
|                                 | TL             | FC            | TL             | FC             |
| The Central Bank of Turkey      | -              | 2,728         | -              | -              |
| Domestic Banks                  | 141,988        | 1,102         | 141,883        | 299            |
| Foreign Banks                   | 18,736         | 68,107        | 7,351          | (2,643)        |
| Branches and Head Office Abroad | -              | -             | -              | -              |
| <b>Total</b>                    | <b>160,724</b> | <b>71,937</b> | <b>149,234</b> | <b>(2,344)</b> |

c) Information on interest income on marketable securities portfolio:

|  | Current Period    |                | Prior Period     |                |
|--|-------------------|----------------|------------------|----------------|
|  | TL                | FC             | TL               | FC             |
| Financial Assets at Fair Value Through Profit or Loss                | 355,260           | 41,958         | 218,551          | 39,211         |
| Financial Assets at Fair Value Through Other<br>Comprehensive Income | 1,572,580         | 143,655        | 623,556          | 86,248         |
| Financial Assets at Amortised Cost                                   | 9,685,167         | 412,273        | 1,976,013        | 163,971        |
| <b>Total</b>   | <b>11,613,007</b> | <b>597,886</b> | <b>2,818,120</b> | <b>289,430</b> |

As stated in note VII of Section Three, there are CPI indexed bonds in the securities portfolios of the Parent Bank, whose fair value difference is reflected in other comprehensive income and measured at amortised 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 of two months prior. The Parent Bank determines the estimated inflation rate in parallel with this. The estimated inflation rate used is updated during the year when deemed necessary. At the end of the year, the actual inflation rate is used.

d) Information on interest income on associates and subsidiaries:

These amounts are eliminated in the consolidated financial statements.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

#### 2. Explanations on Interest Expense

a) Information on interest expense on funds borrowed (\*):

|                                 | Current Period |                  | Prior Period   |                |
|---------------------------------|----------------|------------------|----------------|----------------|
|                                 | TL             | FC               | TL             | FC             |
| <b>Banks</b>                    |                |                  |                |                |
| The Central Bank of Turkey      | -              | -                | -              | -              |
| Domestic Banks                  | 557,396        | 4,674            | 270,985        | 2,386          |
| Foreign Banks                   | 25,690         | 1,087,129        | 26,843         | 575,032        |
| Branches and Head Office Abroad | -              | -                | -              | -              |
| Other Financial Institutions    | -              | -                | -              | -              |
| <b>Total</b>                    | <b>583,086</b> | <b>1,091,803</b> | <b>297,828</b> | <b>577,418</b> |

(\*) Includes fees and commission expenses related to cash loans amounting to TL 29,270 (31 December 2021: TL 32,784).

b) Information on interest expense on associates and subsidiaries:

These amounts are eliminated in the consolidated financial statements.

c) Information on interest expense on securities issued:

|                                       | Current Period |          | Prior Period   |          |
|---------------------------------------|----------------|----------|----------------|----------|
|                                       | TL             | FC       | TL             | FC       |
| Interest expense on securities issued | 236,045        | -        | 451,610        | -        |
| <b>Total</b>                          | <b>236,045</b> | <b>-</b> | <b>451,610</b> | <b>-</b> |

d) Distribution of interest expense on deposits based on maturity of deposits:

| Current Period:           | Time Deposit    |                  |                  |                |              |                  |          | Accumulated Deposits | Total |
|---------------------------|-----------------|------------------|------------------|----------------|--------------|------------------|----------|----------------------|-------|
|                           | Demand Deposits | 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             | -               | 196,667          | -                | -              | -            | -                | -        | 196,667              |       |
| Saving Deposits           | 3               | 2,459,509        | 4,821,061        | 202,314        | 6,839        | 142,374          | -        | 7,632,100            |       |
| Public Sector Deposits    | -               | 11,264           | 99,366           | -              | -            | -                | -        | 110,630              |       |
| Commercial Deposits       | -               | 1,283,932        | 2,407,712        | 378,873        | 2,625        | 217,654          | -        | 4,290,796            |       |
| Other Deposits            | -               | 25,129           | 322,756          | 36,027         | 5            | 67               | -        | 383,984              |       |
| 7 Days Call Accounts      | -               | -                | -                | -              | -            | -                | -        | -                    |       |
| <b>Total</b>              | <b>3</b>        | <b>3,976,501</b> | <b>7,650,895</b> | <b>617,214</b> | <b>9,469</b> | <b>360,095</b>   | <b>-</b> | <b>12,614,177</b>    |       |
| <b>FC</b>                 |                 |                  |                  |                |              |                  |          |                      |       |
| Foreign Currency Deposits | 21              | 36,629           | 632,661          | 5,019          | 435          | 476              | -        | 675,241              |       |
| Bank Deposits             | -               | 1,118            | -                | -              | -            | 56               | -        | 1,174                |       |
| 7 Days Call Accounts      | -               | -                | -                | -              | -            | -                | -        | -                    |       |
| Precious Metal Deposits   | -               | -                | 2,098            | 212            | -            | -                | -        | 2,310                |       |
| <b>Total</b>              | <b>21</b>       | <b>37,747</b>    | <b>634,759</b>   | <b>5,231</b>   | <b>435</b>   | <b>532</b>       | <b>-</b> | <b>678,725</b>       |       |
| <b>Grand Total</b>        | <b>24</b>       | <b>4,014,248</b> | <b>8,285,654</b> | <b>622,445</b> | <b>9,904</b> | <b>360,627</b>   | <b>-</b> | <b>13,292,902</b>    |       |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

#### 2. Explanations on Interest Expense (continued)

d) Distribution of interest expense on deposits based on maturity of deposits:(continued)

| Prior Period<br>Account Name | Demand<br>Deposits | Time Deposits    |                   |                   |                 |                     | Accumulated<br>Deposits | Total            |
|------------------------------|--------------------|------------------|-------------------|-------------------|-----------------|---------------------|-------------------------|------------------|
|                              |                    | Up to 1<br>Month | Up to 3<br>Months | Up to 6<br>Months | Up to 1<br>Year | More than<br>1 Year |                         |                  |
| <b>TL</b>                    |                    |                  |                   |                   |                 |                     |                         |                  |
| Bank Deposits                | -                  | 530,239          | -                 | -                 | -               | -                   | -                       | 530,239          |
| Saving Deposits              | -                  | 2,441,873        | 1,930,253         | 16,305            | 1,718           | 4,864               | -                       | 4,395,013        |
| Public Sector Deposits       | -                  | 7,155            | 32,401            | 431               | -               | -                   | -                       | 39,987           |
| Commercial Deposits          | -                  | 869,590          | 1,107,802         | 30,705            | 1,168           | 5,673               | -                       | 2,014,938        |
| Other Deposits               | -                  | 11,728           | 156,674           | 34,829            | 10              | 36                  | -                       | 203,277          |
| 7 Days Call Accounts         | -                  | -                | -                 | -                 | -               | -                   | -                       | -                |
| <b>Total</b>                 | -                  | <b>3,860,585</b> | <b>3,227,130</b>  | <b>82,270</b>     | <b>2,896</b>    | <b>10,573</b>       | -                       | <b>7,183,454</b> |
| <b>FC</b>                    |                    |                  |                   |                   |                 |                     |                         |                  |
| Foreign Currency Deposits    | -                  | 6,357            | 73,489            | 272               | 189             | 994                 | -                       | 81,301           |
| Bank Deposits                | -                  | 22               | -                 | -                 | -               | 10                  | -                       | 32               |
| 7 Days Call Accounts         | -                  | -                | -                 | -                 | -               | -                   | -                       | -                |
| Precious Metal Deposits      | -                  | 1                | 3                 | 1                 | 12              | 2                   | -                       | 19               |
| <b>Total</b>                 | -                  | <b>6,380</b>     | <b>73,492</b>     | <b>273</b>        | <b>201</b>      | <b>1,006</b>        | -                       | <b>81,352</b>    |
| <b>Grand Total</b>           | -                  | <b>3,866,965</b> | <b>3,300,622</b>  | <b>82,543</b>     | <b>3,097</b>    | <b>11,579</b>       | -                       | <b>7,264,806</b> |

#### 3. Information on dividend income:

|   | Current Period | Prior Period |
|---|----------------|--------------|
| Financial assets at fair value through profit and loss            | 6,938          | -            |
| Financial assets at fair value through other comprehensive income | 799            | 3,503        |
| Other   | 22             | -            |
| <b>Total</b>  | <b>7,759</b>   | <b>3,503</b> |

