

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'
S REPORT ORIGINALLY ISSUED IN TURKISH, SEE NOTE I IN SECTION THREE)

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND RELATED
DISCLOSURES TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT AT 31 DECEMBER 2021**



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Convenience Translation of the Independent Auditor's Report Originally Issued in Turkish (See Note I in Section Three)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türkiye İhracat Kredi Bankası A.Ş:

A) Audit of Unconsolidated Financial Statements

1) Opinion

We have audited the accompanying unconsolidated financial statements of Türkiye İhracat Kredi Bankası A.Ş. (the "Bank"), which comprise the unconsolidated statement of financial position as at December 31, 2021, and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in equity and unconsolidated statement of cash flows for the year then ended and notes to the unconsolidated financial statements and a summary of significant accounting policies and other explanatory information.

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

2) Basis of Opinion

Our audit was conducted in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated 2 April 2015 by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards ("ISA") which are the part of Turkish Auditing Standards issued 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 of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and have fulfilled our other responsibilities in accordance with 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 judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Key Audit Matter	How the Key Audit Matter is addressed in our audit
<p data-bbox="180 510 766 595"><i>Financial impact of TFRS 9 “Financial Instruments” standard and recognition of impairment on financial assets and related important disclosures</i></p> <p data-bbox="180 618 766 779">As disclosed in footnote VI and VII of Section 3; the Bank measured expected credit losses for financial assets by TFRS 9 “Financial Instruments Standards” in financial statements. The rationale reasons for selecting TFRS 9 implementation and impairment of financial assets as key audit subject are as follows;</p> <ul data-bbox="180 797 766 1464" style="list-style-type: none"> ▪ Financial assets within balance-sheet and off-balance-sheet subject to TFRS 9 expected credit losses measurement have significant balance in the financial statements ▪ The applications TFRS 9 are complex and comprehensive ▪ The classification of financial instruments based on the Bank’s business models and the characteristics of contractual cash flows in line with TFRS 9 and requirement of important judgments to determine this business model and the characteristics of contractual cash flows ▪ Risks related to the policies established by the management with the compliance and requirements of the legislation and other applications for the calculation of expected credit losses ▪ The complexity and intensity of the control environment in the processes designed or reorganized for TFRS 9 ▪ Estimations and assumptions used in expected credit losses are new, important and complex ▪ Complex and comprehensive disclosure requirements of TFRS 9. 	<p data-bbox="782 600 1378 654">Our audit procedures in addition to our current audit procedures:</p> <ul data-bbox="782 672 1378 1843" style="list-style-type: none"> ▪ Evaluation of the compliance of the accounting policies adopted with regard to TFRS 9, the Bank’s past performance, and local and global practices ▪ Analysis and testing of processes, systems, and controls originated or re-designed in order to calculate expected credit losses by the Information Systems and Process Audit specialists ▪ Evaluation of the key judgments, assumptions, methods used for calculation of expected credit loss determined by the management, and whether the data source is reasonable or not, and their compliance and standard requirements in light of industry and global practices, including the actions taken against the impacts of COVID-19 ▪ Testing criteria used for determining the contractual cash flows including interest payments with regard to solely principal and principal balance of financial assets on a sample basis and evaluation of Bank’s business model ▪ Evaluation of significant increase in credit risk, definition of default, definition of restructuring, probability of default, loss given default, exposure at default and macro-economic variables, and related basic and significant estimates and assumptions determined for calculation process of expected credit loss and whether these assumptions determined by financial risk management are in line with the Bank’s historical performance, legislation, and reasonableness of the estimation process regarding future performance and investigation of credit risk portfolio on a sample basis ▪ Evaluation of the accuracy and completeness of attributes of the data used for the calculation process of expected credit losses ▪ Detailed testing of mathematical verification of expected credit losses’ calculation on a sample basis ▪ Evaluating the necessity and accuracy of the updates made or required updates after the modeling process ▪ Evaluating the impact of the Covid-19 outbreak, on macroeconomic variables in staging loans and calculating expected credit loss provision, together with important forward estimates and assumptions ▪ Auditing of disclosures related to TFRS 9.



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Key audit matter	How the matter was addressed in our audit
<p>Hedge Accounting</p> <p>The Bank applies fair value hedge transactions to manage fixed interest rate risk due to securities issued at fixed rate with interest rate swap transactions.</p> <p>The Bank applies cash flow hedge transactions to manage foreign currency risk due to securities issued at fixed rate and loans and advances at floating rate with cross-currency swap transactions.</p> <ul style="list-style-type: none"> The criteria for the application of the hedge accounting include defining, documenting and regularly testing the effectiveness of the hedge accounting transactions. Due to the fact that hedge accounting has complex structure and requires technical calculations, we considered this to be one of the key audit matters. 	<p>The audit procedures for testing hedge accounting included below;</p> <ul style="list-style-type: none"> To examine the documentation and appropriateness of hedging relationships of cash flow hedge and fair value hedge transactions. To take into account the objective of the hedge accounting and its compliance with TFRS requirements. To test the management's assessment of effectiveness, measuring ineffectiveness and appropriateness of accounting records. To understand and test the hedge accounting controls, hedging relationship, the effectiveness controls at inception and at subsequent periods. To evaluate the adequacy of the unconsolidated financial statement disclosures related to hedge accounting.

4) *Responsibilities of Management and Directors for the Unconsolidated Financial Statements*

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

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.



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5) Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

In an independent audit, the responsibilities of us as independent auditors are:

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 BRSA Independent Audit Regulation and ISAs 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 unconsolidated financial statements.

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- 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 unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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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 the government 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 unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities and financial statements for the period January 1 – December 31, 2021 are not in compliance with the TCC laws and provisions of the Bank's articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner who supervised and concluded this independent auditor's report is Fatma Ebru Yücel.

Additional paragraph for convenience translation to English

As explained in detail in Note I of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Financial Reporting Legislation, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Fatma Ebru Yücel, SMMM
Partner

25 February 2022
Istanbul, Turkey



**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH,
SEE NOTE 1.3 IN SECTION THREE**

**THE UNCONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. (“TÜRK EXIMBANK”)
AS OF 31 DECEMBER 2021**

Address of the Bank's Management Center: Saray Mah. Ahmet Tevfik İleri Cad. No: 19
34768 Ümraniye / İSTANBUL
The Bank's Telephone: (216) 666 55 00
The Bank's Fax: (216) 666 55 99
The Bank's website: www.eximbank.gov.tr
E-Mail Address for Contact: info@eximbank.gov.tr

The unconsolidated financial report includes the following sections in accordance with the “Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced” as sanctioned by the Banking Regulation and Supervision Agency.

- GENERAL INFORMATION
- UNCONSOLIDATED FINANCIAL STATEMENTS
- ACCOUNTING POLICIES
- INFORMATION RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

The accompanying unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish lira, have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards and Turkish Financial Reporting Standards; the related appendices and interpretations of these financial statements have been independently audited.

Murat ZAMAN
Chairman of Board of
Directors

Ali GÜNEY
General Manager

Taner YAVUZ
Deputy General Manager
Responsible for Financial
Reporting

Tolga ZENGİNGÖNÜL
Deputy Head of Financial
Affairs Department

Duygu GÜVEN
Member of the Board of
Directors / Member of the
Audit Committee

Nail OLPAK
Member of the Board of
Directors / Member of the
Audit Committee

Contact information of the personnel in charge for addressing questions about this financial report:

Name-Surname/Title: Tolga ZENGİNGÖNÜL/ Deputy Head of Financial Affairs

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SECTION ONE**GENERAL INFORMATION**

I.	Bank's date of foundation, initial status, history regarding the changes in this status	1
II.	Explanation about the Bank's capital structure and shareholders who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters throughout the year (if any) and the group that the Bank.....	1
III.	Explanation on the board of directors, members of the audit committee, president and executive vice presidents and their shareholding at the Bank, if applicable	1
IV.	Information on the shareholders owning control shares.....	2
V.	Brief information on the Bank's service type and fields of operation.....	2
VI.	Short explanation about those entities subject to full consolidation or proportionate consolidation with the differences regarding the consolidation transactions performed in accordance with the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards, those deducted from the equities or not included in these three methods.....	2
VII.	Existing or potential, actual or legal barriers for the immediate transfer of equities among the subsidiaries of the Bank or the repayment of debts.....	2

SECTION TWO**UNCONSOLIDATED FINANCIAL STATEMENTS**

I.	Balance sheet.....	3
II.	Statement of off-balance sheet items.....	5
III.	Statement of profit or loss.....	6
IV.	Statement of profit or loss and other comprehensive income.....	7
V.	Statement of changes in equity	8
VI.	Statement of cash flows.....	10
VII.	Statement of profit distribution.....	11

SECTION THREE**ACCOUNTING POLICIES**

I.	Basis of presentation.....	12
II.	Strategy for use of financial instruments and foreign currency transactions.....	12
III.	Explanations on forward transactions, options and other derivative instruments	13
IV.	Explanations on interest income and expenses.....	14
V.	Explanations on fee and commission income and expenses.....	14
VI.	Explanations on financial assets	14
VII.	Explanations on impairment of financial assets.....	16
VIII.	Explanations on offsetting financial instruments.....	18
IX.	Explanations on sale and repurchase agreements and securities lending transactions.....	18
X.	Explanations on assets held for sale and discontinued explanations on liabilities related with these assets	18
XI.	Explanations on goodwill and other intangible assets.....	19
XII.	Explanations on tangible assets.....	19
XIII.	Affiliates and subsidiaries.....	20
XIV.	Explanations on investment property	20
XV.	Explanations on leases.....	20
XVI.	Explanations on provisions and contingent liabilities	22
XVII.	Explanations on obligations related to employee rights.....	22
XVIII.	Explanations on taxation	22
XIX.	Additional explanations on borrowings.....	22
XX.	Explanations on issuance of share certificates.....	23
XXI.	Explanations on avalized drafts and acceptances	23
XXII.	Explanations on government grants.....	23
XXIII.	Explanations on segment reporting.....	23
XXIV.	Explanations on other issues	23

SECTION FOUR**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK**

I.	Information about shareholders' equity items.....	24
II.	Explanations on credit risk.....	34
III.	Explanations on currency risk.....	42
IV.	Explanations on interest rate risk.....	58
V.	Explanations on position risk of equity securities	52
VI.	Explanations on liquidity risk and liquidity coverage ratio.....	53
VII.	Explanations on leverage ratio.....	61
VIII.	Presentation of financial assets and liabilities at their fair values	62
IX.	Explanations on activities carried out on behalf and account of other parties.....	63
X.	Information on risk management.....	63
XI.	Explanations on securitization	78
XII.	Explanations on operating segments	79

SECTION FIVE**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**

I.	Explanations and notes related to assets.....	81
II.	Explanations and notes on liabilities	94
III.	Explanations and notes related to off-balance sheet accounts.....	103
IV.	Explanations on notes related to statement of profit or loss	106
V.	Explanations and notes related to changes in shareholders' equity.....	110
VI.	Explanations and notes related to statement of cash flows	111
VII.	Explanations and notes related to Bank's risk group.....	112
VIII.	Explanations and notes related to events after balance sheet.....	112

SECTION SIX**OTHER EXPLANATIONS**

I.	Summary information about the Bank's credit ratings from international credit rating agencies.....	113
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SECTION SEVEN**INDEPENDENT AUDIT REPORT**

I.	Explanations on the independent auditors' report	113
II.	Explanations and notes prepared by independent auditors	113

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

I. Bank's date of foundation, initial status, history regarding the changes in this status

Türkiye İhracat Kredi Bankası A.Ş. ("the Bank" or "Eximbank") was established as Turkey's "Official Export Credit Agency" on 25 March 1987 with Act number 3332 as a development and investment bank and accordingly, the Bank does not accept deposits.

II. Explanation about the Bank's capital structure and shareholders who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters throughout the year (if any) and the group of the Bank

The Bank has implemented the registered capital system and the upper limit of registered capital of the Bank is TL 17.500.000. The total share capital of the Bank is TL 10.800.000 in the current period. The Bank's paid-in-capital committed by the Republic of Turkey Ministry of Treasury and Finance consists of 10.800.000 shares of TL 1 (full TL) nominal each.

III. Explanation on the board of directors, members of the audit committee, general manager and assistant general managers and their shareholding at the Bank, if applicable

	Name:	Academic Background:
Chairman of the Board of Directors⁽⁴⁾:	Murat ZAMAN	Graduate
Dep. Chairman of the Board of Directors:	Rıza Tuna TURAGAY	Graduate
Members of the Board of Directors:	Ali GÜNEY	Undergraduate
	Duygu GÜVEN ⁽¹⁾	Graduate
	Fahriye Alev ARKAN	Undergraduate
	Nail OLPK	Graduate
	İsmail GÜLLE	Graduate
Audit Committee:	Duygu GÜVEN ⁽¹⁾	Graduate
	Nail OLPK	Graduate
General Manager:	Ali GÜNEY	Undergraduate
Assistant General Managers: ⁽²⁾	Hakan UZUN	Graduate
	Necdet KARADENİZ	Graduate
	M. Çağrı ALTINDAĞ	Undergraduate
	Erdem OKUR	Graduate
	Taner YAVUZ ⁽³⁾	Undergraduate

⁽¹⁾ As of March 26, 2021, appointed as a member of the Board of Directors and has been serving as the Chairman of the Board of Directors and Member of the Audit Committee as of March 29, 2021.

⁽²⁾ As of May 31, 2021, Enis GÜLTEKİN resigned from his position.

⁽³⁾ As of June 28, 2021, serving as General Manager Responsible for Financial Reporting

⁽⁴⁾ As of December 17, 2021, Şakir Ercan GÜL resigned from his position and Murat ZAMAN was appointed as of 18 February, 2022.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

III. Explanation on the board of directors, members of the audit committee, general manager and deputy general managers and their shareholding at the Bank, if applicable (Continued)

Ali GÜNEY is the General Manager, Necdet KARADENİZ is the Deputy General Manager in Charge of Credit Allocation, M. Çağrı ALTINDAĞ is the Deputy General Manager in charge of Marketing, Taner YAVUZ is the General Manager in charge of Strategy and Finance, Hakan UZUN is the Deputy General Manager responsible from Treasury/Financing/International Loans and Erdem OKUR is the Deputy General Manager responsible from Information Technologies and Operations.

The Bank's chairman and members of the board of directors, the members of the audit committee, general manager and deputy general managers do not own shares of the Bank.

IV. Information on the shareholders or entities owning control shares

Name Surname/Commercial title	Share amount	Share percentage	Paid-in capital	Unpaid portion
Ministry of Treasury and Finance	10.800.000	100%	10.800.000	-

V. Brief information on the Bank's service type and fields of operation

The Bank has been founded to support the development of export, venture investments, foreign trade through diversification of the exported goods and services, by increasing the share of exporters and entrepreneurs in international trade, to encourage foreign investments and production and sales of foreign currency earning commodities and to create new markets for the exported commodities, to provide exporters and overseas contractors with support to increase their competitiveness.

As a means of aiding export development services, the Bank performs loan, guarantee and insurance services in order to financially support export and foreign currency earning services. While performing the above mentioned operations, in addition to its own equity, the Bank provides short, medium or long term, domestic and foreign currency lending through borrowings from domestic and foreign money and capital markets.

On the other hand, the Bank also performs fund management (treasury) operations related with its core banking operations. These operations are Turkish Lira and foreign currency capital market operations, Turkish Lira and foreign currency money market operations, foreign currency market operations and derivative transactions, all of which are approved by the Board of Directors. As a result of Decision No. 4106 dated 11 March 2011 of the Banking Regulation and Supervisory Board published in Official Gazette No. 27876, dated 16 March 2011, permission was granted to the Bank to allow it to be engaged in the purchase and sale of foreign exchange-based options. The losses due to the political risks arising on loan, guarantee and insurance operations of the Bank, are transferred to the Republic of Turkey Ministry of Treasury and Finance according to article 4/c of Act number 3332 that was appended by Act number 3659 and according to Act regarding the Public Financing and Debt Management, No 4749, dated 28 March 2002. In addition, Banking Regulation and Supervision Agency authorized the Bank to operate in "Purchase and sale of precious metals and stones" and "purchase and sale of the transaction based on the precious metals" on 8 April 2014 and published in the Official Gazette No. 28966 within the scope of paragraphs (h) and (i) paragraph of article number 4 of the Banking Law No. 5411.

VI. Short explanation about those entities subject to full consolidation or proportionate consolidation with the differences regarding the consolidation transactions performed in accordance with the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards, those deducted from the equities or not included in these three methods

Export Development Inc., a subsidiary of the Bank. Since it is not a financial institution, it is not consolidated within the scope of the "Communiqué on the Preparation of Consolidated Financial Statements of Banks".

VII. Existing or potential, actual or legal barriers for the immediate transfer of equities among the subsidiaries of the Bank or the repayment of debts

The Bank does not have any subsidiaries.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

ASSETS	Notes	Audited Current Period (31 December 2021)			Audited Prior Period (31 December 2020)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		5.678.743	16.910.898	22.589.641	3.084.507	10.048.023	13.132.530
1.1 Cash and Cash Equivalents		5.553.833	13.926.977	19.480.810	2.962.846	8.718.584	11.681.430
1.1.1. Cash and Balances with Central Bank	(1)	1.057	11.299.208	11.300.265	268	5.005.314	5.005.582
1.1.2. Banks	(4)	3.223.642	2.627.769	5.851.411	1.274.843	3.713.270	4.988.113
1.1.3. Money Market Placements		2.329.447	-	2.329.447	1.688.243	-	1.688.243
1.1.4. Expected Credit Losses (-)		313	-	-	313	508	508
1.2 Financial Assets at Fair Value through Profit/Loss	(2)	-	178.275	178.275	-	153.454	153.454
1.2.1. Government Securities		-	123.843	123.843	-	74.901	74.901
1.2.2. Equity Securities		-	-	-	-	-	-
1.2.3. Other Financial Assets		-	54.432	54.432	-	78.553	78.553
1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income	(6)	124.910	1.266.557	1.391.467	95.532	709.777	805.309
1.3.1. Government Securities		7.380	1.266.557	1.273.937	-	668.938	668.938
1.3.2. Equity Securities		117.530	-	117.530	95.532	-	95.532
1.3.3. Other Financial Assets		-	-	-	-	40.839	40.839
1.4 Derivative Financial Assets	(3)	-	1.539.089	1.539.089	26.129	466.208	492.337
1.4.1. Derivative Financial Assets Measured at Fair Value Through Profit or Loss		-	1.442.689	1.442.689	26.129	448.655	474.784
1.4.2. Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	96.400	96.400	-	17.553	17.553
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		17.695.312	279.735.754	297.431.066	18.568.676	170.324.308	188.892.984
2.1 Loans	(7)	15.355.184	272.769.872	288.125.056	16.358.694	162.676.342	179.035.036
2.2 Lease Receivables	(12)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Financial Assets Measured at Amortised Cost	(8)	2.991.563	6.965.882	9.957.445	2.991.111	7.647.966	10.639.077
2.4.1. Government Securities		2.991.563	6.965.882	9.957.445	2.991.111	7.647.966	10.639.077
2.4.2. Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Losses (-)		651.435	-	651.435	781.129	-	781.129
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(14)	-	-	-	-	-	-
3.1. Asset Held for Resale		-	-	-	-	-	-
3.2. Assets of Discontinued Operations		-	-	-	-	-	-
IV. OWNERSHIP INVESTMENTS (Net)		73.000	-	73.000	-	-	-
4.1 Associates (Net)	(9)	73.000	-	73.000	-	-	-
4.1.1. Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2. Unconsolidated Associates		73.000	-	73.000	-	-	-
4.2 Subsidiaries (Net)	(10)	-	-	-	-	-	-
4.2.1. Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2. Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)	(11)	-	-	-	-	-	-
4.3.1. Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2. Unconsolidated Joint-Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(13)	9.714	-	9.714	16.761	-	16.761
VI. INTANGIBLE ASSETS (Net)	(14)	12.754	-	12.754	10.187	-	10.187
6.1. Goodwill		-	-	-	-	-	-
6.2. Others		12.754	-	12.754	10.187	-	10.187
VII. INVESTMENT PROPERTY (Net)	(15)	2.008	-	2.008	2.111	-	2.111
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET		-	-	-	-	-	-
X. OTHER ASSETS		1.152.594	1.106.703	2.259.297	1.332.645	840.056	2.172.701
TOTAL ASSETS		24.624.125	297.753.355	322.377.480	23.014.887	181.212.387	204.227.274

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

LIABILITIES	Notes	Audited Current Period (31 December 2021)			Audited Prior Period (31 December 2020)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	-	-	-	-	-	-
II. FUNDS BORROWED	(3)	3,585,529	246,779,845	250,365,374	7,769,415	152,861,279	160,630,694
III. MONEY MARKET FUNDS		-	6,517,681	6,517,681	-	1,375,566	1,375,566
IV. SECURITIES ISSUED (Net)		-	37,284,304	37,284,304	263,004	22,690,256	22,953,260
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	37,284,304	37,284,304	263,004	22,690,256	22,953,260
V. FUNDS		17,918	228,878	246,796	13	-	13
5.1 Borrower Funds		17,905	228,878	246,783	-	-	-
5.2 Other		13	-	13	13	-	13
VI. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT/LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)	-	116,977	116,977	11,443	779,685	791,128
7.1 Derivative Financial Liabilities Measured at Fair Value through Profit/Loss		-	19,580	19,580	11,443	110,787	122,230
7.2 Derivative Financial Liabilities Measured at Fair Value through Other Comprehensive Income		-	97,397	97,397	-	668,898	668,898
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	(5)	3,713	2,210	5,923	6,616	5,917	12,533
X. PROVISIONS	(6)	743,337	-	743,337	329,341	-	329,341
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Rights		139,929	-	139,929	98,827	-	98,827
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		603,408	-	603,408	230,514	-	230,514
XI. CURRENT TAX LIABILITY	(7.1)	12,995	-	12,995	17,700	-	17,700
XII. DEFERRED TAX LIABILITY	(7.2)	-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1 Asset Held for Sale		-	-	-	-	-	-
13.2 Related to discontinued operations		-	-	-	-	-	-
XIV. SUBORDINATED LOANS	(9)	2,999,127	2,524,710	5,523,837	2,998,128	1,465,448	4,463,576
14.1 Borrowings		-	2,524,710	2,524,710	-	1,465,448	1,465,448
14.2 Other Debt Instruments		2,999,127	-	2,999,127	2,998,128	-	2,998,128
XV. OTHER LIABILITIES	(4)	3,045,112	3,964,833	7,009,945	129,541	2,110,465	2,240,006
XVI. SHAREHOLDERS' EQUITY	(8)	14,575,534	(25,223)	14,550,311	11,347,773	65,684	11,413,457
16.1 Paid-in Capital		10,800,000	-	10,800,000	9,270,000	-	9,270,000
16.2 Capital Reserves		-	-	-	-	-	-
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Other Comprehensive Income/Expense Items not to be Reclassified to Profit or Loss		(10,249)	-	(10,249)	(16,094)	-	(16,094)
16.4 Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss		105,518	(25,223)	80,295	83,612	65,684	149,296
16.5 Profit Reserves		573,748	-	573,748	498,867	-	498,867
16.5.1 Legal Reserves		569,768	-	569,768	494,199	-	494,199
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		3,980	-	3,980	4,668	-	4,668
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit/Loss		3,106,517	-	3,106,517	1,511,388	-	1,511,388
16.6.1 Prior Periods' Profit/Loss		-	-	-	-	-	-
16.6.2 Current Period's Net Profit/Los		3,106,517	-	3,106,517	1,511,388	-	1,511,388
TOTAL LIABILITIES		24,983,265	297,394,215	322,377,480	22,872,974	181,354,300	204,227,274

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF OFF-BALANCE SHEET ITEMS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

	Notes	Audited Current Period (31 December 2021)			Audited Prior Period (31 December 2020)		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		7.758.289	218.440.007	226.198.296	5.219.830	133.965.688	139.185.518
I. GUARANTEES AND SURETIES	(1.2)	479.825	25.587.183	26.067.008	137.621	11.853.257	11.990.878
1.1 Letters of guarantee		-	114.634	114.634	-	11.040	11.040
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		-	114.634	114.634	-	11.040	11.040
1.2 Bank Acceptances		-	-	-	-	-	-
1.2.1 Import Letter of Acceptance		-	-	-	-	-	-
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	-	-	-	-	-
1.3.1 Documentary Letters of Credit		-	-	-	-	-	-
1.3.2 Other Letters of Credit		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		479.825	25.472.549	25.952.374	137.621	11.842.217	11.979.838
1.9 Other sureties		-	-	-	-	-	-
II. COMMITMENTS		7.278.464	120.466.421	127.744.885	4.372.643	62.390.704	66.763.347
2.1 Irrevocable Commitments		6.741	6.593	13.334	-	1.147.391	1.147.391
2.1.1 Asset Purchase and Sale Commitments		6.741	6.593	13.334	-	18.109	18.109
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		-	-	-	-	-	-
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		-	-	-	-	-	-
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10 Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		-	-	-	-	1.129.282	1.129.282
2.2 Revocable Commitments		7.271.723	120.459.828	127.731.551	4.372.643	61.243.313	65.615.956
2.2.1 Revocable Loan Granting Commitments		7.271.723	120.459.828	127.731.551	4.372.643	61.243.313	65.615.956
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		-	72.386.403	72.386.403	709.566	59.721.727	60.431.293
3.1 Hedging Derivative Financial Instruments		-	67.190.623	67.190.623	-	54.957.237	54.957.237
3.1.1 Transactions for Fair Value Hedge		-	44.286.238	44.286.238	-	40.242.242	40.242.242
3.1.2 Transactions for Cash Flow Hedge		-	22.904.385	22.904.385	-	14.714.995	14.714.995
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		-	5.195.780	5.195.780	709.566	4.764.490	5.474.056
3.2.1 Forward Foreign Currency Buy/Sell Transactions		-	-	-	46.352	42.987	89.339
3.2.1.1 Forward Foreign Currency Transactions-Buy		-	-	-	21.814	22.800	44.614
3.2.2.2 Forward Foreign Currency Transactions-Sell		-	-	-	24.538	20.187	44.725
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		-	5.195.780	5.195.780	663.214	4.721.503	5.384.717
3.2.2.1 Foreign Currency Swap-Buy		-	2.619.142	2.619.142	172.345	2.475.233	2.647.578
3.2.2.2 Foreign Currency Swap-Sell		-	2.576.638	2.576.638	490.869	2.246.270	2.737.139
3.2.2.3 Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4 Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3 Foreign Currency, Interest rate and Securities Options		-	-	-	-	-	-
3.2.3.1 Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2 Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		16.063.604	495.481.365	511.544.969	21.385.750	312.775.010	334.160.760
IV. ITEMS HELD IN CUSTODY		-	-	-	-	-	-
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		-	-	-	-	-	-
4.3 Cheques Received for Collection		-	-	-	-	-	-
4.4 Commercial Notes Received for Collection		-	-	-	-	-	-
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		-	-	-	-	-	-
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		349.952	3.326.358	3.676.310	711.778	3.216.024	3.927.802
5.1 Marketable Securities		-	88.616	88.616	-	49.493	49.493
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Real Estates		330.662	3.002.827	3.333.489	692.488	2.999.818	3.692.306
5.6 Other Pledged Items		19.290	234.915	254.205	19.290	166.713	186.003
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		15.713.652	492.155.007	507.868.659	20.673.972	309.558.986	330.232.958
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		23.821.893	713.921.372	737.743.265	26.605.580	446.740.698	473.346.278

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF PROFIT OR LOSS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

PROFIT AND LOSS STATEMENT		Dipnot	Audited Current Period (31 December 2021)	Audited Prior Period (31 December 2020)
I.	INTEREST INCOME	(1)	7.190.739	5.011.499
1.1	Interest Income On Loans		6.009.864	4.229.188
1.2	Interest Income On Reserve Deposits		-	-
1.3	Interest Income On Banks		261.088	126.794
1.4	Interest Income On Money Market Transactions		128.648	72.387
1.5	Interest Income On Securities Portfolio		787.734	571.717
1.5.1	Financial Assets Measured At Fair Value Through Profit or Loss		10.701	20.614
1.5.2	Financial Assets Measured At Fair Value Reported in Other Comprehensive Income		83.086	25.163
1.5.3	Financial Assets Measured At Amortised Cost		693.947	525.940
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		3.405	11.413
II.	INTEREST EXPENSE	(2)	4.388.430	3.788.554
2.1	Interest On Deposits		-	-
2.2	Interest On Funds Borrowed		2.212.652	2.084.517
2.3	Interest On Money Market Transactions		115	151
2.4	Interest On Securities Issued		2.076.959	1.682.468
2.5	Financial Lease Interest Expenses		1.545	2.481
2.6	Other Interest Expenses		97.159	18.937
III.	NET INTEREST INCOME (I - II)		2.802.309	1.222.945
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		430.652	224.416
4.1	Fees and Commissions Received		924.520	573.966
4.1.1	Non-cash Loans		324	21
4.1.2	Other		924.196	573.945
4.2	Fees and Commissions Paid		(493.868)	(349.550)
4.2.1	Non-cash Loans		-	-
4.2.2	Other		(493.868)	(349.550)
V.	DIVIDEND INCOME		200	89
VI.	NET TRADING INCOME/LOSSES (Net)	(3)	643.073	844.842
6.1	Trading Account Income/Losses		4.098	10.003
6.2	Income/Losses From Derivative Financial Instruments		2.019.147	(1.549.818)
6.3	Foreign Exchange Gains/Losses		(1.380.172)	2.384.657
VII.	OTHER OPERATING INCOME	(4)	126.071	14.766
VIII.	TOTAL OPERATING PROFIT (III+IV-V+VI+VII+VIII)		4.002.305	2.307.058
IX.	EXPECTED CREDIT LOSSES (-)	(5)	231.578	369.469
X.	OTHER PROVISION EXPENSES (-)	(6)	151.073	14.281
XI.	PERSONNEL EXPENSES (-)		300.661	260.866
XII.	OTHER OPERATING EXPENSES (-)	(6)	212.476	151.054
XIII.	NET OPERATING PROFIT/LOSS (IX-X-XI)		3.106.517	1.511.388
XIV.	INCOME RESULTED FROM MERGERS		-	-
XV.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XVI.	GAIN/LOSS ON NET MONETARY POSITION		-	-
XVII.	OPERATING PROFIT/LOSS BEFORE TAXES (XI+...+XIV)		3.106.517	1.511.388
XVIII.	PROVISION FOR TAXES OF CONTINUED OPERATIONS (±)	(7)	-	-
18.1	Current Tax Charge		-	-
18.2	Deferred Tax Income Effect (+)		-	-
18.3	Deferred Tax Expense Effect (-)		-	-
XIX.	NET OPERATING PROFIT/LOSS AFTER TAXES (XVI±XVIII)		3.106.517	1.511.388
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income From Assets Held For Sale		-	-
20.2	Income From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
20.3	Others		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses On Assets Held for Sale		-	-
21.2	Expenses On Sale of Associates, Subsidiaries and Joint-Ventures		-	-
21.3	Others		-	-
XXII.	PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXIII.	PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Charge		-	-
23.2	Deferred Tax Income Effect (+)		-	-
23.3	Deferred Tax Expense Effect (-)		-	-
XXIV.	NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXII)		-	-
XXV.	NET PROFIT / LOSS (XVII+XXII)	(8)	3.106.517	1.511.388
	Earnings per Share		0,33048	0,20593

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

	Notes	Audited Current Period (31 December 2021)	Audited Prior Period (31 December 2020)
I. CURRENT PERIOD PROFIT/LOSS		3.106.517	1.511.388
II. OTHER COMPREHENSIVE INCOME		(69.663)	71.845
2.1 Other Income/Expense Items not to be Recycled to Profit or Loss		(662)	206
2.1.1 Revaluation Surplus on Tangible Assets		-	-
2.1.2 Revaluation Surplus on Intangible Assets		-	-
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses		(662)	206
2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss		-	-
2.1.5 Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss		-	-
2.2 Other Income/Expense Items to be Recycled to Profit or Loss		(69.001)	71.639
2.2.1 Translation Differences		-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Fair Value through Other Comprehensive Income		(109.423)	87.621
2.2.3 Gains/losses from Cash Flow Hedges		40.422	(15.982)
2.2.4 Gains/Losses on Hedges of Net Investments in Foreign Operations		-	-
2.2.5 Other Income/Expense Items to be Recycled to Profit or Loss		-	-
2.2.6 Taxes on Other Comprehensive Income to be Recycled to Profit or Loss		-	-
III. TOTAL COMPREHENSIVE INCOME (I+II)		3.036.854	1.583.233

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31 DECEMBER 2021
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

STATEMENT OF CHANGES IN EQUITY	Notes					Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity	
		Paid-in Capital	Share Premium	Share Cancellation Profit	Other Capital Reserve	1	2	3	4	5	6					
Current Period (31 December 2021)																
I.	Balances at Beginning of Period	9.270.000	-	-	-	-	(9.587)	(6.507)	-	116.279	33.017	498.867	1.511.388	-	-	11.413.457
II.	Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Balances at Beginning of Period (I+II)	9.270.000	-	-	-	-	(9.587)	(6.507)	-	116.279	33.017	498.867	1.511.388	-	-	11.413.457
IV.	Total Comprehensive Income	-	-	-	-	-	(662)	-	-	(109.423)	40.422	-	-	3.106.517	-	3.036.854
V.	Capital Increase in Cash	100.000	-	-	-	-	-	-	-	-	-	-	-	-	-	100.000
VI.	Capital Increase from Internal Sources	1.430.000	-	-	-	-	-	-	-	-	-	(1.430.000)	-	-	-	-
VII.	Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Gain or Loss related to Other Changes	-	-	-	-	-	-	6.507	-	-	-	(6.507)	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	1.511.388	(1.511.388)	-	-	-
11.1.	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2.	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	1.511.388	(1.511.388)	-	-	-
11.3.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period		10.800.000	-	-	-	-	(10.249)	-	-	6.856	73.439	573.748	-	3.106.517	-	14.550.311

1 Accumulated Revaluation Increase/Decrease of Fixed Assets

2 Accumulated Remeasurement at Gain/Loss of Defined Benefit Pension Plan

3 Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)

4 Foreign Currency Translation Differences

5 Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income

6 Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31 DECEMBER 2021
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

STATEMENT OF CHANGES IN EQUITY	Notes					Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity	
		Paid-in Capital	Share Premium	Share Cancellation Profit	Other Capital Reserve	1	2	3	4	5	6					
Prior Period (31 December 2020)																
I.	Balances at Beginning of Period	7.160.000	-	-	-	-	(9.793)	(6.507)	-	28.658	48.999	427.232	1.431.635	-	-	9.080.224
II.	Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Balances at Beginning of Period (I+II)	7.160.000	-	-	-	-	(9.793)	(6.507)	-	28.658	48.999	427.232	1.431.635	-	-	9.080.224
IV.	Total Comprehensive Income	-	-	-	-	-	206	-	-	87.621	(15.982)	-	-	-	1.511.388	1.583.233
V.	Capital Increase in Cash	750.000	-	-	-	-	-	-	-	-	-	-	-	-	-	750.000
VI.	Capital Increase from Internal Sources	1.360.000	-	-	-	-	-	-	-	-	-	(1.360.000)	-	-	-	-
VII.	Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Gain or Loss related to Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	1.431.635	(1.431.635)	-	-	-
11.1.	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2.	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	1.431.635	(1.431.635)	-	-	-
11.3.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period		9.270.000	-	-	-	-	(9.587)	(6.507)	-	116.279	33.017	498.867	-	1.511.388	-	11.413.457

1 Accumulated Revaluation Increase/Decrease of Fixed Assets

2 Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan

3 Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)