#### 4. Information on trading profit/loss:

|   | Current Period     | Prior Period       |
|---|--------------------|--------------------|
| <b>Profit</b>   | <b>164,815,048</b> | <b>120,081,055</b> |
| Profit on capital market operations                       | 521,741            | 288,642            |
| Profit on derivative financial instruments <sup>(1)</sup> | 36,030,295         | 29,594,889         |
| Foreign exchange gains                                    | 128,263,012        | 90,197,524         |
| <b>Losses (-)</b>   | <b>162,861,628</b> | <b>122,068,058</b> |
| Losses on capital market operations                       | 582,114            | 354,987            |
| Losses on derivative financial instruments <sup>(1)</sup> | 39,265,564         | 32,356,721         |
| Foreign exchange losses                                   | 123,013,950        | 89,356,350         |

<sup>(1)</sup> Includes exchange rate fluctuations of hedging transactions net profit of TL 383,991 (31 December 2021: TL 1,501,025 profit), derivative financial instruments exchange rate changes in profit accounts amounting to TL 180,352 (31 December 2021: TL 134,704 loss) net exchange income.

#### 5. Information on other operating income:

Other operating income of the Group mainly consists of all transaction costs collected from clients and disposal of assets.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

#### 6. Provision expenses of banks for loans and other receivables:

a) Expected Credit Losses and Other Provisions:

|  | Current Period   | Prior Period   |
|--|------------------|----------------|
| Expected Credit Losses   | 1,806,241        | (7,720)        |
| 12-Month Expected Credit Losses (Stage 1)  | 373,908          | 9,369          |
| Significant Increase in Credit Risk (Stage 2)  | 950,063          | (278,979)      |
| Credit-Impaired (Stage 3)  | 482,270          | 261,890        |
| Impairment Provisions for Securities   | -                | -              |
| Financial Assets at Fair Value through Profit or Loss                                      | -                | -              |
| Financial Assets at Fair Value through Other Comprehensive Income                          | -                | -              |
| Impairment Provision Related to Investments in Associates, Subsidiaries and Joint Ventures | -                | -              |
| Associates   | -                | -              |
| Subsidiaries   | -                | -              |
| Joint Ventures   | -                | -              |
| Other <sup>(1)</sup>   | 401,447          | 1,572          |
| <b>Total</b>   | <b>2,207,688</b> | <b>(6,148)</b> |

<sup>(1)</sup> Includes the remaining provision amounting to TL 5,423 (31 December 2021: TL 17,149).

#### 7. Information on other operating expenses:

|   | Current Period   | Prior Period     |
|---|------------------|------------------|
| Reserve for employee termination benefits <sup>(1)</sup>                | 322,254          | 78,705           |
| Bank social aid fund deficit provision                                  | -                | -                |
| Impairment expenses of fixed assets                                     | -                | -                |
| Depreciation expenses of fixed assets                                   | 339,836          | 269,382          |
| Impairment expenses of intangible assets                                | -                | -                |
| Impairment expense of goodwill  | -                | -                |
| Amortization expenses of intangible assets                              | 104,476          | 82,560           |
| Impairment for investments accounted with equity method                 | -                | -                |
| Impairment expenses of assets to be disposed                            | 870              | (3,042)          |
| Depreciation expenses of assets to be disposed                          | -                | -                |
| Impairment expenses of assets held for sale and discontinued operations | -                | -                |
| Other operating expenses  | 2,498,571        | 1,371,202        |
| Leasing expenses related to TFRS 16 Exceptions                          | 71,714           | 43,946           |
| Maintenance expenses  | 98,807           | 46,995           |
| Advertisement expenses  | 173,851          | 89,021           |
| Other expenses  | 2,154,199        | 1,191,240        |
| Loss on sales of assets   | 5,859            | 6,950            |
| Other <sup>(2)</sup>  | 852,091          | 504,495          |
| <b>Total</b>  | <b>4,123,957</b> | <b>2,310,252</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 355,328 (31 December 2021: TL 219,692) and other taxes and fees paid in the amount of TL 278,243 (31 December 2021: TL 208,923).