4 Foreign Currency Translation Differences

5 Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income

6 Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

	Notes	Audited Current Period (31 December 2021)	Audited Prior Period (31 December 2020)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating profit before changes in operating assets and liabilities	3.631.156	4.502.676
1.1.1	Interest received	6.344.756	4.836.662
1.1.2	Interest paid	(2.028.392)	(2.080.658)
1.1.3	Dividend received	200	89
1.1.4	Fees and commissions received	815.031	495.331
1.1.5	Other income	130.059	944.189
1.1.6	Collections from previously written-off loans and other receivables	51.110	364.459
1.1.7	Payments to personnel and service suppliers	(333.237)	(284.584)
1.1.8	Taxes paid	(269.219)	(218.329)
1.1.9	Other	(1.079.152)	445.517
1.2	Changes in operating assets and liabilities	(9.021.030)	(3.180.113)
1.2.1	Net (increase) decrease in financial assets measured at Fair Value Through Profit or Loss	36.649	(109.077)
1.2.2	Net (increase) decrease in due from banks	-	-
1.2.3	Net (increase) decrease in loans	(108.635.229)	(35.670.373)
1.2.4	Net (increase) decrease in other assets	(375.362)	(1.198.790)
1.2.5	Net increase (decrease) in bank deposit	-	-
1.2.6	Net increase (decrease) in other deposits	-	-
1.2.7	Net increase (decrease) in financial liabilities measured at Fair Value Through Profit or Loss	-	-
1.2.8	Net increase (decrease) in funds borrowed	89.632.839	33.096.987
1.2.9	Net increase (decrease) in matured payables	-	-
1.2.10	Net increase (decrease) in other liabilities	10.320.073	701.140
I.	Net cash flow from banking operations	(5.389.874)	1.322.563
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash flow from investing activities	6.256.975	(2.444.985)
2.1	Cash paid for purchase of associates, subsidiaries and joint ventures	(73.000)	-
2.2	Cash obtained from sale of associates, subsidiaries and joint ventures	-	-
2.3	Purchases of tangible asset	(409)	(3.427)
2.4	Sales of tangible assets	110	-
2.5	Cash paid for purchase of financial assets measured at Fair Value through Other Comprehensive Income	(233.582)	(712.532)
2.6	Cash obtained from sale of financial assets measured at Fair Value through Other Comprehensive Income	146.505	-
2.7	Cash paid for purchase of financial assets measured at amortised cost	(1.500)	(1.724.460)
2.8	Cash obtained from sale of financial assets measured at amortised cost	6.423.913	-
2.9	Others	(5.062)	(4.566)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash flow from financing activities	1.062.039	(851.423)
3.1	Cash obtained from funds borrowed and securities issued	6.466.621	-
3.2	Cash used for repayment of funds borrowed and securities issued	(5.494.198)	(1.592.373)
3.3	Equity instruments issued	-	-
3.4	Dividends paid	-	-
3.5	Payments for financial leases	(10.384)	(9.050)
3.6	Others	100.000	750.000
IV.	Effect of translation differences on cash and cash equivalents	5.879.648	3.655.583
V.	Net increase/(decrease) in cash and cash equivalents	7.808.788	1.681.738
VI.	Cash and cash equivalents at beginning of period	11.670.056	9.988.318
VII.	Cash and cash equivalents at end of period	19.478.844	11.670.056

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VII. STATEMENT OF PROFIT DISTRIBUTION	Current Period	Prior Period
	31 December 2021^(*)	31 December 2020
I. DISTRIBUTION OF PROFIT		
1.1. Current Year Income	3.106.517	1.542.233
1.2. Taxes And Duties Payable (-)	-	30.845
1.2.1. Corporate Tax (Income tax)	-	-
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and duties	-	30.845
A. NET INCOME FOR THE YEAR (1.1-1.2)	3.106.517	1.511.388
1.3. Prior Year Losses (-)	-	-
1.4. First Legal Reserves (-)	-	75.569
1.5. Other Statutory Reserves (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	-	1.435.819
1.6. First Dividend To Shareholders (-)	-	-
1.6.1. To Owners Of Ordinary Shares	-	-
1.6.2. To Owners Of Privileged Shares	-	-
1.6.3. To Owners Of Preferred Shares	-	-
1.6.4. To Profit Sharing Bonds	-	-
1.6.5. To Holders Of Profit And Loss Sharing Certificates	-	-
1.7. Dividends To Personnel (-)	-	-
1.8. Dividends To Board Of Directors (-)	-	-
1.9. Second Dividend To Shareholders (-)	-	-
1.9.1. To Owners Of Ordinary Shares	-	-
1.9.2. To Owners Of Privileged Shares	-	-
1.9.3. To Owners Of Preferred Shares	-	-
1.9.4. To Profit Sharing Bonds	-	-
1.9.5. To Holders Of Profit And Loss Sharing Certificates	-	-
1.10. Second Legal Reserves (-)	-	-
1.11. Statutory Reserves (-)	-	-
1.12. Extraordinary Reserves	-	1.435.819
1.13. Other Reserves	-	-
1.14. Special Funds	-	-
II. DISTRIBUTION OF RESERVES		
2.1. Appropriated 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 Privileged Shares	-	-
2.3.3. To Owners Of Preferred Shares	-	-
2.3.4. To Profit Sharing Bonds	-	-
2.3.5. To Holders Of Profit And Loss Sharing Certificates	-	-
2.4. Dividends To Personnel (-)	-	-
2.5. Dividends To Board Of Directors (-)	-	-
III. EARNINGS PER SHARE		
3.1. To Owners Of Ordinary Shares	0,3304	0,2059
3.2. To Owners Of Ordinary Shares (%)	33,05	20,59
3.3. To Owners Of Privileged Shares	-	-
3.4. To Owners Of Privileged Shares (%)	-	-
IV. DIVIDEND PER SHARE		
4.1. To Owners Of Ordinary Shares	-	-
4.2. To Owners Of Ordinary Shares (%)	-	-
4.3. To Owners Of Privileged Shares	-	-
4.4. To Owners Of Privileged Shares (%)	-	-

(*) As of the date of the report, distributable net profit for the period has not been shown, as no decision has been made on the distribution of profits for 2022.

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

1. The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Accounting Applications for Banks and Safeguarding of Documents

The Bank prepares its legal records, financial statements and underlying documents in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Financial Reporting Standards (“TFRS”), other explanations and circulars on accounting and financial reporting principles announced by the Banking Regulation and Supervision Agency (“BRSA”) (all together “BRSA Accounting and Financial Reporting Legislation”). Turkish Financial Reporting Standards (“TFRS”) consist of Turkish Accounting Standards (“TAS”), standards and interpretations as the names of TAS interpretations and TFRS interpretations published by Public Oversight Accounting and Auditing Standards Authority (“POA”) of Turkey, Turkish Financial Reporting Standards.

Accounting policies applied and valuation methods used in the preparation of the unconsolidated financial statements are expressed in detail below. Amounts in the financial statements and related explanations and disclosures are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.

The financial statements are prepared in TL in accordance with the historical cost basis except for the financial assets at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, derivative financial assets and liabilities.

The preparation of the financial statements in conformity with TFRS requires the Bank management to use of certain make assumptions and estimates on the assets and liabilities of the balance sheet and contingent liabilities as of the balance sheet date. These estimates are reviewed regularly and, when necessary, corrections are made and the effects of these corrections are reflected to the statement of Profit or Loss.

In the announcement published by the Public Oversight Accounting and Auditing Standards Authority on January 20, 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of December 31, 2021, since the cumulative change in the general purchasing power of the last three years according to Consumer Price Index (CPI) is 74.41%. In this respect, financial statements as of December 31, 2021 are not adjusted for inflation in accordance with TAS 29.

Additional paragraph for convenience translation to English

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

2. Accounting policies and valuation principles applied in the preparation of the financial statements

The accounting policies and valuation principles applied in the preparation of the financial statements are determined and applied in accordance with the principles of TFRS. These accounting policies and valuation principles are explained in Notes II to XXIV below.

The COVID-19 epidemic, which spreads to various countries in the world, it causes disruptions in operations especially in countries that are over-exposed to the epidemic, as well as negatively affecting economic conditions both regionally and globally. As a result of the spread of COVID-19 throughout the world, various measures have been taken in Turkey as well as in the world and still continue to be taken in order to prevent the transmission of the virus. In addition to these measures, economic measures are also taken to minimize the economic impact of the virus outbreak on individuals and businesses in our country and worldwide. While preparing its financial statements, the Bank has reflected the possible effects of the COVID-19 outbreak on the estimates and judgments used in the preparation of the financial statements. Estimates and assumptions used in the calculation of expected credit losses are explained in the explanations on impairment of financial assets section.

II. Strategy for use of financial instruments and foreign currency transactions

The Bank uses derivatives to balance its foreign currency asset/liability positions for managing its exposure to currency risk.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates of the Bank prevailing at the balance sheet date. Gains and losses arising from such transactions are recognized in the statement of profit or loss under the account of “foreign exchange gains/losses”.

As of 31 December 2021, the exchange rates used in translation of foreign currency denominated balances into Turkish Lira are TL 13,1865 for US Dollar, TL 14,9047 for Euro, TL 11,4504 for 100 JPY and TL 17,8097 for GBP.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

III. Explanations on forward transactions, options and derivative instruments

The Bank uses derivative financial instruments in order to avoid exposure to foreign currency and interest rate risks. As of the balance sheet date, there are outstanding currency and interest rate swap purchase and sales contracts and forward transactions in TL and foreign currency.

Derivatives are initially recorded with their fair values and related transaction costs as of the contract date are recorded in profit or loss. The following periods of initial reporting, they are measured at their fair values. The result of this assessment, offsetting debit and credits stemming from each contract debit and credits are reflected to the financial statements as a contract-based single asset and liability. The method of accounting gain or loss changes according to related derivative transaction whether to be held for cash flow hedges or not and to the content of hedge account.

The derivative financial instruments are presented under two headings in the Bank's financial statements.

a.) Financial assets measured at fair value through profit or loss

a.1.) Derivative financial assets held for trading

Derivative financial instruments other than derivative instruments intended for the fair value hedging and cash flow hedge purposes of the Bank are accounted for as "trading purpose", economically providing effective protection against risks for the Bank. Liabilities and receivables arising from derivative transactions are recorded in off-balance sheet accounts at contractual amounts. Derivative financial instruments are measured at fair value in subsequent periods and if the fair value is positive, they are classified under "derivative financial assets measured at fair value through profit or loss". If fair value is negative derivative transactions are classified under "derivative financial liabilities measured at fair value through profit or loss". After valuation, differences of changes in fair value are reflected in the statement of profit or loss.

a.2.) Derivative financial assets held for hedging purpose

The Bank notifies in written the relationship between hedging instrument and related account, risk management aims of hedge and strategies and the methods used to measure the hedge effectiveness. The Bank evaluates the method of hedge whether to be effective on the expected changes in fair values in this process or not or each result of hedge effectiveness whether to be between the range of 80% and 125%.

Changes in fair values of derivative transactions under fair value hedges are recorded in profit or loss together with changes in hedging asset or liability. The difference in current values of derivative transactions fair value hedge is shown in "Trading Gains/Losses on derivative financial instruments" account. In the balance sheet, change in fair value of hedged asset or liability during the hedge accounting to be effective is shown with the related asset or liability. In case of inferring hedge accounting, adjustments made to the value of hedged item using straight-line amortization method within the days to maturity are reflected to "Income/losses from derivative financial instruments" account in the statement of profit or loss.

b.) Financial assets measured at fair value through other comprehensive income

b.1.) Derivative financial instruments held for hedging

The Bank is hedged with cross currency swaps against cash flow risks arising from foreign currency and Turkish currency floating rate liabilities. In this context, the effective part of the fair value change of the hedging instrument is recorded in the relevant accounts under equity. In the periods when the cash flows of the hedged item affect the profit or loss statement, the profit / loss of the related hedging instrument is also deducted from equity and reflected in the statement of profit or loss.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

III. Explanations on forward transactions, options and derivative instruments (Continued)

b.) Financial assets measured at fair value through other comprehensive income

b.1.) Derivative financial instruments held for hedging

Hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. While expiring, sale, discontinuing cash flow hedge accounting or when no longer effective the cumulative Gains/Losses recognised in shareholders' equity and presented under hedging reserves are continued to be kept in this account. When the cash flows of hedged item incur, the gain/losses accounted for under shareholders' equity, are transferred to statement of profit or loss.

In cash flow hedge accounting, the effective portion of the changes in the fair value of the hedging instrument is accounted for under "accumulated other comprehensive income or expense to be reclassified to profit or loss" in shareholders' equity. Effectiveness tests are performed at the beginning of the hedge accounting period and at each reporting period. Hedge accounting is applied as long as the test results are between the range of 80%-125% of effectiveness.

TFRS 9 permits to defer application of TFRS 9 hedge accounting and continue to apply hedge accounting in accordance with TAS 39 as a policy choice. Accordingly, the Bank continues to apply hedge accounting in accordance with TAS 39 in this context.

IV. Explanations on interest income and expenses

Interest income is accounted by applying the effective interest rate to the gross value of the financial asset according to the effective interest method determined in TFRS 9.

The interest amount is calculated over the net value of the non-performing loan and is accounted in the related interest income accounts.

V. Explanations on fee and commission income and expenses

All fees and commission income/expenses are recognized on an accrual basis, except for certain commission income and fees for various banking services which are recorded as income at the time of collection.

Fees and commissions other than those that are an integral part of the effective interest rate of financial instruments are accounted in accordance with TFRS 15 Standard.

VI. Explanations on financial assets

The Bank recognises its financial assets as "Financial Assets Measured at Fair Value Through Profit/Loss", "Financial Assets Measured at Fair Value Through Other Comprehensive Income" or "Financial Assets Measured at Amortized Cost". Such financial assets are recognized or derecognized according to third section relating to classification and measurement of TFRS 9 Financial Instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the POA.

During the initial recognition of a financial asset into the financial statements, business model determined by the Bank management and the nature of contractual cash flows of the financial asset are taken into consideration.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VI. Explanation on financial assets (Continued)

a.) Financial assets measured at fair value through profit/loss

Financial assets measured at fair value through profit or loss are financial assets that are managed with the other business model other than the business model that aims to collect the contractual cash flows and the business model that aims to collect and sell the contractual cash flows and the contractual terms of the financial assets, do not result in cash flows that include interest payments arising only from the principal and principal balance at specific dates; are financial assets that are acquired in order to generate profits from fluctuations in prices and similar factors in the short term in the market or are part of a portfolio aimed at achieving profit in the short term regardless of the reason for the acquisition.

Financial assets measured at fair value through profit or loss are initially recognized at cost in the financial statements. All regular way purchases and sales of financial assets are recognized and derecognized at the settlement date.

The government bonds and treasury bills recognized under financial assets measured at fair value through profit/loss which are traded on Borsa İstanbul AŞ (“BİST”) are valued with weighted average prices settled on BİST as of the balance sheet date; and those government bonds and treasury bills traded on BİST but which are not subject to trading on BİST as of the balance sheet date are valued with weighted average prices at the latest trading date.

The financial assets classified under trading financial assets and whose fair values cannot be measured reliably are carried at amortized cost using the effective yield method. The difference between the purchase cost and the amortized cost at the selling date is recorded as interest income.

If the selling price of a financial asset measured at fair value through profit/loss is above its amortized cost as of the sale date, the positive difference between the selling price and the amortized cost is recognized as income under trading gains on securities and if the selling price of a trading security is lower than its amortized cost as of the sale date, the negative difference between the selling price and the amortized cost is recognized as expense under trading losses on securities.

b.) Financial assets measured at fair value through other comprehensive income

If a financial asset is acquired under both of the following conditions, the change in fair value is measured by reflecting to other comprehensive income:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets,
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets Measured at Fair Value Through Other Comprehensive Income are valued at fair value in the periods subsequent to their acquisition. If the underlying fair value is not realized in the active market conditions, it is accepted that the fair value is not determined reliably and the fair value is determined by using the discounted value of other comprehensive income and reflected at amortized cost, are accounted for by rediscount.

Unrealized gains or losses arising from changes in the fair value of securities that are at fair value through other comprehensive income and which reflect the difference between the amortized cost of securities and their fair value are classified in the “Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss” under equity.

However, the Bank may, at initial recognition, irrevocably choose the method of reflecting changes in fair value to other comprehensive income for specific investments on equity instruments that would normally be measured at fair value through profit or loss.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VI. Explanation on financial assets (Continued)

c.) Financial assets measured at amortised cost

A financial asset is measured at amortized cost if both of the conditions shown below are met:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows,
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using “effective interest rate method (Internal rate of return)”. Interest income obtained from financial assets measured at amortized cost is accounted in statement of profit or loss.

Purchase and sale transactions of these financial assets are recorded and derecognised according to the “delivery date”. The Bank’s financial assets measured at amortized cost portfolio includes government bonds, foreign currency bonds and lease certificates which is issued domestic and abroad by the Ministry of Turkish Republic Treasury and Finance.

d.) Loans

Loans are financial assets created by providing money, goods or services to the debtor. Such loans are measured at amortized cost using the effective yield (internal rate of return) method.

VII. Explanations on impairment of financial assets

The expected credit loss model is applied to financial assets, such as banks, loans and securities, as well as financial leasing receivables, contractual assets and financial guarantee agreements, at amortized cost or at fair value through other comprehensive income.

At each reporting date, it is evaluated whether there is a significant increase in the credit risk since the initial recognition of the financial instrument. When making this evaluation, the change in the expected default risk of the financial instrument is used.

The guiding principle of the expected credit loss model is to reflect the overall appearance of an increase or recovery in the credit risk of financial instruments. The amount of the loss provision depends on the degree of the increase in the credit risk from the first issue of the loan. Although the expected credit loss is an estimate of the expected losses from the loan during the life of a financial instrument, the following points are important for the measurement.

- Weighted and unbiased amount according to the probabilities determined by considering possible results,
- Time value of money,
- Reasonable and supportable information on past events, current circumstances and forecasts for future economic conditions that can be obtained at the reporting date without excessive cost and effort.

Calculation of Expected Credit Loss

The main principle of the expected credit loss model is to reflect the general outlook of deterioration or improvement in the credit quality of financial instruments. The allowance for loan losses, which is known as loss reserve or provision, depends on the degree of increase in credit risk.

There are two measurements according to the general approach:

- 12-month Expected Credit Loss (Stage 1) applies to all assets unless there is a significant deterioration in credit quality.
- Lifetime Expected Loss Provision (Stage 2) applies when a significant increase in credit risk occurs.
- Lifetime Expected Loss Provision (Stage 3) is applied when the impairment loss occurs.

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on impairment of financial assets (Continued)
Calculation of 12-month expected credit losses (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. Applies to all assets unless there is a significant deterioration in credit quality. 12-month expected loss values are part of the estimated life expectancy loss (within 12 months after the reporting date or within a shorter period if the life of a financial instrument is less than 12 months).

Significant increase in credit risk (Stage 2)

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. For stage 1 loans expected loss (provision) amounts are calculated for 1-year and for Stage 2 loans expected loss (provision) is calculated for the remaining life of the loan. The main criteria taken into consideration in determining the credit risk of the financial asset to be significantly increased and transferred to the second stage are the close monitoring, the number of delay days exceeding 30 days and the Bank's internal early warning system note.

Based on the decision of BRSA numbered 8948 dated 17 March 2020, 90 days delay for the classification of non-performing loans in the scope of the fourth and fifth articles of Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans can be applied for 180 days until 31 December 2020 for loans that classified in stage 1 and stage 2 within the board of decision as of 17 March 2020 due to disruptions in economic and commercial activities resulting from the COVID-19. In addition, in the decision of the BRSA dated 27 March 2020 and numbered 8970, it was decided to apply the 30-day delay period for the classification of loans in the stage 2 can used 90 days due to the COVID-19 outbreak, and continue to calculate Expected credit losses in accordance with TFRS 9. The said practices were terminated as of September 30, 2021, pursuant to the BRSA's decision dated September 16, 2021 and numbered 9795.

Non-performing loans (Stage 3 / Specific provision)

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized. The Bank considers that there is a default on the relevant debt in the following two cases:

- Objective Default Definition: It means that the debt is overdue by more than 90 days.
- Subjective Default Definition: It means that it is determined the debt will not be paid off. If the borrower deemed to be unable to fulfill the debt obligations, borrower should be considered as defaulted whether there is an overdue payment or number of days. Collective assessment of financial instruments is based on homogeneous group assets based on portfolio segmentation based on similar credit risk and product characteristics. This section provides an overview of the risk parameter estimation methods associated with the expected loss calculation approach on a common basis for each phase.

Loans with different types of cash flows or other loans with different characteristics may be subject to individual evaluation rather than collective assessment. Individual assessments, staging, multiple scenario analysis and expected loss estimation principles are carried out in accordance with TFRS 9 requirements. Total cash flows are discounted based on the interest rate of the amount. The net present value of these cash flows is compared with unpaid amounts for each scenario. The expected loss provision estimates are weighted according to the probability of the scenario in order to obtain the final impairment value. The expected credit loss can be defined as the difference between the contractual cash flows due in accordance with the contract and the expected cash flows discounted with original effective interest rates. The following situations are taken into account when estimating cash flows:

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

The main parameters used in the calculation of expected credit loss are the probability of default, the exposure at default and loss given default.

The probability of default is an estimate of the likelihood of default over a given time horizon. In the probability of default models, segmentation is based on the sector information for the corporate portfolio and product information for the retail portfolio.

The exposure at default of an instrument is the anticipated outstanding amount owed by the obligor at the time of default.

In case of default of the borrower, Loss Given Default has been calculated as dividing expected credit loss to exposure at default. In other words, it refers to the ratio of net loss due to a defaulted loan to the balance at the time of default.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on impairment of financial assets (Continued)

Macroeconomic expectations: While macroeconomic information is included, models and estimates reflecting the relationships between model risk parameters and macroeconomic variables are taken into consideration. The main macroeconomic indicators of these estimation models are the Gross Domestic Product (GDP) growth rate and the consumers price index rate. Macroeconomic estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations.

Behavioral Maturity Calculation Methodology: Expected Loss Provision; For loans in stage 1 with a remaining maturity of less than one year, loans with a maturity of more than one year are calculated as one-year for loans with a remaining maturity of more than one year and in stage 2 for lifetime of loans (up to maturity date). In this calculation, the remaining maturity information of the loan is taken as basis for each loan. While this information is used for products with real maturity information, behavioral maturity is calculated by analyzing historical data for products with no real maturity. Expected loss reserve are calculated based on these maturities depending on the type of loan.

VIII. Explanations on offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously. Otherwise, there is no netting of financial assets and liabilities.

IX. Explanations on sales and repurchase agreements and securities lending transactions

Funds given against securities purchased under agreements (“Reverse repo”) to resell are accounted under “Money market placements” on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the “effective interest method”. The Bank has no securities lending transactions.

X. Explanations on assets held for sale and discontinued explanations on liabilities related with these assets

According to the TFRS 5 “Assets Held for Sale and Discontinued Operations”, a tangible asset (or a group of assets to be disposed) classified as “asset held for sale” is measured at lower of carrying value and fair value less costs to sell. These assets are shown separately on the balance sheet. In order to classify an asset as an asset held for sale, the related asset (or the group of assets to be disposed of) should be able to be sold immediately and the probability of sale for such assets (or group of assets to be disposed of), should be high under current conditions. In order for the sale to be highly probable, a plan should have been made by the suitable management for the sale of the asset (or group of assets to be disposed of) and an active program should have been started to determine the buyers and to carry out the plan.

Furthermore, the asset (or group of assets to be disposed of) should be actively marketed at a price consistent with its fair value. Various events and conditions may extend the period for the completion of the sales process to more than a year. If there is sufficient evidence that the related delay has occurred beyond the Bank’s control and that the Bank’s plans for selling the related asset (or group of assets to be disposed of) is still in progress, the related assets are continued to be classified as assets held for sale.

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are presented in the statement of profit or loss separately. The Bank has no discontinued operations.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XI. Explanations on goodwill and other intangible assets

Goodwill and other intangible assets are recorded at cost in accordance with “TAS 38” “Intangible Assets”. Intangible assets consist of computer software licenses. Intangible assets result in net book value as of the balance sheet date by deducting their acquisition cost to accumulated amortization. Intangible assets are amortized by the straight-line method, considering their useful life and amortization rates published by Republic of Turkey Ministry of Treasury and Finance. During the current year, there has been no change in the depreciation method. The Bank does not expect any changes in accounting estimates, useful lives, depreciation method and residual value during the current and the following periods.

As of 31 December 2021, and 31 December 2020, the Bank does not have any goodwill in its accompanying financial statements.

Implemented yearly amortization rates as follows;

Licence :	6,66%
Software :	33,33%

XII. Explanations on tangible assets

All property and equipment are initially recognized at cost model in accordance with TAS 16 “Property, Plant and Equipment”. Subsequently acquired property and equipment are carried at cost less accumulated depreciation at the balance sheet date. Depreciation is calculated over the cost of property and equipment using the straight-line method over its estimated useful life. There has been no change in the depreciation method during the current period.

Implemented yearly amortization rates as follows;

Buildings	:	2%
Furniture, fixtures and vehicles	:	6-33%

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment. Gains and losses on the disposal of property and equipment are booked to the income statement accounts for the period at an amount equal to the book value. Where the carrying amount of an asset is greater than its estimated “Recoverable amount”, it is written down to its “Recoverable amount” and the provision for the diminution in value is charged to the income statement. Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized over the cost of the tangible asset. The capital expenditures include the cost components that increase the useful life, capacity of the asset or quality of the product or that decrease the costs.

There are not any pledges, mortgages or any other contingencies and commitments over property and equipment that restrict their usage. The Bank does not expect any changes in accounting estimates that will have a material impact in future periods in relation with the property and equipment.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIII. Affiliates and subsidiaries

Subsidiaries are accounted for at cost in accordance with TAS 27 “Turkish Accounting Standard for Individual Financial Statements” and are reflected in the financial statements after the impairment, if any.

As of the reporting date, the Bank has no subsidiaries.

XIV. Explanations on investment property

Investment properties consist of assets held to obtain rent and/ or unearned increment profit. Investment properties are initially recognized at cost model in accordance with TAS 40 “Investment Property”. These properties are carried on accompanying unconsolidated financial statements at cost less accumulated depreciation and impairment. Investment properties are depreciated in accordance with the useful life principles with straight-line depreciation method. Gains and losses resulted from disposal of investment properties or withdrawn from service of a tangible asset are determined as the difference between sales proceeds and the carrying amount of the asset and included in the statement of profit or loss.

XV. Explanations on leases

At the beginning of a contract, the Bank evaluates whether the contract is defined as a lease or does include lease transaction. In the event that the contract is transferred for a certain period of time to control the use of the asset defined for a price, this contract is a lease transaction. The Bank, considers the following conditions when assessing whether a contract has transferred its right to control the use of a defined asset for a specified period:

- a) The contract includes defined assets; An entity is generally defined in the contract clearly. However, an asset can be defined as tacit when it is made available to the customer.
- b) In the event that the supplier has an essential right to substitute the asset for the period of use, the entity is not defined.
- c) Customer has the right to obtain almost all of the economic benefits obtained from the use of the asset for the period of use to control the use of a defined asset.
- d) The right to obtain nearly all of the economic benefits that will be derived from the use of the asset identified.
- e) The right to manage the use of the defined asset. The Bank has the right to manage the use of the asset in the following cases:
 - i. The Bank has the right to operate the asset during its use (or directing others to operate the asset in the way they set their own) and the supplier does not have the right to change these operating instructions or the Bank has designed the asset (or certain characteristics of the asset) in advance to determine how and for what purpose the asset will be used during its useful life.
 - ii. The Bank has the right to manage how and for what purpose the asset will be used during its usage period. (Being able to change how the asset will be used for the duration of its use)

The Bank reflects a right-of use asset and a lease liability into the financial statements at the effective date of the lease.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XV. Explanations on leases (Continued)

Right-of use asset

The Bank initially measures the right-of-use asset applying a cost model in the financial statements and it includes the following:

- a) Lease liabilities in the balance sheet, initially measured at the present value,
- b) All lease payment amount before or at the commencement date
- c) All initial direct costs beared by the Bank

When applying the cost method, the right-of use asset:

- a) Accumulated depreciation and accumulated impairment losses are deducted and
- b) Measures the restatement of the lease obligation at the restated cost.

The Bank applies the depreciation terms of TAS 16 Property, Plant and Equipment standard when depreciating the right-of use. The Bank depreciates the right-of asset according to the shorter of its useful life or the lease term, starting from its effective date of lease.

Lease liability

At the commencement date, the Bank measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the alternative borrowing interest rate in case of implicit interest rate cannot be defined easily. These rates applied to TL and USD lease liabilities are 24,05% and 8,5% respectively.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) Fixed payments, less any lease incentives receivable,
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Bank measures the lease liability as indicated below:

- a) Measures the lease liability by increasing the carrying amount to reflect interest on the lease liability,
- b) Measures the lease liability by reducing the carrying amount to reflect the lease payments made
- c) It measures the book value to reflect re-evaluations and restructurings, or to reflect the revised essence of fixed lease payments.

The interest on the lease liability for each period of the lease term, is the amount calculated by applying a fixed periodic interest rate to remaining amount of the lease liability. Periodic interest rate, in the case of easily identifiability, is the implied interest rate of lease. The Bank, uses the alternative borrowing interest rate, in the absence of easily identifiability.

After the effective date of lease, the Bank re-measures its lease liability to reflect changes in lease payments. The Bank reflects the re-measured amount of the lease liability as adjustment in right-of use asset in its financial statements.

The Bank determines the revised lease payments related to the remaining lease term according to the revised contractual payments. In this case, the Bank uses an unchanged discount rate.

Leases with a period equal or less than twelve months are evaluated in the scope of the exception given by the standard and payments made according to related contracts are still being accounted as expense in the period of the payments.

On June 5, 2020, KGK made changes in TFRS 16 "Leases" standard by publishing the Concessions Granted in Lease Payments - "Amendments to TFRS 16 Leases" in relation to COVID-19. With this change, tenants are exempted from the concessions granted to tenants due to COVID-19 in their lease payments, not to assess whether there is a change in lease. The change did not have a significant impact on the financial status or performance of the Bank.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVI. Explanations on provisions and contingent liabilities

Provisions and contingent liabilities except for the expected credit loss recognized for loans and other receivables are accounted in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the “Matching principle”. When the amount of the obligation cannot be estimated reliably it is considered that a “Contingent” liability exists. When the amount of the obligation can be estimated reliably and when there is a high possibility of an outflow of resources from the Bank, the Bank recognizes a provision for such liability.

As of the balance sheet date, there is not any contingent liability based on past events for which there is a possibility of an outflow of resources and whose obligation can be reliably estimat

XVII. Explanations on obligations related to employee rights

Under the Turkish Labor Law, the Bank is required to pay a specific amount to employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labor Law.

Obligations related to employee termination and vacation rights are calculated for in accordance with TAS 19 “Employee Benefits”.

Revised TAS 19 is effective being published on the Official Gazette dated 12 March 2013 by Public Oversight Accounting and Auditing Standards Authority. According to revised TAS 19, once the Actuarial Gains and Losses occur, they are recorded under equity and are not associated with the statement of profit or loss. Benefit costs arising interest cost due to being 1 year more closer to the payment of benefit and service cost as a result of given service by employee are required to be shown in statement of profit or loss.

	Current Period	Prior Period
Discount ratio	23,00%	12,50%
Inflation	18,50%	8,75%
Salary increase rate	18,50%	8,75%

As of 31 December 2021, the calculated employment termination obligation amount is TL 33.824 (31 December 2020: TL 26.332). For the period ended 31 December 2021, the Bank also allocated provisions for vacation pay liabilities relating to prior periods amounting to TL 18.002 (31 December 2020 TL 15.995).

The Bank has allocated a provision amounting to TL 48.477 (31 December 2020: TL 35.000) based on the success premium to be paid in January 2022 for the second half of the year and a provision amounting to TL 39.626 (31 December 2020: TL 21.500) for the dividend payable to the employees in 2022 from the profit of 2021.

XVIII. Explanations on taxation

According to Act number 3332 and article 4/b of Act number 3659, dated 25 March 1987 and 26 September 1990, respectively, the Bank is exempt from Corporate Tax. Due to the 3rd Article of the same act; the above mentioned exemption became valid from 1 January 1988. In accordance with clause 9 of the Provisional Article 1 of Corporate Tax Law No. 5520, which states “The provision of Article 35 shall not apply to exemptions, allowances and deductions included in other laws in relation to Corporation Tax prior to the effective date of the Law No. 5520”, the exemption from Corporation Tax continues. Accordingly, deferred tax asset or liability is not recognized in these financial statements.

Pursuant to the Law No. 7341 published in the Official Gazette No. 31651 on November 6, 2021, the Bank's buyer or exporter loans for export financing, the guarantees given by the exporters for the loans to be obtained from domestic and foreign banks and financial institutions for the purpose of financing exports, and to encourage exporters to sell goods and services. The money received in favor of the export credit insurances he has made and the financing of the financial leasing transactions to be made abroad and the guarantees given in this context are exempt from the bank and insurance transactions tax.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIX. Additional explanations on borrowings

Derivative instruments are measured at their fair values and other financial liabilities including debt securities issued are measured at “Amortized cost” using the “Effective interest method”.

The Bank has issued five bonds.

- In October 2016, the Bank issued a bond with a maturity of seven years and a fixed rate of 5,375% amounting to USD 500 million (TL 6.593.250 TL).
- In September 2017, the Bank issued a bond with a maturity of five years and a fixed rate of 4,250% amounting to USD 500 million (TL 6.593.250 TL).
- In May 2018, the Bank issued a bond with a maturity of six years and a fixed rate of 6,125% amounting to USD 500 million (TL 6.593.250 TL).
- In January 2019, the Bank issued a bond with a maturity of five years and a fixed rate of 8,250% amounting to USD 500 million (TL 6.593.250 TL).
- In June 2021, the Bank issued a bond with a maturity of five years and a fixed rate of 5,750% amounting to USD 750 million (TL 9.889.875 TL).

Also the Bank has applied hedge accounting relating to the measurement of derivative financial instruments for its securities issued stated above, and has recognized the amounts calculated in this context.

In September 2018, the Bank issued a domestic subordinated debt instrument amounting TL 2.901.759 with a maturity of ten years with an early redeem option after fifth year of the date of issue.

In April 2019, the Bank issued Tier II capital amounting EUR 150 million (TL 2.235.705) with an early redeem option after fifth year of the date of issue.

XX. Explanations on issuance of share certificates

As the Bank’s total paid-in capital is owned by the Ministry of Treasury and Finance, there is no cost related to share issuance. The dividend distribution in the Bank is made by the decision of the General Assembly. Dividend distribution for 2020 was carried out in 2021 by the decision of the General Assembly.

XXI. Explanations on avalized drafts and acceptances

The Bank keeps its guarantee bills and acceptances in the off-balance liabilities.

XXII. Explanations on government grants

The Bank benefits from the government incentive provided by the Ministry of Trade as of 31 December 2021. In accordance with the decision of the Ministry of Economy Money-Credit and Coordination Board dated 2016/8, the interest expense of bank which is corresponding with difference between the bank interest rate and reference commercial interest rate is supported on investment good through exports medium-long-term buyer’s loans. These incentives are recognized by adopting an income approach in accordance with TAS 20 “Accounting for Government Grants and Disclosure of Government Assistance”.

XXIII. Explanations on segment reporting

The Bank emphasizes the scope of business method for segment reporting by considering the Bank’s main source and characteristics of risks and earnings. The Bank’s activities mainly concentrate on corporate and investment banking.

XXIV. Explanations on other issues

The Bank does not accept deposits. The Bank has been mandated to export loan operations, export loan insurance and export grants. On the other hand, the Bank also performs domestic and foreign currency money, capital and FX market operations within the context of Treasury operations.

The Bank engages in derivative transactions, currency and interest rate swaps, forward and option transactions and obtains funds by means of syndicated loans, subordinated loans, bond issuance and bank borrowings.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. Information about shareholders' equity items

Equity amount and capital adequacy standard ratio are calculated within the framework of "Regulation on Banks' Equity" and "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" and in addition to these, BRSA regulations dated 31 December 2021 and numbered 9996.

As of 31 December 2021, the Bank has calculated the amount subject to credit risk in the calculations of the legal capital adequacy ratio, taking into account the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days before the report date.

Equity amount and capital adequacy standard ratio are calculated within the framework of "Regulation Regarding Equities of Banks" and "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy". As of 31 December 2021, the shareholders' equity of the Bank is TL 20.220.839 (31 December 2020: TL 16.144.583) and the capital adequacy standard ratio is 18,02% (31 December 2020: 20,02%).