#### 8. Information on profit loss before continuing and discontinued operations before tax:

- a) The portion of the profit before tax amounting to TL 20,727,807 (31 December 2021: TL 7,066,192) consists of net interest income, while TL 2,607,619 (31 December 2021: TL 1,590,432) consists of net fee and commission income; total operating expenses amount to TL 7,990,865 (31 December 2021: TL 4,167,760).
- b) Explanations on discontinued operations profit loss: None.

#### 9. Information on tax provision for continuing and discontinued operations:

- a) As of 31 December 2022, current tax expense from continuing operations is TL 5,458,691 (31 December 2021: TL 218,125 expense) and net deferred tax income is TL 1,639,946 (31 December 2021: TL 424,609 net deferred tax expense), and there is no current income/expense from discontinued operations (31 December 2021: None).



# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

#### 9. Information on tax provision for continuing and discontinued operations: (Continued)

- b) Deferred tax income on temporary differences resulted from continued operations is TL 1,639,946 (31 December 2021: TL 424,609 net deferred tax expense).
- c) Tax reconciliation:

|                              | Current Period    | Prior Period     |
|------------------------------|-------------------|------------------|
| <b>Profit Before Taxes</b>   | <b>15,393,226</b> | <b>2,723,608</b> |
| <b>Additions</b>             | <b>412,596</b>    | <b>59,589</b>    |
| Non-allowable Expenses       | 83,323            | 59,589           |
| Other                        | 329,273           | -                |
| <b>Deductions</b>            | <b>(524,227)</b>  | <b>(210,820)</b> |
| Dividend Income              | (5,250)           | (2,165)          |
| Effect of different tax rate | (512,281)         | (122,357)        |
| Other                        | (6,696)           | (86,298)         |
| <b>Taxable Profit/(Loss)</b> | <b>15,281,595</b> | <b>2,572,377</b> |
| Corporation Tax Rate         | %25               | %25              |
| <b>Calculated Tax</b>        | <b>3,820,399</b>  | <b>643,094</b>   |
| Prior year tax correction    | (1,654)           | (360)            |
| <b>Tax charge</b>            | <b>3,818,745</b>  | <b>642,734</b>   |

#### 10. Information on net profit/loss on continuing and discontinued operations:

Net profit of the Group from the activities carried out as of 31 December 2022 is TL 11,574,481 (31 December 2021: TL 2,080,874), and as of 31 December 2022 there is no net profit from discontinued operations (31 December 2021: None).

#### 11. The explanations on net income/loss for the period:

- a) The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None (31 December 2021: None).
- b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (31 December 2021: None).
- c) Profit/loss attributable to minority interest:

|                               | Current Period | Prior Period |
|-------------------------------|----------------|--------------|
| Minority interest profit/loss | 17,585         | 8,166        |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

#### 12. If the other items in the income statement exceed 10% of the income statement total accounts amounting to at least 20% of these items:

|   | Current Period   | Prior Period   |
|---|------------------|----------------|
| <b><u>Other Interest Income</u></b>           |                  |                |
| Interest Received from Factoring Transactions | 981,436          | 431,561        |
| Other   | 70,884           | 65,905         |
| <b>Total</b>                                  | <b>1,052,320</b> | <b>497,466</b> |

|  | Current Period   | Prior Period     |
|--|------------------|------------------|
| <b><u>Other Fees and Commissions Received</u></b>            |                  |                  |
| Card Fee and Commissions                                     | 2,377,251        | 1,338,493        |
| Insurance Commissions  | 358,057          | 257,476          |
| Brokerage Commissions  | 356,529          | 157,555          |
| Funds Management Fees  | 213,122          | 105,340          |
| Transfer Commissions   | 182,361          | 84,292           |
| General Limit Revision Commissions                           | 135,442          | 82,751           |
| Settlement Expense Provision, Eft, Swift, Agency Commissions | 69,709           | 41,597           |
| Early Closing Commissions                                    | 37,112           | 24,368           |
| Consultancy Commission                                       | 24,782           | 53,858           |
| Other  | 270,213          | 216,730          |
| <b>Total</b>   | <b>4,024,578</b> | <b>2,362,460</b> |

|  |                  |                  |
|--|------------------|------------------|
| <b><u>Other Fees and Commissions Given</u></b>       |                  |                  |
| Credit Cards Commissions and Fees                    | 1,535,783        | 824,306          |
| Commissions and Fees Paid to Correspondent Banks     | 193,261          | 89,408           |
| Settlement Expense Provision, Eft, Swift Commissions | 58,968           | 36,990           |
| Other  | 208,324          | 136,170          |
| <b>Total</b>   | <b>1,996,336</b> | <b>1,086,874</b> |