	Current Period Amount	Amount as per the regulation before 1/1/2014^(*)
COMMON EQUITY TIER I CAPITAL	14.537.243	
Paid-in Capital to be Entitled for Compensation after All Creditors	10.800.000	
Share Premium	-	
Reserves	573.748	
Other Comprehensive Income according to Turkish Accounting Standards ("TAS")	178.960	
Profit	3.106.517	
Net Current Period Profit	3.106.517	
Prior Period Profit	-	
Bonus Shares from Associates, Affiliates and Joint-Ventures not Accounted in Current Period's Profit	-	
Common Equity Tier I Capital Before Deductions	14.659.225	
Deductions from Common Equity Tier I Capital	121.982	
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	-	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	98.662	
Leasehold Improvements on Operational Leases (-)	317	
Goodwill Netted with Deferred Tax Liabilities	-	
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	12.754	
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-	
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	
Securitization gains	-	
Unrealized gains and losses from changes in bank's liabilities' fair values due to changes in creditworthiness	-	
Net amount of defined benefit plans	10.249	
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-	
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	
Total of Net Long Positions of the Investments in Core Capital Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Current Period Amount	Amount as per the regulation before 1/1/2014 ^(*)
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital	-	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Exceeding Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-	-
Mortgage Servicing Rights not deducted (-)	-	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-	-
Total Deductions from Common Equity Tier I Capital	121.982	
Total Common Equity Tier I Capital	14.537.243	
ADDITIONAL TIER I CAPITAL	2.235.705	
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	2.235.705	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	2.235.705	
Deductions from Additional Tier 1 Capital	-	
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-	-
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in 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 above 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 to be defined by the BRSA (-)	-	-
Items to be Deducted from Tier 1 Capital during the Transition Period	-	

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Current Period Amount	Amount as per the regulation before 1/1/2014 ^(*)
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	-	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions from Additional Tier I Capital	-	
Total Additional Tier I Capital	2.235.705	
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	16.772.948	
TIER II CAPITAL	3.447.891	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	2.901.759	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	546.132	
Total Deductions from Tier II Capital	3.447.891	
Deductions from Tier II Capital	-	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the 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 above Tier I Capital (-)	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	3.447.891	
Total Equity (Total Tier I and Tier II Capital)	20.220.839	
The sum of Tier I Capital and Tier II Capital (Total Capital)	20.220.839	
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	-	
Net Book Values of Movables and Immovable's Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-	
Other items to be Defined by the BRSA (-)	-	
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Current Period Amount	Amount as per the regulation before 1/1/2014 ^(*)
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
CAPITAL	20.220.839	
Total Capital (Total of Tier I Capital and Tier II Capital)	20.220.839	
Total Risk Weighted Assets	112.236.560	
CAPITAL ADEQUACY RATIOS		
Common Equity Tier I Capital Ratio (%)	12,95	
Tier I Capital Ratio (%)	14,94	
Capital Adequacy Ratio (%)	18,02	
BUFFERS		
Bank-specific total Common Equity Tier I Capital Ratio	2,500	
Capital conservation buffer requirement (%)	2,500	
Bank systematic countercyclical buffer requirement (%)	-	
Systemically important bank buffer requirement (%)	-	
Additional Common Equity Tier I Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	8,45	
Amounts Lower Than Excesses as per Deduction Rules	117.530	
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	117.530	
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-	
Remaining Mortgage Servicing Rights	-	
Net Deferred Tax Assets arising from Temporary Differences	-	
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per ten thousand)	546.132	
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	546.132	
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	
Debt Instruments Covered by Temporary Article 4 (effective between 1 January 2018-1 January 2022)	-	
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Prior Period	Amounts related to treatment before 1/1/2014 (*)
COMMON EQUITY TIER I CAPITAL	11.403.271	
Paid in Capital to be Entitled for compensation after all Creditors	9.270.000	
Share Premium	-	
Legal Reserves	492.361	
Other Comprehensive Income according to TAS	149.296	
Profit	1.511.388	
Net Current Period Profit	1.511.388	
Prior Years' Profit	-	
Bonus shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-	
Common Equity Tier I Capital Before Deductions	11.423.045	
Deductions From Common Equity Tier I Capital	19.774	
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS	-	
Leasehold Improvements on Operational Leases	-	
Goodwill and Intangible Assets and Related Deferred Tax Liabilities	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	10.187	
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Net defined benefit plan assets	9.587	
Investments in own common equity	-	
Shares obtained against Article 56, Paragraph 4 of the Banking Law	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial institutions where the Banks does not own 10% or less of the Issued share Capital Exceeding the 10% Threshold of above Tier 1 Capital	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial institutions where the Banks does not own 10% or less of the Issued share Capital Exceeding the 10% Threshold of above Tier 1 Capital	-	

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Prior Period	Amounts related to treatment before 1/1/2014 ^(*)
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier 1 Capital	-	
Net Deferred tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier 1 Capital	-	
Amount Exceeding the 15% Threshold of Tier 1 Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	-	
The Portion of Net Portion of the Investments in Equity of Unconsolidated Banks and Financial Institutions where the Bank own 10% or more of the Issues Share Capital Not Deducted from Tier I Capital	-	
Mortgage Servicing Rights not deductions	-	
Excess Amount arising from Deferred Tax Assets from Temporary Differences	-	
Other Items to be Defined by the BRSA	-	
Deductions from Tier 1 Capital in cases where there are no adequate Additional Tier 1 or Tier II Capitals	-	
Total Deductions from Common Equity Tier I Capital	19.774	
Total Common Equity Tier I Capital	11.403.271	
ADDITIONAL TIER I CAPITAL	1.357.680	
Preferred Stock not Included in Tier I Capital and the related Share Premiums	-	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	1.357.680	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Temporary Article 4)	-	
Additional Tier I Capital before Deductions	1.357.680	
Deductions from Additional Tier 1 Capital	-	
Direct and Indirect Investments of the Bank on its own Additional Core Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in the Equity Items of Unconsolidated Banks and Financial Institutions where the Bank own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
Total of Net Long Positions of the Direct and Indirect Investments in Additional Tier I Capital of Unconsolidated Banks of Financial Institutions where the Banks owns more than 10% of the Issued Share Capital	-	
Other Items to be Defined by the BRSA	-	
Items to be Deducted from Tier 1 Capital during the Transition Period	-	

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Prior Period	Amounts related to treatment before 1/1/2014 ^(*)
Goodwill and other Intangible Assets and Related Deferred taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	-	
Net Deferred Tax Assets/Liabilities not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	-	
Deductions from Additional Core Capital in cases where there are no adequate Tier II Capital	-	
Total Deductions from Additional Tier I Capital	-	
Total Additional Tier I Capital	1.357.680	
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	12.760.951	
TIER II CAPITAL	3.383.632	
Debts Instruments and the Related Issuance Premiums Defined by the BRSA	2.901.759	
Debts Instruments and the Related Issuance Premiums Defined by the BRSA (Temporary Article 4)	-	
General Provisions (Amounts stated in the first paragraph of article 8 of the Regulation on Equities of Banks)	481.873	
Total Deductions from Tier II Capital	3.383.632	
Deductions from Tier II Capital	-	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank own 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	
Other Items to be Defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	3.383.632	
Total Equity (Total Tier I and Tier II Capital)	16.144.583	
The sum of Tier I Capital and Tier II Capital (Total Capital)	16.144.583	
Loans Granted against the Article 50 and 51 of the Banking Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for sale but Retained more than Five Years	-	
Other Items to be Defined by the BRSA	-	
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Prior Period	Amounts related to treatment before 1/1/2014 (*)
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 st and 2 nd Paragraph of the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
CAPITAL	16.144.583	
Total capital	16.144.583	
Total risk weighted items	80.656.129	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	14,14	
Tier I Capital Adequacy Ratio (%)	15,82	
Capital Adequacy Standard Ratio (%)	20,02	
BUFFERS		
Total buffer requirement	2,50	
Capital conservation buffer requirement (%)	2,50	
Bank specific countercyclical buffer requirement (%)	-	
Systemically important bank buffer requirement (%)	-	
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 (%)	9,64	
Amounts Lower than Excesses as per Deduction Rules	95.532	
Remaining Total of the 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	95.532	
Remaining Total of the Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or more of the Issued Share Capital	-	
Remaining Mortgage Servicing Rights	-	
Net Deferred Tax Assets arising from Temporary Differences	-	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	481.873	
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	481.873	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

Information about the instruments to be included in the capital adequacy calculation:	
Issuer	Türkiye İhracat Kredi Bankası AŞ
Instrument code (CUSIP, ISIN etc.)	TRSEXIM92818
Legislation to which the instrument is subject to	BRSA ve CMB Legislation
Estimated status in equity calculation	
Since 1 January 2015, being subjected to consideration by reducing it by 10%	No
Eligible at unconsolidated / consolidated	Consolidated and unconsolidated basis is taken into account.
Type of instrument	Private Sector Bond
Amount considered in equity calculation (As of the latest reporting date – TL Million)	2.902
Nominal value of the instrument (TL Million)	2.902
Account number in trial balance	3460110
Date of issue of the instrument	27 September 2018
The maturity structure of the instrument (Demand / Forward)	Forward
Starting maturity of the instrument	27 September 2018
Whether the issuer has the right of reimbursement due to BRSA approval	Has an early redemption option at the end of the fifth year
Reimbursement option date, contingent repayment options and refundable amount	The Bank will be able to use the early redemption option based on BRSA approval, five years after the date of issue.
Subsequent reimbursement option dates	-
Interest/dividend payments	
Fixed or variable interest/dividend payments	Fixed Coupon
Interest rate and index value for interest rate	12,5449%
Whether there are any restrictions that stop the payment of dividends	None.
Fully optional, partially optional or mandatory	None.
Whether there is an element that will encourage repayment, such as increase in the interest rate	None.
Being cumulative or noncumulative	None.
The ability to be converted into shares	
Triggering events / events that can cause a conversion if converted to a stock	None.
Full or partial conversion if convertible	None.
If convertible, conversion rate	None.
If convertible, mandatory convertible or optionally convertible	None.
Convertible instrument types if converted to stock	None.
Issuer of the debt instrument to be converted if it can be converted into a stock	None.
Value reduction feature	
Trigger events / events that will cause a reduction if it has a value reduction feature	None.
Total or partial value reduction if value reduction is available	None.
Temporary or permanent if it has a value reduction feature	None.
Value increment if the value can be temporarily reduced	None.
In which order in terms of the right to take in the case of liquidation (Instrument just above this instrument)	After borrowings before additional Tier-1 capital
Whether subject to requirements of Articles 7 and 8 of the Regulation on Equity of Banks	It has the requirements of article 8 of the Regulation.
Define if subject to requirements of Articles 7 and 8 of the Regulation on Equity of Banks	It does not have the requirements of article 7 of the Regulation.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

Information about the instruments to be included in the capital adequacy calculation:	
Issuer	Türkiye İhracat Kredi Bankası A.Ş.
Instrument code (CUSIP, ISIN etc.)	-
Legislation to which the instrument is subject to	BRSA Legislation
Estimated status in equity calculation	
Since 1 January 2015, being subjected to consideration by reducing it by 10%	No
Eligible at unconsolidated / consolidated	Consolidated and unconsolidated basis is taken into account.
Type of instrument	Loan that can be Included in Additional Tier I Capital Calculation
Amount considered in equity calculation (As of the latest reporting date - Million TL)	2.235,7
Nominal value of the instrument (Million TL)	2.235,7
Account number in trial balance	34700010
Date of issue of the instrument	24 April 2019
The maturity structure of the instrument (Demand / Forward)	Forward
Starting maturity of the instrument	24 April 2019
Whether the issuer has the right of reimbursement due to BRSA approval	Has an early redemption option at the end of the fifth year
Reimbursement option date, contingent repayment options and refundable amount	The Bank will be able to use the early redemption option based on BRSA approval, five years after the date of issue.
Subsequent reimbursement option dates	-
Interest/dividend payments	
Fixed or variable interest/dividend payments	Fixed Coupon
Interest rate and index value for interest rate	4,61% (Compound)
Whether there are any restrictions that stop the payment of dividends	None.
Fully optional, partially optional or mandatory	None.
Whether there is an element that will encourage repayment, such as increase in the interest rate	None.
Being cumulative or noncumulative	None.
The ability to be converted into shares	
Triggering events / events that can cause a conversion if converted to a stock	None.
Full or partial conversion if convertible	None.
If convertible, conversion rate	None.
If convertible, mandatory convertible or optionally convertible	None.
Convertible instrument types if converted to stock	None.
Issuer of the debt instrument to be converted if it can be converted into a stock	None.
Value reduction feature	
Trigger events / events that will cause a reduction if it has a value reduction feature	Capital adequacy ratio or Consolidated Capital adequacy rate to fall below 5,125 percent
Total or partial value reduction if value reduction is available	Totally or partially
Temporary or permanent if it has a value reduction feature	Temporary
Value increment if the value can be temporarily reduced	None
In which order in terms of the right to take in the case of liquidation (Instrument just above this instrument)	After borrowings before additional Tier-1 capital
Whether subject to requirements of Articles 7 and 8 of the Regulation on Equity of Banks	It has the requirements of article 7 of the Regulation.
Define if subject to requirements of Articles 7 and 8 of the Regulation on Equity of Banks	It has the requirements of article 7 of the Regulation.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on credit risk

As the Bank does not accept deposits, it is not subject to the provisions of Article 77 of the Banking Act No. 5411. However, the Bank applies general loan restrictions stated in the 54th article of the Banking Law.

Limit controls on the basis of the company and bank, financial statements provided for the related credits, profit and loss statements as the appendix of these statements, along with cash/non-cash guarantees given for the relevant transactions are regularly inspected by the Internal Control and Monitoring Unit. Credit ratings for the credits and other receivables are followed by the Risk Analysis and Evaluation Division together with the Credit and Risk Assessment Directorate.

In accordance with the collateral policy, domestic short, medium and long term loans are based on risk of bank.

The cash and non-cash domestic bank limits for the Bank's short, medium and long-term Turkish Lira and Foreign Currency loans are approved by the Board of Directors.

The Bank's Board of Directors authorized loan extensions to real and corporate persons in the scope of the Article 5 of the Regulation for Banks' Loan Transactions ("Loan Transactions Regulation") and these authorization levels were determined as restricted by loans made available with certain collateral mentioned in the Article 5 of the Loan Transactions Regulation.

The risk limits of the foreign country loans are determined by annual programs which are approved by the SCLGC within the foreign economic policy.

Country loans are granted with the approval of the Board of Directors and the approval of the President of the Republic, Minister and the Council of Ministers, according to article 10 of Act number 4749 dated 28 March 2002 related to the regulation of Public Finance and Debt Management.

The fundamental collateral of the foreign country loans are the government guarantees of the counter country and the guarantees of banks that the Bank accepts as accredited.

The limit of a country is restricted by both the maximum limit that can be undertaken and the maximum amount that can be used annually which are determined by the Bank's Annual Program.

Each year, 60% of risks that emerge in the Short Term Export Insurance Program is transferred to international reinsurance companies under renewed agreements.

According to article 4/C of Act number 3332 that was appended by Act number 3659 and the Act number 4749 regarding the regulation of Public Financing and Debt Management dated 28 March 2002, the losses incurred by the Bank in its credit, guarantee and insurance transactions as a result of political risks are covered by the Turkish Ministry of Treasury and Finance.

The Bank reviews reports of OECD country risk groupings, reports of the members of the International Union of Credit (Berne - Union) and Investment Insurers, reports of independent credit rating institutions and the financial statements of the banks during the assessment and review of loans granted. At the same time, the Bank benefits from the reports prepared in-house related with the country loans and short-term country risk groupings.

Risks and limits of the banks and companies are monitored daily and weekly by the responsible departments.

The cash and non-cash limits of the Bank for transactions in terms of foreign currency and the other financial instruments are approved by the Board of Directors.

Business and geographic distribution of the loan risks run parallel with the export composition of Turkey and this is followed up by the Bank regularly.

Non-cash loans turned into cash loans are classified under follow-up accounts with the approval of the Loan Committee. Uncollected non-cash loans are subject to the same risk weights as cash loans and classified under the relevant follow-up accounts.

The Bank provides expected credit loss for loans and other receivables in accordance with TFRS 9.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on credit risk (Continued)

In accordance with article 4/C, which was added to the Law No. 3332 regulating the establishment of Türk Eximbank by the Law No. 3659, with the Article 10 of the Law on the Regulation of Public Finance and Debt Management numbered 4749, and pursuant to the Council of Ministers Decree No. 2009/15198, amended by the Council of Ministers Decision no 2013/5148; Receivables arising from the political risks of Turk Eximbank due to credit, insurance and guarantee activities and debts related to debt deferment are reported to the Ministry of Treasury and Finance by the end of September each year.

As of 31 December 2021, the Bank has restructured loans amounted TL 2.481.032 (31 December 2020: TL 2.785.260) from standard loans and loans under close monitoring and TL 7.519 (31 December 2020: TL 1.265) from non-performing loans which have been subject to changes in contract conditions.

Although the Bank has an exception of provision practices in accordance within the Article 21 entitled “Exceptions”, “Regulation on the Procedures and Principles for Determination of Classifications of Loans Provisions to be Set Aside (Regulation)” published in the Official Gazette no. 29750 and dated 22 June 2016 which says “specific and general provision rates for transactions made in accordance with Law No: 3332 dated 25 March 1987 are considered as zero percent”, the Bank calculates impairment and expected loss provision within the framework of TFRS 9.

The proportion of the Bank’s top 100 cash loan balances (whose risk belongs to the Bank) in total cash loans portfolio is 54% and 54% as of 31 December 2021 and 2020, respectively.

The proportion of the Bank’s top 200 cash loan balances (whose risk belongs to the Bank) in total cash loans portfolio is 68% and 68% as of 31 December 2021 and 2020, respectively.

The proportion of the Bank’s top 100 non-cash loan balances (whose risk belongs to the Bank) in total non-cash loans portfolio is 22% and 56% as of 31 December 2021 and 2020, respectively.

The proportion of the Bank’s top 200 non-cash loan balances (whose risk belongs to the Bank) in total non-cash loans portfolio is 28% and 69% as of 31 December 2021 and 2020, respectively.

As of 31 December 2021, the share of cash and non-cash receivable amounts belonging to its top 100 and 200 credit customers in the total cash and non-cash loans are 51% and 64%, respectively (31 December 2020: 54% and 68%).