#### 13. Fees for Services Received from Independent Auditor / Independent Audit Firm:

The fee for services for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated 26 March 2021 is given in the table below. These fees include the fees for services rendered to the Parent Bank's domestic subsidiaries and unconsolidated non-financial partnerships.

| <i>(Thousand TL amounts excluding VAT)</i>     | Current Period | Prior Period |
|--|----------------|--------------|
| Independent audit fee for the reporting period | 8,522          | 5,345        |
| Fees for tax advisory services                 | -              | -            |
| Fee for other assurance services               | 263            | 119          |
| Fees for services other than independent audit | 437            | 135          |
| <b>Total</b>                                   | <b>9,222</b>   | <b>5,599</b> |

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### V. Explanations and Disclosures Related to Consolidated Statement of Changes in Shareholders' Equity

- a) The effect of changes in the fair value of financial assets at fair value through profit or loss is recognized in the “Marketable Securities Valuation Differences” account under the equity. The relevant amount is increased by TL 1,173,138 in 2022 (31 December 2021: TL 141,239 decreased) and change effect to deferred tax is TL 282,454 (31 December 2021: TL 29,458).

- b) Increase in cash flow risk hedging items:

The Parent bank uses interest rate and cross currency swaps for reducing cash flow risk arising from short term deposit and borrowing. In this context, the effective portion is accounted for under equity in “Hedging Funds” account. The related amount increased by TL 1,743 in 2022 (31 December 2021: TL 658,228 increased) and the effect of this change to deferred tax is TL 12,097 (31 December 2021: TL 138,725).

- c) Explanations on profit distribution:

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.

Profit appropriation will be resolved in the General Assembly meeting which has not been conducted as of the date of the accompanying financial statements are authorized for issue.

### VI. Explanations and Disclosures Related to Statement of Consolidated Cash Flows

#### 1. The effect of other items stated in the Statement of Cash Flows and the change in the exchange rate on cash and cash equivalents:

“Other items” amounting to TL 3,093,794 (31 December 2021: TL 4,796,210) in “Operating profit before changes in operating assets and liabilities” consists of fees and commissions paid and other expenses except for leasing expenses, reserve for employee termination benefits, depreciation charges and taxes paid.

The “net increase in other liabilities” item in the “change in assets and liabilities subject to banking activities” amounting to TL 3,607,052 (31 December 2021: TL 5,741,007 increase) consists of various liabilities, other foreign sources, and changes in money markets. “Net decrease in other assets” item amounting to TL 7,824,618 (31 December 2021: TL 9,690,894 decrease) consists of changes in blocked reserve requirements, miscellaneous receivables, and other assets.

“Other” item amounting to TL 438,405 (31 December 2021: TL 122,121) included in “Net cash flow from investment activities” consists of cash outflows for intangible assets received in the current period.

The effect of the change in foreign exchange rate on cash and cash equivalents includes the foreign exchange rate difference resulting from the conversion of foreign currency cash and cash equivalents to TL at the beginning and end of monthly the period, has been realized as TL 3,764,592 for the year 2022 (31 December 2021: TL 2,128,252).

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### VI. Explanations and Disclosures Related to Statement of Consolidated Cash Flows (Continued)

#### 2. Cash and cash equivalents at the beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flow statement:

| Beginning of the Period                | Current Period        | Prior Period        |
|--|-----------------------|---------------------|
| <b>Cash</b>                            | <b>19,904,616</b>     | <b>10,125,205</b>   |
| Cash in TL/Foreign Currency            | 7,473,318             | 2,331,352           |
| Central Bank – Unrestricted amount     | 12,202,866            | 7,605,582           |
| Other                                  | 228,432               | 188,271             |
| <b>Cash equivalents</b>                | <b>11,510,249</b>     | <b>14,110,019</b>   |
| Banks                                  | 11,507,004            | 7,932,019           |
| Money market placements                | 3,245                 | 6,178,000           |
| <b>Total Cash and Cash Equivalents</b> | <b>31,414,865</b>     | <b>24,235,224</b>   |
| <b>End of the Period</b>               | <b>Current Period</b> | <b>Prior Period</b> |
| <b>Cash</b>                            | <b>25,644,055</b>     | <b>19,904,616</b>   |
| Cash in TL/Foreign Currency            | 10,757,014            | 7,473,318           |
| Central Bank – Unrestricted amount     | 14,326,200            | 12,202,866          |
| Other                                  | 560,841               | 228,432             |
| <b>Cash equivalents</b>                | <b>16,466,729</b>     | <b>11,510,249</b>   |
| Banks                                  | 8,866,729             | 11,507,004          |
| Money market placements                | 7,600,000             | 3,245               |
| <b>Total Cash and Cash Equivalents</b> | <b>42,110,784</b>     | <b>31,414,865</b>   |

### VII. Explanations and Disclosures Related to Risk Group of the Parent Bank

#### 1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

Balance sheet items and income/expense items of previous periods are presented as of 31 December 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 Parent Bank |           | Other Entities 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             | -  | -        | 295,698   | 1,118,603 | 1,317,029                                 | 93,918   |
| Interest and Commission Income       | -  | -        | 2,940   | 4,290     | 163,137                                   | 402      |

Direct and indirect shareholders of the Group balance above include TL 295,698 and other entities included in the risk group balance above includes TL 45,447 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 Parent Bank |          | Other Entities Included in the Risk Group |          |
|--------------------------------------|--|----------|---|----------|---|----------|
|                                      | Cash   | Non-cash | Cash  | Non-cash | Cash                                      | Non-cash |
| Loans                                |  |          |   |          |   |          |
| Balance at Beginning of Period       | -  | -        | 161,422   | 438,193  | 810,094                                   | 89,477   |
| Balance at End of Period             | -  | -        | 238,949   | 389,230  | 1,775,528                                 | 129,424  |
| Interest and Commission Income       | -  | -        | 4,838   | 3,333    | 54,971                                    | 316      |

Direct and indirect shareholders of the Group balance above includes TL 238,949 and other entities included in the risk group balance above includes TL 812,103 placement in “Banks”.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### VII. Explanations and Disclosures Related to Risk Group of the Parent Bank (Continued)

#### 2. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

##### c) c.1) Information on deposits belonging to 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 Parent Bank |              | Other Entities Included in the Risk Group |              |
|--------------------------------------|--|--------------|---|--------------|---|--------------|
|                                      | Current Period   | Prior Period | Current Period                                      | Prior Period | Current Period                            | Prior Period |
| Deposit                              |  |              |   |              |   |              |
| Balance at Beginning of Period       | -  | 1            | 4,577,873   | 5,596,710    | 1,263,224                                 | 1,281,302    |
| Balance at End of Period             | -  | -            | 5,686,882   | 4,577,873    | 1,332,483                                 | 1,263,224    |
| Interest on Deposits                 | -  | -            | 268,540   | 423,573      | 215,240                                   | 110,248      |

##### 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 Parent Bank |              | Other Entities Included in the Risk Group |              |
|---|--|--------------|---|--------------|---|--------------|
|   | Current Period   | Prior Period | Current Period                                      | Prior Period | Current Period                            | Prior Period |
| Financial Assets at Fair Value Through Profit or Loss |  |              |   |              |   |              |
| Beginning of Period                                   | -  | -            | 36,494,649  | 18,396,561   | 729,855                                   | 284,453      |
| End of Period   | -  | -            | 58,227,206  | 36,494,649   | 2,322,171                                 | 729,855      |
| Total Profit/Loss                                     | -  | -            | (1,227,922)   | (521,049)    | 1,676,472                                 | (63,701)     |
| Hedging Transactions Purposes                         |  |              |   |              |   |              |
| Beginning of Period                                   | -  | -            | 9,575,676   | 10,139,721   | -   | -            |
| End of Period   | -  | -            | 16,690,868  | 9,575,676    | -   | -            |
| Total Profit/Loss                                     | -  | -            | 1,368,711   | 421,932      | -   | -            |

- d) As of 31 December 2022, the total amount of remuneration and benefits provided for the senior management of the Group is TL 148,803 (31 December 2021: TL 81,530).