The Bank grants loans only to corporate customers in line with its mandate and follows its credit portfolio under categories specified below:

	Current Period		Prior Period	
	Corporate	Personnel loans	Corporate	Personnel loans
Standard loans	284.543.261	13.324	174.649.919	13.235
Loans under close monitoring	3.008.715	-	3.881.856	-
Loans under follow-up	559.727	29	489.937	89
Gross	288.111.703	13.353	179.021.712	13.324
Expected credit loss	(649.925)	(47)	(779.505)	(89)
Net	287.461.778	13.306	178.242.207	13.235

As of 31 December 2021 and 31 December 2020, there is not any past due loans classified under standard loans and the details of the loans under close monitoring are as follows:

	Current Period	Prior Period
Past due up to 30 days	2.463.252	3.125.648
Past due 31-60 days	366.135	288.568
Past due 61-90 days	179.328	174.473
Past due 90-180 days ^(*)	-	293.167
Total	3.008.715	3.881.856

^(*)As a basis for the BRSA’s decisions dated March 17, 2020 and numbered 8948 and dated March 27, 2020 and numbered 8970, due to the disruptions in economic and commercial activities as a result of the COVID-19 epidemic, the 4th and 5th of the Regulation on the Classification of Loans and Provisions to be Set aside for them. Implementation of the 90-day delay period of 180 days for the non-performing loans classification within the scope of Articles 5; With the announcement made on 16 September 2021, 1st stage loans with a delay period of more than 31 days and not exceeding 90 days, as of October 1, 2021, and for loans exceeding 91 days and not exceeding 180 days, have been made possible. It has been decided to end flexibility as of the end of September 30, 2021, excluding Stage 2 loans with overdue period.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on credit risk (Continued)

Loan rating policy of the Bank

Risk evaluation of banks and other financial institutions:

The Bank requests independent auditor's report (financial statements and notes) and net foreign currency position from banks and other financial institutions on a quarterly basis.

Financial statement information derived from the independent audit or review reports of banks and other financial institutions is recorded to a database into a standard format and percentage changes and ratios related with capital adequacy, asset quality, liquidity and profitability of banks and other financial institutions are calculated. In addition, the standard ratio percentages for capital adequacy, asset quality, liquidity and profitability ratios are redefined periodically considering the operations of the banking groups and acceptable intervals for standards ratios are defined.

In relation with the standard ratios, the financial analysis groups are defined by assigning grades from 1 to 4 to banks and other financial institutions. Group with grade 1 consists of the lowest risk profile of banks and financial institutions and group with grade 4 consists of the highest risk profile of banks and financial institutions.

Based on financial analysis groups of banks and other financial institutions, evaluation of some subjective criteria such as shareholding structure, firms of the group if they belong to a group, developments related to the center in foreign bank status, notes received from international rating agencies, management quality and information obtained from media ultimate risk groups are determined.

Key Sectors / Counterparties	Loans		Provisions
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	Expected Credit Loss
Agriculture	2.412	2.882	2.883
Farming and Stockbreeding	2.412	2.882	2.883
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	1.834.979	312.599	317.066
Mining and Quarrying	149	3.330	3.330
Production	1.833.908	308.164	312.631
Electricity, Gas and Water	922	1.105	1.105
Construction	632.286	35.661	36.885
Services	538.747	198.394	198.720
Wholesale and Retail Trade	168.003	186.101	186.205
Accommodation and Dining	15.780	785	805
Transportation and Telecom.	9.901	11.216	11.226
Financial Institutions	-	292	292
Real Estate and Rental Services	-	-	-
Professional Services	-	-	-
Educational Services	-	-	-
Health and Social Services	345.063	-	192
Other	291	10.220	10.216
Total	3.008.715	559.756	565.770

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on credit risk (Continued)

As of 31 December 2021, loans granted by the Bank to domestic banks and other financial institutions amount to TL 19.152.303 (31 December 2020: TL 12.980.432). The concentration levels of the loans to Banks and other financial institutions in accordance with the defined financial analysis groups of the Bank are as follows:

			Current Period	Prior Period
		Rating Class	Concentration Level	Concentration Level
	Rating Groups		(%)	(%)
Low	A-B	1 – 6	87	85
Medium	C-D	6 – 8	12	14
High	E	8 - 10	1	1

The risk evaluation of companies:

In the risk evaluation of the companies, the Bank obtains financial and organizational information both from the companies and also from various sources (such as CBRT records, Trade Registry Gazette, Chamber of Trade records, information obtained from the Undersecretariat of Foreign Trade, Banks, companies operating in the same sector) and uses comprehensive investigation and verification methods. In addition to the analysis of last three year financial statements of companies, the Bank also analyzes the current status of the sectors in which the companies operate, economic and political changes affecting the target sectors in the international markets, the advantages and disadvantages of the companies compared to their rival companies operating in or outside Turkey. In case the company is a member of a group of companies not organized as holding companies, the developments that affect the group's operations are monitored and outstanding bank debts of group are also assessed and company analysis reports are prepared taking into account the group risk as well. The Bank does not utilize a separate rating system regarding the risk assessment of the companies.

The Bank's maximum exposure to credit risk as of 31 December 2021 and 31 December 2020:

	Current Period	Prior Period
Banks	5.851.411	4.988.113
Interbank money market placements	2.329.447	1.688.243
Loans to domestic banks and other financial institutions	19.152.303	12.980.432
Loans to foreign banks and other financial institutions	9.781.508	6.209.649
Loans to companies and individuals	259.191.245	159.844.955
Financial assets at fair value through other comprehensive income	1.391.467	805.309
Financial assets at fair value through profit or loss	178.275	153.454
Trading derivative financial assets	40.982	26.224
Financial assets measured at amortised cost	9.957.445	10.639.077
Other assets ^(*)	3.842.126	2.657.686
Credit risk exposures relating to off-balance sheet items:		
Financial guarantees	26.067.008	11.990.878
Commitments	-	-
Total	337.783.217	211.984.020

(*) Intangible assets and expected credit losses are not included.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on credit risk (Continued)

The Risk Profile According to Substantial Regions

		Risk Groups ^(*)																	
	Current Period	Conditional or Unconditional Receivables from Central Administrations or Central Banks	Conditional or Unconditional Receivables from Regional Administrations or Local Administrations	Conditional or Unconditional Receivables from Administrative Units and Non-commercial Ventures	Conditional or Unconditional Receivables from Multi-lateral Development Banks	Conditional or Unconditional Receivables from International Organizations	Conditional or Unconditional Receivables from Banks and Intermediary Institutions	Conditional and Unconditional Corporate Receivables	Conditional and Unconditional Retail Receivables	Conditional and Unconditional Receivables Collateralized with Real Estate	Non-performing Receivables	Receivables determined to have high levels of risk by the Board	Securities with Mortgage Guarantees	Securitization Positions	Current Receivables from Banks and Intermediary Institutions and Current Corporate Receivables	Investments in the Nature of Collective Investment Organization	Shares	Other Receivables (net)	Total
1	Domestic	24.303.911	-	-	-	-	66.354.126	225.850.655	7.867.680	92.123	-	-	-	-	-	-	190.530	2.028.691	326.687.716
2	European Union Countries	-	-	-	-	-	713.117	6.439.661	953.887	-	-	-	-	-	-	-	-	-	8.106.665
3	OECD Countries	-	-	-	-	-	535	2.163.401	298.925	-	-	-	-	-	-	-	-	-	2.462.861
4	Offshore Banking Regions	-	-	-	-	-	-	232.633	21.614	-	-	-	-	-	-	-	-	-	254.247
5	USA, Canada	-	-	-	-	-	1.657.695	1.032.823	85.293	-	-	-	-	-	-	-	-	-	2.775.811
6	Other Countries	6.342.874	-	-	-	-	334.623	3.719.909	401.679	-	-	-	-	-	-	-	-	-	10.799.085
7	Affiliate, Subsidiary and Jointly Controlled Partnerships	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Undistributed Assets/Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Total	30.646.785	-	-	-	-	69.060.096	239.439.082	9.629.078	92.123	-	-	-	-	-	-	190.530	2.028.691	351.086.385

^(*) EU countries, OECD countries except USA and Canada

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on credit risk (Continued)

The Risk Profile According to Substantial Regions (Continued)

		Risk Groups ^(*)																
	Conditional or Unconditional Receivables from Central Administrations or Central Banks	Conditional or Unconditional Receivables from Regional Administrations or Local Administrations	Conditional or Unconditional Receivables from Administrative Units and Non-commercial Ventures	Conditional or Unconditional Receivables from Multi-lateral Development Banks	Conditional or Unconditional Receivables from International Organizations	Conditional or Unconditional Receivables from Banks and Intermediary Institutions	Conditional and Unconditional Corporate Receivables	Conditional and Unconditional Retail Receivables	Conditional and Unconditional Receivables Collateralized with Real Estate	Non-performing Receivables	Receivables determined to have high levels of risk by the Board	Securities with Mortgage Guarantees	Securitization Positions	Current Receivables from Banks and Intermediary Institutions and Current Corporate Receivables	Investments in the Nature of Collective Investment Organization	Shares	Other Receivables (net)	Total
Prior Period																		
1 Domestic	16.941.924	-	-	-	-	53.541.352	171.609.950	6.171.818	122.743	204	-	-	-	-	-	95.532	2.170.709	250.654.232
2 European Union Countries	-	-	-	-	-	1.076.316	3.687.070	678.063	-	-	-	-	-	-	-	-	-	5.441.449
3 OECD Countries	-	-	-	-	-	612	1.261.567	209.877	-	-	-	-	-	-	-	-	-	1.472.056
4 Offshore Banking Regions	-	-	-	-	-	-	139.859	22.892	-	-	-	-	-	-	-	-	-	162.751
5 USA, Canada	-	-	-	-	-	226.532	572.836	69.668	-	-	-	-	-	-	-	-	-	869.036
6 Other Countries	5.434.138	-	-	-	-	258.813	2.567.844	319.915	-	-	-	-	-	-	-	-	-	8.580.710
7 Affiliate, Subsidiary and Jointly Controlled Partnerships	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Undistributed Assets/Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Total	22.376.062	-	-	-	-	55.103.625	179.839.126	7.472.233	122.743	204	-	-	-	-	-	95.532	2.170.709	267.180.234

^(*) EU countries, OECD countries except USA and Canada

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on credit risk (Continued)

The Risk Profile According to Sector or Third Party

	Conditional or Unconditional Receivables from Central Administrations or Central Banks	Conditional or Unconditional Receivables from Regional Administrations or Local Administrations	Conditional or Unconditional Receivables from Administrative Units and Non-commercial Ventures	Conditional or Unconditional Receivables from Multi-lateral Development Banks	Conditional or Unconditional Receivables from International Organizations	Conditional or Unconditional Receivables from Banks and Intermediary Institutions	Conditional and Unconditional Corporate Receivables	Conditional and Unconditional Retail Receivables	Conditional and Unconditional Receivables Collateralized with Real Estate	Non-performing Receivables	Receivables determined to have high levels of risk by the Board	Securities with Mortgage Guarantees	Securitization Positions	Current Receivables from Banks and Intermediary Institutions and Current Corporate Receivables	Investments in the Nature of Collective Investment Organization	Shares	Other Receivables (net)	TL	FC	Total
1 Agriculture	-	-	-	-	-	1,725,479	24,147,495	846,600	9,945	-	-	-	-	-	-	-	-	2,050,461	24,679,058	26,729,519
1.1 Farming and Livestock	-	-	-	-	-	1,317,575	18,439,017	646,464	7,594	-	-	-	-	-	-	-	-	1,565,731	18,844,919	20,410,650
1.2 Forestry	-	-	-	-	-	183,506	2,568,098	90,036	1,058	-	-	-	-	-	-	-	-	218,068	2,624,630	2,842,698
1.3 Fishery	-	-	-	-	-	224,398	3,140,380	110,100	1,293	-	-	-	-	-	-	-	-	266,662	3,209,509	3,476,171
2 Industry	-	-	-	-	-	8,169,116	114,324,010	4,008,150	47,082	-	-	-	-	-	-	-	-	9,707,712	116,840,646	126,548,358
2.1 Mining and Quarry Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Manufacturing Industry	-	-	-	-	-	7,629,446	106,771,510	3,743,363	43,972	-	-	-	-	-	-	-	-	9,066,399	109,121,892	118,188,291
2.3 Electric, Gas and Water	-	-	-	-	-	539,670	7,552,500	264,787	3,110	-	-	-	-	-	-	-	-	641,313	7,718,754	8,360,067
3 Construction	6,342,874	-	-	-	-	1,090,885	15,266,565	535,239	6,287	-	-	-	-	-	-	-	-	1,296,346	21,945,504	23,241,850
4 Services	-	-	-	-	-	49,619,705	56,500,725	1,980,890	23,269	-	-	-	-	-	190,530	-	-	14,087,121	94,227,998	108,315,119
4.1 Wholesale and retail trade	-	-	-	-	-	1,148,022	16,066,182	563,273	6,617	-	-	-	-	-	-	-	-	1,364,244	16,419,850	17,784,094
4.2 Hotel and Restaurant Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.3 Transportation and Communications	-	-	-	-	-	2,838,630	39,725,659	1,392,764	16,360	-	-	-	-	-	-	-	-	3,373,266	40,600,147	43,973,413
4.4 Financial institutions	-	-	-	-	-	45,582,399	-	-	-	-	-	-	-	-	190,530	-	-	9,289,417	36,483,512	45,772,929
4.5 Real Estate and Leasing Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.6 Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.7 Training Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.8 Health and Social Services	-	-	-	-	-	50,654	708,884	24,853	292	-	-	-	-	-	-	-	-	60,194	724,489	784,683
5 Other	24,303,911	-	-	-	-	8,454,911	29,200,287	2,258,199	5,540	-	-	-	-	-	-	-	2,028,691	5,421,929	60,829,610	66,251,539
6 Total	30,646,785	-	-	-	-	69,060,096	239,439,082	9,629,078	92,123	-	-	-	-	-	190,530	-	2,028,691	32,563,569	318,522,816	351,086,385

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

II. Explanations on credit risk (Continued)

Distribution of the Risks related to Maturity by Remaining Periods to Maturity

Risk Groups	Remaining Period to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	More than 1 year
Conditional or Unconditional Receivables from Central Administrations or Central Banks	9.054.469	1.826.550	-	-	19.765.766
Conditional or Unconditional Receivables from Regional Administrations or Local Administrations	-	-	-	-	-
Conditional or Unconditional Receivables from Administrative Units and Non-commercial Ventures	-	-	-	-	-
Conditional or Unconditional Receivables from Multi-lateral Development Banks	-	-	-	-	-
Conditional or Unconditional Receivables from International Organizations	-	-	-	-	-
Conditional or Unconditional Receivables from Banks and Intermediary Institutions	46.475.596	2.360.906	1.720.373	5.582.064	12.921.157
Conditional and Unconditional Corporate Receivables	63.706.230	29.547.261	59.200.940	34.737.014	52.247.637
Conditional and Unconditional Retail Receivables	3.160.417	886.257	1.114.259	1.957.734	2.510.411
Conditional and Unconditional Receivables Guaranteed with Real Estate Mortgages	-	691	3.285	1.739	86.408
Non-performing Receivables (Net)	-	-	-	-	-
Receivables determined to have high levels of risk by the Board	-	-	-	-	-
Securities with Mortgage Guarantees	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Current Receivables from Banks and Intermediary Institutions and Current Corporate Receivables	-	-	-	-	-
Investments in the Nature of Collective Investment Organization	-	-	-	-	-
Shares	190.530	-	-	-	-
Other Receivables(net)	2.028.691	-	-	-	-

There are not any credit rating company or export credit agency assigned.

Risk Amounts by Risk Weights

Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	Mitigation in Shareholders' Equity
The amount before credit risk mitigation	125.311.667	-	8.235.075	-	13.446.114	4.929.764	101.089.187	3.287	-	121.982
The amount after credit risk mitigation	128.136.153	-	8.235.075	15.635	18.165.830	2.766.354	95.692.760	3.287	-	121.982

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

III. Explanations on currency risk

1. If the parent bank is subject to the exchange risk, the effects of such occurrence are estimated and the Board of Directors determines the limits regarding the positions monitored daily

The Bank's foreign exchange position is followed daily and the transactions are performed in accordance with the expectations in the market and within the limits determined by the Risk Management Principles approved by the Board of Directors of the Bank.

2. The scale of the hedging performed through hedge-oriented derivatives for debt instruments in foreign currency and net foreign currency investments

The basic principle for foreign currency assets and liabilities is to secure a balance between currency type, maturity and interest type. For this purpose, borrowing strategies are determined in accordance with the Bank's asset structure to the extent possible. When this determination is not possible, the Bank aims to change the asset structure or utilize derivative instruments such as swap, forward, option. The majority of the Bank's foreign currency assets are denominated in US Dollars and Euros, and their funding is realized in US Dollar and Euro borrowings.

	TL	USD	GBP	EURO	JPY	Total
TRADING DERIVATIVE FINANCIAL INSTRUMENTS	-	2.619.142	62.334	2.512.996	1.308	5.195.780
Forward Transactions	-	-	-	-	-	-
Forward Foreign Exchange Purchase Transactions	-	-	-	-	-	-
Forward Foreign Exchange Sell Transactions	-	-	-	-	-	-
Swap Transactions	-	2.619.142	62.334	2.512.996	1.308	5.195.780
Swap Money Purchase Transactions FC - TL	-	-	-	-	-	-
Swap Money Purchase Transactions FC-FC	-	2.619.142	-	-	-	2.619.142
Swap Money Sale Transactions FC-TL	-	-	-	-	-	-
Swap Money Sale Transactions FC-FC	-	-	62.334	2.512.996	1.308	2.576.638
Swap Interest Purchase Transactions FC-FC	-	-	-	-	-	-
Swap Interest Sale Transactions FC-FC	-	-	-	-	-	-
Option Purchase Transactions	-	-	-	-	-	-
Money Purchase of Options	-	-	-	-	-	-
Money Sale of Options	-	-	-	-	-	-
HEDGING DERIVATIVE FINANCIAL INSTRUMENTS	-	40.433.261	-	26.757.362	-	67.190.623
Forward Transactions	-	-	-	-	-	-
Forward Foreign Exchange Purchase Transactions	-	-	-	-	-	-
Forward Foreign Exchange Sell Transactions	-	-	-	-	-	-
Swap Transactions	-	40.433.261	-	26.757.362	-	67.190.623
Swap Money Purchase Transactions	-	27.246.761	-	-	-	27.246.761
Swap Money Sale Transactions	-	-	-	26.757.362	-	26.757.362
Swap Interest Purchase Transactions	-	6.593.250	-	-	-	6.593.250
Swap Interest Sale Transactions	-	6.593.250	-	-	-	6.593.250
TOTAL	-	43.052.403	62.334	29.270.358	1.308	72.386.403

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

III. Explanations on currency risk (Continued)

2. The scale of the hedging performed through hedge-oriented debt instruments in foreign currency and net foreign currency investments (Continued)

Fair value hedge accounting

TFRS 9 permits to defer application of TFRS 9 hedge accounting and continue to apply hedge accounting in accordance with TAS 39 as a policy choice. Accordingly, the Bank continue to apply hedge accounting in accordance with TAS 39 in this context.