### VIII. Explanations on the Parent Bank’s Domestic Branches, Agencies and Branches Abroad and Off-shore Branches

#### 1. Explanations on the Parent Bank’s domestic branches, agencies and branches abroad and off-shore branches:

|                    | Numbers | Employees |         | Total Assets | Capital |
|--------------------|---------|-----------|---------|--------------|---------|
| Domestic branches  | 444     | 8,650     |         |              |         |
| Rep-offices abroad |         |           | Country |              |         |
| Branches abroad    | 4       | 73        | Cyprus  | 2,676,856    | 20,000  |
| Off-shore branches |         |           |         |              |         |

#### 2. Explanation on the Subject in Case the Bank Opens or Closes a Branch or Representation Office in Turkey and Abroad, and Changes Its Organization Significantly:

The Parent Bank closed 9 branches in 2022, 2 branches were opened during the year.

# TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

## EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

### IX. Explanations and Disclosures Related to Subsequent Events

On 4 November 2022, in order to be taken over by the Turkish Economy Bank A.Ş., of the 71,626,000 registered shares in the capital of TEB Finansman A.Ş., (i) 61,300,800 shares owned by BNP Paribas Personal Finance S.A. and (ii) 10,325,200 shares owned by TEB Holding A.Ş., a Share Transfer Agreement was signed between BNP Paribas Personal Finance S.A., TEB Holding and Türk Ekonomi Bankası A.Ş. It was announced with the material event disclosure on 16 January 2023 that the said transaction is within the scope of intra-group restructuring and that the applications/information from the Banking Regulation and Supervision Agency and the Competition Authority regarding the share transfer were made and the necessary approvals were obtained. In this context, the acquisition of all (100%) shares of TEB Finansman A.Ş. by Türk Ekonomi Bankası A.Ş. and the share transfer transaction was carried out on 23 January 2023, and Türk Ekonomi Bankası A.Ş. became the sole shareholder of TEB Finansman A.Ş.

With the Board Decision of the BRSA dated 31 January 2023, in accordance with the Regulation on Measurement and Evaluation of Banks' Capital Adequacy, in the calculation of the amount subject to credit risk, it has been decided to find the TL equivalents of the foreign currency items with the CBRT foreign exchange buying rate of 30 December 2022 instead of the CBRT's foreign exchange buying rate of 31 December 2021, and to update the SME and retail limits.

With the Communiqué Amending the Tax Procedure Law General Communiqué (line no. 537) with line number 547 published in the Official Gazette dated 14 January 2023 and numbered 32073, the procedures and principles of the law articles that allow the revaluation of immovable and depreciable economic assets have been restated. Accordingly, the Bank will be able to revalue the immovables in its balance sheet and its depreciable economic assets, provided that the conditions in the Tax Procedure Law Provisional Article 32 and Reiterated Article 298/ç are met. Thus, corporate tax can be paid by calculating the new depreciation expenses of real estate and depreciable economic assets after revaluation.

On 6 February 2023, an earthquake, which the epicenter was Kahramanmaraş occurred and struck 10 provinces. Developments regarding the effects of earthquakes on the Bank's operations and financial situation are evaluated by our Bank.

The Law numbered 7438 on Social Security and General Health Insurance and the Law numbered 375 on the Amendment of the Decree Law numbered 375, which includes the regulation on the Retirement Age Victims (EYT), entered into force after being published in the Official Gazette No. 32121, dated 3 March 2023. Although this issue is considered as a non-adjusting event after the reporting period within the scope of TAS 10 Events After the Reporting Period, studies on measuring the impact on the operations and financial position of the Group are still in progress.

## SECTION SIX

### OTHER EXPLANATIONS

#### I. Other Explanations on Activities of the Parent Bank

None.

## SECTION SEVEN

### INDEPENDENT AUDITOR'S REPORT

#### I. Explanations on the Independent Auditor's Report

The consolidated financial statements of the Group were audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditor's report dated 10 March 2023 is presented preceding the consolidated financial statements.

#### II. Other Footnotes and Explanations Prepared by Independent Auditors

None.

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