The Bank uses “Fair Value Hedge Accounting” as of the balance sheet date starting from 1 January 2013.

Financial derivatives which are used for Fair Value Hedge Accounting are cross currency and interest swap transactions.

	31 December 2021		
	Principal ⁽¹⁾	Asset	Liability
Derivative Financial Instruments			
Swaps	44.286.238	1.401.707	18.943
Total	44.286.238	1.401.707	18.943

⁽¹⁾ Sum of purchase and sale.

The method of derivatives’ fair value measurement shown above is explained in the accounting policy in Section Three Note III.

- The Bank has subjected the bond with the amount of USD 500 million, issued in September 2017 with a maturity of five years and a fixed interest payment rate of 4,25% per six months, to hedge accounting by cross currency swap transactions in September 2017.
- The bond with the amount of USD 500 million, issued in September 2014 with a maturity of seven years and a fixed interest payment rate of 5% per six months, is subjected to hedge accounting by cross currency swap transactions in April 2018.
- The bond with the amount of USD 500 million issued in May 2018 with a maturity of six years and a fixed interest payment rate of 6,125% per six months, is subjected to hedge accounting by cross currency swap transactions in May 2018. The Bank has signed a partial termination agreement dated 28 February 2020 and 13 May 2020 and has subjected USD 250 million and USD 50 million of this cross currency swap subject to hedge accounting to partial termination, respectively.
- The bond with the amount of USD 500 million, issued in January 2019 with a fixed interest payment rate of 8,250% per six months, is subjected hedge accounting by cross currency swap transactions in January 2019.

Also, changes in fair value of USD debt securities, issued in February 2016 and in October 2016 amounting to USD 500 million, with 5 years and 7 years maturities, respectively, with 5% and 5,375% fixed interest rates, arising from fluctuation in Libor interest rates are hedged by applying fair value hedge accounting with interest rate swap transactions.

The impact of fair value hedge accounting is summarized below:

31 December 2021					
Hedging instrument	Hedged items	Hedged risk	Net fair value of hedged items		Amount of hedge funds
			Asset	Liability	
Interest rate swaps	Issued securities denominated in USD with fixed interest rate	Fixed interest rate risk	101.802	-	-
Cross Currency Swap Transactions	Fixed interest rate US dollar debt securities	Currency and interest rate risk	1.299.905	18.943	-

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

III. Explanations on currency risk (Continued)

2. The scale of the hedging performed through hedge-oriented derivatives for debt instruments in foreign currency and net foreign currency investments (Continued)

Fair value hedge accounting (Continued)

The Bank evaluates the effectiveness of the hedge accounting at initial date and at every reporting period. Effectiveness test is performed by using “Dollar off-set method”.

Changes in fair values of derivative transactions determined as hedge for fair value are recorded in profit or loss together with changes in hedging asset or liability. The difference in current values of derivative transactions subject to fair value hedge is shown in “Profit/Losses from Derivative Financial Transactions” account. In the balance sheet, change in fair value of hedge asset or liability during the hedge accounting to be effective is shown with the related asset or liability. If the underlying hedge does not conform to the hedge accounting requirements, according to the adjustments made to the carrying value (amortized cost) of the hedged item, for which the risk is hedged by a portfolio hedge, which are amortized with the straight line method within the time to maturity and recognized under “Profit/Losses from Derivative Financial Transaction” account in the statement of profit or loss.

At the inception date, the Bank documents the relationship between the hedging instruments and hedged items required by the fair value hedge accounting in accordance with TAS 39 and its own risk management policies and principles. Every individual relationship is approved and documented in the same way in accordance with the Bank’s risk management policies. Effectiveness tests were chosen among methods allowed within the context of TAS 39 in accordance with the Bank’s risk management policies. The Bank’s assumptions, which used for determining fair values of derivative instruments, were used while calculating fair value of hedged items on the effectiveness tests. The effectiveness tests are performed and effectiveness of risk relations are measured on a monthly basis. The effectiveness tests are performed rewardingly at the beginning of risk relations. If the management voluntarily decides to discontinue the hedging relation or the hedging instrument is sold or closed before its maturity, in the context of the fair value hedge, adjustments on the carrying value of the hedged item is reflected on the on “Profit/Losses from Derivative Financial Transactions” account by using straight line method of amortization.

Cash flow hedge accounting

Starting from 13 August 2015, the Bank applies “Cash Flow Hedge” accounting.

Financial derivatives which are used for Cash Flow Hedge Accounting are cross currency swaps.

	31 December 2021		
	Principal ⁽¹⁾	Asset	Liability
Derivative Financial Instruments			
Cross Currency Swap Interest Transactions	22.904.385	96.400	97.397
Total	22.904.385	96.400	97.397

⁽¹⁾ Sum of purchase and sale.

The method for cash flow hedge presented above is explained in the accounting policies mentioned in Section Three, Note III.

The impact of cash flow hedge accounting is summarized below:

31 December 2021		Hedged Risk	Fair value of hedging instrument		Amount at hedging account
Hedging Instrument	Hedged Asset and Liability		Asset	Liability	
Cross Currency Swap Transactions	Fixed interest rate US Dollar debt securities	Currency and Interest Rate Risk	96.400	97.397	73.439

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

III. Explanations on currency risk (Continued)

2. The scale of the hedging performed through hedge-oriented derivatives for debt instruments in foreign currency and net foreign currency investments (Continued)

Cash flow accounting (Continued)

At the inception date, the Bank documents the relationship between the hedging instruments and hedged items required by the cash flow hedge accounting application in accordance with TAS 39 and its own risk management policies and principles. Every individual relationship is approved and documented in the same way. In accordance with the Bank's risk management policies. The effectiveness tests are performed on a monthly basis. If the management voluntarily decides to discontinue the hedging relation or the hedging instrument is sold or closed before its maturity, the cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs or is no longer expected to occur the net cumulative gain or loss is reclassified from other comprehensive income to "Profit/Losses from Derivative Financial Transactions" account in profit or loss.

There is no reclassified amount from equity to profit or loss statement from discontinued hedging transactions in the current period.

3. Policy on foreign currency risk management

The Bank has followed a balanced policy of assets and liabilities with respect to currency risk during the period. As of 31 December 2021, the Net Foreign Currency Position/Shareholders' Equity ratio is 0,40 percent and as of 31 December 2020 the ratio is 0,68 percent. Foreign currency position is followed daily by the type of foreign currency. The Bank monitors the changes in the market conditions and their effect over the activities and positions of the Bank and make decisions in line with the strategies of the Bank.

4. Approach adopted under internal capital adequacy assessment process for monitoring the adequacy of internal capital for current and future activities

Fully paid capital by the Turkish Republic Treasury, the Bank's legal capital is evaluated prospectively, in order to protect capital adequacy under some stress scenarios like rapid and largescale currency and interest rate changes the Bank calculates capital requirement. First pillar credit for calculation of legal capital adequacy, adding to market and operational risk, interest rate risk in the banking book ("IRRBB") and concentration risk are considered.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

III. Explanations on currency risk (Continued)

5. The Bank's foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date are presented below

DATE	27 December 2021	28 December 2021	29 December 2021	30 December 2021	31 December 2021
USD	11,3326	11,8186	11,8559	12,4777	13,1865
AUD	8,1901	8,5519	8,5742	9,0526	9,5721
DKK	1,7265	1,7986	1,8591	1,8989	2,0042
SEK	1,2425	1,2982	1,3062	1,3788	1,4528
CHF	12,3341	12,8729	12,9234	13,6065	14,4178
100 JPY	9,8998	10,2902	10,3177	10,8370	11,4504
CAD	8,8398	9,2333	9,2494	9,7459	10,3553
NOK	1,2763	1,3332	1,3463	1,4140	1,4924
GBP	15,1970	15,8747	15,9165	16,8087	17,8097
SAR	3,0174	3,1460	3,1570	3,3231	3,5108
EUR	12,8387	13,3751	13,3972	14,1173	14,9047
KWD	37,3890	39,0439	39,1284	41,1805	43,5198
XDR	15,8611	16,5413	16,5935	17,4638	18,4538
BGN	6,5472	6,8308	6,8302	7,2142	7,6121
100 IRR	0,0269	0,0281	0,0283	0,0297	0,0314
RON	2,5927	2,7012	2,7049	2,8518	3,0101
RUB	0,1546	0,1606	0,1609	0,1679	0,1760
CNH	1,7786	1,8551	1,8606	1,9587	2,0684

6. The simple arithmetic averages of the Bank's foreign exchange bid rates for the last thirty days preceding the balance sheet date are presented in the table below

Currency	Average December 2021
USD	13,4536
AUD	9,6235
DKK	2,0440
SEK	1,4796
CHF	14,6036
100 JPY	11,8113
CAD	10,5132
NOK	1,4971
GBP	17,8932
SAR	3,5844
EUR	15,1995
KWD	44,4038
XDR	18,8117
BGN	7,7593
100 IRR	0,0320
RON	3,0699
RUB	0,1823
CNH	2,1125

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

III. Explanations on currency risk (Continued)

7. Information related to Bank's Currency Risk

Current Period	EURO	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased)	8.793.773	2.505.435	-	11.299.208
Banks	108.190	2.460.200	59.379	2.627.769
Financial Assets at Fair Value Through Profit or Loss	-	178.275	-	178.275
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	1.266.557	-	1.266.557
Loans	159.733.848	112.031.066	1.004.958	272.769.872
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	2.556.933	4.408.949	-	6.965.882
Derivative Financial Assets for Hedging Purposes (*)	-	101.801	-	101.801
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (*)	585.473	518.492	2.245	1.106.210
Total Assets	171.778.217	123.470.775	1.066.582	296.315.574
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds from Interbank Money Market	4.227.425	2.290.256	-	6.517.681
Funds Borrowed from Other Financial Institutions (**)	136.656.060	111.667.423	981.072	249.304.555
Marketable Securities Issued (*)	-	36.755.683	-	36.755.683
Miscellaneous Payables	1.047.089	1.856.865	29.318	2.933.272
Derivative Financial Liabilities for Hedging Purposes (*)	-	-	-	-
Other Liabilities (*)	470.513	690.882	2.592	1.163.987
Total Liabilities	142.401.087	153.261.109	1.012.982	296.675.178
Net Balance Sheet Position	29.377.130	(29.790.334)	53.600	(359.604)
Net Off Balance Sheet Position	(29.270.358)	29.865.903	(63.642)	531.903
Derivative Assets	-	29.865.903	-	29.865.903
Derivative Liabilities	29.270.358	-	63.642	29.334.000
Non-Cash Loans (***)	12.185.074	12.392.215	1.009.894	25.587.183
Prior Period				
Total Assets	115.875.631	64.685.060	352.786	180.913.477
Total Liabilities	93.072.533	86.540.859	321.218	179.934.610
Net On Balance Sheet Position	22.803.098	(21.855.799)	31.568	978.867
Net Off Balance Sheet Position	(22.736.820)	21.860.401	(31.798)	(908.217)
Derivative Assets	-	29.392.582	14.173	29.406.755
Derivative Liabilities	22.736.820	7.532.181	45.971	30.314.972
Non-Cash Loans	2.599.154	9.085.749	168.354	11.853.257

(*) In accordance with the provisions of the "Regulation on Calculation and Application of Foreign Currency Net General Position / Equity Standard Ratio on a Consolidated and Unconsolidated Basis by Banks Foreign Currency Income Accruals of Derivative Financial Instrument, and hedge accounting records for these accruals (1.437.288 TL in total) and Foreign Currency Expense Accruals of Derivative Financial Instrument (116.339 TL in total) and hedge accounting records for these accruals (528.621 TL in total) for Securities Issued and 73.439 TL reflected in equity in the statement of financial position) and Prepaid Expenses (493 TL) were not taken into account in the currency risk calculation.

(**) Subordinated Debt Instruments are included in the Funds From Other Financial Institutions line.

(***) Not included in the net off-balance sheet position.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

III. Explanation on currency risk (Continued)

7. Information related to Bank's Currency Risk (Continued)

The effect of the Bank's currency positions as of 31 December 2021 and 31 December 2020 on net profit and equity under the assumption of devaluation of TL against other currencies by 10% with all other variables held constant is as follows:

	Current Period		Prior Period	
	Gain/(Loss) Effect	Effect on Equity ⁽¹⁾	Gain/(Loss) Effect	Effect on Equity ⁽¹⁾
USD	17.423	7.557	3.727	460
EUR	10.677	10.677	6.628	6.628
Other foreign currency	(1.004)	(1.004)	(23)	(23)
Total	27.096	17.230	10.332	7.065

⁽¹⁾ Effects on equity also include the effects on the profit or loss statement.

As of 31 December 2021 and 31 December 2020, the effect of the appreciation of TL by 10% against other currencies with all other variables held constant on net profit and equity of the Bank is the same as the total amount with a negative sign as presented in the above table.

IV. Explanation on interest rate risk

The Bank estimates the effects of the changes in interest rates over the profitability of the Bank by analyzing TL and foreign currency denominated interest rate sensitive assets and liabilities considering both their interest components as being fixed rate or variable rate and also analyzing their weights among the Bank's total assets and liabilities. Long or short positions (gapping report) arising from interest rate risk are determined by currency types at the related maturity intervals (1 month, 1-3 months, 3-12 months, 1-5 years and over 5 years) as of the period remaining to reprising date, considering the reprising of TL and foreign currency-denominated "interest sensitive" assets and liabilities at maturity date (for fixed rate) or at interest payment dates (for floating rate). By classifying interest sensitive assets and liabilities according to their reprising dates, Bank's exposure to possible variations in market interest rates are determined.

Since the tables showing the weighted average days to maturity of foreign currency denominated (separate for each currency and their total USD equivalent) and TL assets and liabilities are prepared periodically, the maturity differences between assets and liabilities (mismatch) are determined.

According to the Risk Management Policy approved by the Board of Directors, the Bank emphasizes the matching of foreign currency denominated assets and liabilities with fixed and floating interest rates. The Bank also pays special attention to the level of maturity mismatch of assets and liability with floating and fixed interests in order to restrict negative effects of interest rate changes on the Bank's profitability.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

IV. Explanation on interest rate risk (Continued)

1. Interest rate sensitivity of assets, liabilities and off-balance sheet items

(Periods remaining to repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Year	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	-	-	-	-	11.300.265	11.300.265
Banks	3.211.000	-	-	-	-	2.640.411	5.851.411
Financial Assets Measured at Fair Value Through Profit/Loss	-	-	-	178.275	-	-	178.275
Money Market Placements	2.207.202	112.409	9.836	-	-	-	2.329.447
Financial Assets Measured at Fair Value Reported in Other Comprehensive Income	-	-	7.380	767.855	498.701	117.531	1.391.467
Loans	27.497.765	80.234.542	175.779.557	4.053.436	-	559.756	288.125.056
Financial Assets Measured at Amortised Cost	-	1.365.009	-	6.559.265	2.033.171	-	9.957.445
Other Assets ⁽²⁾	516.240	538.725	840.963	-	-	1.348.186	3.244.114
Total Assets	33.432.207	82.250.685	176.637.736	11.558.831	2.531.872	15.966.149	322.377.480
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Funds	1.445.436	2.410.345	2.661.900	-	-	-	6.517.681
Miscellaneous Payables	-	-	-	-	-	2.964.018	2.964.018
Securities Issued	-	-	6.739.447	30.544.857	-	-	37.284.304
Other Funds	21.757.507	52.901.204	170.260.610	4.112.833	1.333.220	-	250.365.374
Other Liabilities ⁽¹⁾	27.171	29.612	282.039	2.526.272	2.901.759	19.479.250	25.246.103
Total Liabilities	23.230.114	55.341.161	179.943.996	37.183.962	4.234.979	22.443.268	322.377.480
On Balance Sheet Long Position	10.202.093	26.909.524	-	-	-	-	37.111.617
On Balance Sheet Short Position	-	-	(3.306.260)	(25.625.131)	(1.703.107)	(6.477.119)	(37.111.617)
Off-balance Sheet Long Position	9.212.392	12.096.695	15.150.066	-	-	-	36.459.153
Off-balance Sheet Short Position	(9.118.952)	(11.731.901)	(15.076.397)	-	-	-	(35.927.248)
Total Position	10.295.533	27.274.318	(3.232.591)	(25.625.131)	(1.703.107)	(6.477.119)	531.903

⁽¹⁾ In other liabilities line the "non-interest bearing" column amounting TL 19.479.250 TL includes equity amounting to TL 14.550.311 and provisions amounting to TL 743.337.

⁽²⁾ In other assets line the "non-interest bearing" column amounting TL 1.348.186 TL includes expected loss provisions amounting to TL (651.435)

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

IV. Explanation on interest rate risk (Continued)

1. Interest rate sensitivity of assets, liabilities and off-balance sheet items (Continued)

(Periods remaining to reprising dates)

Prior Period	Up to 1 month	1-3 Months	3 -12 Months	1-5 Years	Over 5 Year	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	-	-	-	-	5.005.582	5.005.582
Banks	4.893.649	-	-	-	-	94.464	4.988.113
Financial Assets Measured at Fair Value Through Profit/Loss	-	-	-	78.554	74.900	-	153.454
Money Market Placements	1.688.243	-	-	-	-	-	1.688.243
Financial Assets Measured at Fair Value Reported in Other Comprehensive Income	2.755	37.156	40.839	309.081	322.700	92.778	805.309
Loans	14.162.007	36.703.998	95.808.083	31.870.924	-	490.024	179.035.036
Financial Assets Measured at Amortised Cost	-	909.292	2.791.413	2.762.505	4.175.867	-	10.639.077
Other Assets	60.687	157.054	274.596	-	-	1.420.123	1.912.460
Total Assets	20.807.341	37.807.500	98.914.931	35.021.064	4.573.467	7.102.971	204.227.274
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Funds	-	-	1.375.566	-	-	-	1.375.566
Miscellaneous Payables	-	-	30.844	-	-	1.531.421	1.562.265
Securities Issued	-	3.990.064	3.625.951	15.337.245	-	-	22.953.260
Other Funds	9.959.343	14.344.634	105.608.589	30.718.128	-	-	160.630.694
Other Liabilities ⁽¹⁾	98.350	349.865	381.194	1.517.630	2.937.898	12.420.552	17.705.489
Total Liabilities	10.057.693	18.684.563	111.022.144	47.573.003	2.937.898	13.951.973	204.227.274
On Balance Sheet Long Position	10.749.648	19.122.937	-	-	1.635.569	-	31.508.154
On Balance Sheet Short Position	-	-	(12.107.213)	(12.551.939)	-	(6.849.002)	(31.508.154)
Off-balance Sheet Long Position	5.966.114	14.648.464	8.986.339	-	-	-	29.600.917
Off-balance Sheet Short Position	(6.307.891)	(15.106.395)	(9.416.090)	-	-	-	(30.830.376)
Total Pozisyon	10.407.871	18.665.006	(12.536.964)	-12.551.939	1.635.569	(6.849.002)	(1.229.459)

⁽¹⁾ In other liabilities line the "non-interest bearing" column amounting TL 12.420.552 TL includes equity amounting to TL 11.413.457 and provisions amounting to TL 329.341.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

IV. Explanation on interest rate risk (Continued)

2. Average interest rates for monetary financial instruments

As of 31 December 2021, average interest rates applied to monetary financial instruments are shown below;

	EUR	USD	GBP	JPY	TL
Current Period					
Assets					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	0,08	-	-	-
Banks	-	-	-	-	-
Financial Assets Measured at Fair Value Through Profit/Loss	-	7,03	-	-	-
Interbank Money Market Placements	-	-	-	-	16,88
Financial Assets Measured at FVOCI	-	6,46	-	-	4,25
Loans	1,85	1,90	0,78	-	14,92
Financial Assets Measured at Amortised Cost	8,28	5,66	-	-	6,73
Liabilities					
Bank Deposits	-	-	-	-	-
Other Deposits	-	-	-	-	-
Money Market Funds	2,11	2,2	-	-	-
Miscellaneous Payables	-	-	-	-	-
Securities Issued	-	5,99	-	-	-
Other Funds	0,27	0,70	0,11	-	11,21

As of 31 December 2020, average interest rates applied to monetary financial instruments are shown below;

	EUR	USD	GBP	JPY	TL
Prior Period					
Assets					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	-	-	-	-
Banks	1,33	0,10	-	-	17,77
Financial Assets at Fair Value Through Profit/Loss	-	6,18	-	-	-
Interbank Money Market Placements	-	-	-	-	17,40
Financial Assets Measured at FVOCI	-	6,35	-	-	-
Loans	1,17	2,11	1,77	1,26	9,11
Financial Assets Measured at Amortised Cost	1,08	4,91	-	-	9,81
Liabilities					
Bank Deposits	-	-	-	-	-
Other Deposits	-	-	-	-	-
Due to Money Markets	-	2,50	-	-	-
Miscellaneous Payables	-	-	-	-	-
Securities Issued	-	5,82	-	-	9,25
Other Funds	0,42	1,39	0,06	0,36	12,54

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

V. Explanations on position risk of equity securities

1. Assumptions, factors affecting valuation, significant changes and general information about valuation methods and accounting methods used and separation of risks according to purpose including strategic reasons and relationship between earnings presented in equity

The Bank owns 9,78% of the Garanti Faktoring A.Ş shares. At the end of the month shares are valued with the stock market value and the fair value difference is monitored in financial assets measured at fair value through other comprehensive income.

The Bank has participated in Credit Guarantee Fund (“CGF”) shares with its 1,49% shares.

In the framework of provision in the Capital Markets Law No.6362 Articles of Associations’ which express four percent of capital is transferred without charge subsequent to registration and announcement of articles of association, 15.971.094 units BIST group (C) shares, each one of BIST group C shares being worth 1 Kuruş, total amounting to TL 160 were transferred to the Bank without charge.

As of 17 January 2020, the Bank has participated in JCR Avrasya Derecelendirme A.Ş. with a share of 2,86%. Related transaction is monitored at cost.

2. Comparison with market price if the balance sheet value, the fair value and market value for publicly traded is significantly different

None.

3. Types and amounts of positions traded, private equity investments in sufficiently diversified portfolios and other risks

None.

4. Cumulative realized gains and losses resulting from the sales and liquidations during the period

There are no cumulative realized gains or losses arising from sales and liquidations made during the period.

5. Total unrealized gains and losses, total revaluation value increases and their amounts included in core and supplementary capital

	Portfolio	Realized gains/losses during the period	Revaluation value increases		Unrealized gains/losses		
			Total	Included in supplementary capital	Total	Included in the core capital	Included in supplementary capital
1	Private equity investments	-	-	-	-	-	-
2	Shares quoted to the stock market	-	-	-	-	-	-
3	Other shares	21.906	96.754	-	-	-	-
4	Total	21.906	96.754	-	-	-	-

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

V. Explanations on position risk of equity securities (Continued)

6. The bank has chosen a capital requirement calculation method as stated in the official statements concerning credit risk standard qualifications and internal-based rating approach to credit risk total has affected the stock investments diffraction

The Bank does not have investment in associates or subsidiaries quoted on BIST. According to credit positions in banking accounts standard approach, stock investments amounting to TL 117.530 thousand are 100% risk weighted (31 December 2020: Stock investments amounting to TL 95.532 are 100% risk weighted).

VI. Explanations on liquidity risk and liquidity coverage ratio

a) The Bank's risk capacity is the legal limits stipulated by the BRSA Regulation on the Measurement and Evaluation of Liquidity Adequacy of Banks. General policy of the Bank's liquidity risk, cost-effective in amounts that can meet the needs of potential cash flow under various operational conditions are based on maintaining a liquidity level. For this purpose, the existing loan stock and move weekly from existing cash balances, including the monthly and annual basis, debt payment obligations, estimated disbursements, credit collections, taking into account the political risk of loss compensation with potential capital inflows Turkish lira and foreign currency denominated cash flow statements are prepared separately and the need for additional resources from the movement and timing of cash flows results are determined. The Bank's cash flows, credit collections and additional fundings can be found, are designed under optimistic, neutral and pessimistic scenarios in terms of liquidity management mechanisms. As well as liquidity ratios, liquidity management, other balance sheet ratios, liquid assets in the amount and maturity structure and rules relating to the diversification of funding sources are taken into account.

b) The Bank's sole shareholder is the Republic of Turkey Undersecretariat of Treasury. Therefore, another shareholding structure is not available. In terms of liquidity, share of resources that has original maturity longer than 1 year, cannot exceed 20% share in total resources of future repayments.

c) The Bank maintains its short term liquidity needs through short term loans from international and domestic banks and long term liquidity needs through capital markets funds such as medium and long term loans and bonds issued by international institutions such as the World Bank and the European Investment Bank. The Bank tries to fund short-term loans from short-term, medium-long-term loans from medium-long-term sources, and tries to reduce the inconsistency in this issue as much as possible.

ç) The Bank's main funding is denominated in USD and EUR and TL denominated loans are financed with equity on the liabilities side and in order to avoid to foreign currency risk USD and EUR denominated loans are granted.

d) In terms of liquidity, the Bank prefers to use borrowing limits from Central Bank, Foreign Exchange markets and other domestic and foreign sources only in emergency situations. In addition, due to the status of the Bank's as an investment and development bank, the risk of sudden absence of deposits and draws are eliminated, which is a significant contribution to the reduction of liquidity risk. In addition, the bank's fundamental liquidity risk reduction techniques are finding the fund first and then providing credit facilities and before amortization of external obligations such as syndicated loans etc., repaying a debt by accumulating money. Additionally, In order to meet the urgent liquidity need as specified in the Liquidity Action Plan, liquid asset (Asset in Article 5 of the Regulation on Measurement and Evaluation of Banks' Liquidity Adequacy) which is a minimum of 1 percent of the asset size of the Bank is held to be determined by the Assistant General Manager responsible for the Treasury, in addition to "The Ratio to be taken as a basis in Measuring Liquidity Risk".

e) Stress tests are made by the end of the year and sent to BRSA within the frame of the Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process and BRSA good practice guideline until the end of March of the following year. Our Bank's the results of stress tests are reported to top management and considered on internal bank decisions.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

f) The first measure for unexpected liquidity needs that may arise, having more short-term assets with a high liquidity rather than short term greater amount of liabilities. In this context:

- Increasing the level of liquid assets and/or
- Trying to extend the maturity of existing debt and/or,
- Limited new loan demand is covered and/or,
- Maturity of the loans be shortened and/or,
- Limits of traded financial institutions are constantly reviewed and/or,
- Part of the securities turn into more liquid form through outright sale or repurchase.

1. Liquidity Coverage Ratio (%) Max and Minimum Weeks

In accordance with the “Regulation on Calculation of Bank’s Liquidity Coverage Ratio”, published in Official Gazette no. 28948, dated 21 March 2014, the weeks in which the highest and the lowest liquidity coverage ratio is calculated over the last three months are presented below.

Current Period							
Week Info	TL+FC (Max)	Week Info	TL+FC (Min)	Week Info	FC (Max)	Week Info	FC (Min)
28 November 2021	540,75	31 October 2021	266,54	28 November 2021	449,04	31 October 2021	211,95

Prior Period							
Week Info	TL+FC (Max)	Week Info	TL+FC (Min)	Week Info	FC (Max)	Week Info	FC (Min)
27 December 2020	1732,40	1 November 2020	327,70	27 December 2020	1507,69	1 November 2020	250,89

According to the Banking Regulation and Supervision Agency’s 7123 numbered and 12 December 2016 dated decision, unless otherwise stated, the consolidated and non-consolidated total money and foreign money liquidation rates shall be considered zero for development and investment banks. The aforementioned rates are still being reported to the BRSA.

In addition, Eximbank is subject to the liquidity coverage ratio outlined in Regulation Considering the Calculation and Assessment of Bank Liquidity Coverage Ratio and the Bank is keeping these ratios above the stated limit.

In this period, liquidity coverage rates have increased considerably due to the increase in high quality liquid asset stocks. However, the fact that Türk Eximbank has a mission to support exports should not be kept out of sight. Within this framework and within the scope of BRSA’s facility for investment and development banks, the focus is on export support aim rather than compliance with the related ratios.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

2. Liquidity Coverage Ratio

Current Period	Total Unweighted Value ^(*)		Total Weighted Value ^(*)	
	TL+FC	FC	TL+FC	FC
High-Quality Liquid Assets				
1	Total high-quality liquid assets (HQLA)		12.684.172	10.894.332
Cash Outflows				
2	Retail deposits and deposits from small business customers, of which:		-	-
3	Stable deposits		-	-
4	Less stable deposits		-	-
5	Unsecured wholesale funding, of which:		23.218.258	23.191.225
6	Operational deposits		-	-
7	Non-operational deposits		-	-
8	Unsecured funding		23.218.258	23.191.225
9	Secured wholesale funding		-	-
10	Other cash outflows of which:		948.881	917.775
11	Outflows related to derivative exposures and other collateral requirements		871.832	842.973
12	Outflows related to restructured financial instruments		-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets		77.049	74.802
14	Other revocable off-balance sheet commitments and contractual obligations		-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations		20.687.099	20.687.099
16	Total Cash Outflows		13.328.171	13.280.842
Cash Inflows				
17	Secured receivables		-	-
18	Unsecured receivables		26.045.142	22.607.629
19	Other cash inflows		10.494	5.406
20	Total Cash Inflows		26.055.636	22.613.035
			<i>Upper limit applied value</i>	
21	Total HQLA		12.684.172	10.894.332
22	Total Net Cash Outflows		3.370.187	3.411.760
23	Liquidity Coverage Ratio (%)		376,36	319,32

^(*)Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

2. Liquidity Coverage Ratio (Continued)

Prior Period	Total Unweighted Value ^(*)		Total Weighted Value ^(*)	
	TL+FC	TL+FC	TL+FC	YP
High-Quality Liquid Assets				
1	Total high-quality liquid assets (HQLA)		14.255.329	11.789.874
Cash Outflows				
2	Retail deposits and deposits from small business customers, of which:			
3	Stable deposits			
4	Less stable deposits			
5	Unsecured wholesale funding, of which:			
6	Operational deposits			
7	Non-operational deposits			
8	Unsecured funding			
9	Secured wholesale funding			
10	Other cash outflows of which:			
11	Outflows related to derivative exposures and other collateral requirements			
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			
16	Total Cash Outflows		9.235.371	9.227.175
Cash Inflows				
17	Secured receivables			
18	Unsecured receivables			
19	Other cash inflows			
20	Total Cash Inflows		11.937.029	8.515.589
21	Total HQLA		14.255.329	11.789.874
22	Total Net Cash Outflows		2.325.107	2.497.747
23	Liquidity Coverage Ratio (%)		613,10	472,02

^(*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages.

Explanations on liquidity coverage ratio:

a) Due to the low level of complexity of the Bank, cash inflows and outflows have not shown significant fluctuations during the period and cash inflows have been realized above the cash outflows throughout the period.

b) The most important items of high quality liquid assets of the Bank, which does not accept deposits due to being a Development and Investment Bank, are the Turkish Lira and foreign currency securities issued by the Treasury of the Republic of Turkey.

c) Main funding sources of the Bank are funds from CBRT rediscount loans, short-term loans from domestic and overseas banks, medium and long-term funds borrowed from international organizations like World Bank, European Investment Bank and funds obtained from capital market transactions by issuing debt securities.

ç) Most of the derivative instruments used for hedging purposes are swap transactions within the scope of currency and interest rate risk.

d) The Bank distributes funding sources between CBRT, domestic banks and international development and investment banks carefully and in a balanced manner. The Bank's principle to take first quality collaterals such as letters of guarantee. To prevent concentration risk, the Bank monitors the breakdown of the collaterals taken from banks and made policy limit controls to keep the risk up to 20% of each banks' total cash and non-cash loans.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

2. Liquidity Coverage Ratio (Continued)

e) Taking into account the legal and operational liquidity transfer inhibiting factors, the needed funds and the liquidity risk exposure based on the Bank itself, the branches in foreign countries and consolidated partnerships:

None.

f) Taken in the calculation of liquidity coverage ratio but not included in the disclosure template in the second paragraph and the information regarding the other cash inflows and cash outflows items which are thought to be related to the Bank's liquidity profile:

None.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

3. Groupings of assets and liabilities on the remaining period to maturity

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Unallocated ⁽¹⁾	Total
Current Period								
Assets								
Cash (Cash on Hand in Transit, Purchased Cheques) and Balances with the Central Bank	11.300.265	-	-	-	-	-	-	11.300.265
Banks	2.640.411	3.211.000	-	-	-	-	-	5.851.411
Financial Assets Measured at Fair Value through Profit or Loss	-	-	-	-	178.275	-	-	178.275
Money Market Placements	-	2.329.447	-	-	-	-	-	2.329.447
Financial Assets Measured at Fair Value Through Other Comprehensive Income	117.530	-	-	7.380	767.855	498.702	-	1.391.467
Loans	-	17.347.396	40.696.170	135.520.421	72.724.927	21.276.386	559.756	288.125.056
Financial Assets Measured at Amortised Cost	-	-	1.365.009	-	6.559.265	2.033.171	-	9.957.445
Other Assets	-	41.417	927.015	862.524	56.732	8.240	1.348.186	3.244.114
Total Assets	14.058.206	22.929.260	42.988.194	136.390.325	80.287.054	23.816.499	1.907.942	322.377.480
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Other Funds	-	16.694.728	44.946.012	149.037.956	28.871.403	10.815.275	-	250.365.374
Money Market Funds	-	873.461	1.644.099	1.718.158	2.281.963	-	-	6.517.681
Securities Issued	-	-	-	6.739.447	30.544.857	-	-	37.284.304
Miscellaneous Payables	-	-	-	-	-	-	2.964.017	2.964.017
Other Liabilities ^(2,3,4)	-	120.753	100.844	111.820	2.531.678	2.901.759	19.479.250	25.246.104
Total Liabilities	-	17.688.942	46.690.955	157.607.381	64.229.901	13.717.034	22.443.267	322.377.480
Liquidity Gap	14.058.206	5.240.318	(3.702.761)	(21.217.056)	16.057.153	10.099.465	(20.535.325)	-
Net Off Balance Sheet Position	-	42.504	31.631	360.625	59.386	37.757	-	531.903
Derivative Financial Assets	-	2.619.142	4.615.275	6.593.250	20.785.376	1.846.110	-	36.459.153
Derivative Financial Liabilities	-	2.576.638	4.583.644	6.232.625	20.725.990	1.808.353	-	35.927.250
Non-Cash Loans	-	-	65.933	48.701	-	-	25.952.374	26.067.008
Prior Period								
Total Assets	7.457.086	12.567.726	29.769.544	76.866.134	26.798.015	7.923.193	1.501.414	162.883.112
Total Liabilities	-	8.568.561	13.479.040	85.104.686	33.377.759	10.043.800	12.309.266	162.883.112
Liquidity Gap	7.457.086	3.999.165	16.290.504	(8.238.552)	(6.579.744)	(2.120.607)	(10.807.852)	-
Net Off-Balance Sheet Position	-	(6.497)	-	70.813	686.229	(30.151)	-	720.394
Derivative Financial Assets	-	3.372.885	294.065	4.683.756	19.901.345	4.106.357	-	32.358.408
Derivative Financial Liabilities	-	3.379.382	294.065	4.612.943	19.215.116	4.136.508	-	31.638.014
Non-Cash Loans	-	-	-	-	-	-	10.891.326	10.891.326

(1) Assets such as tangible and intangible assets, investments, subsidiaries, office supply inventory, prepaid expenses, miscellaneous receivables and other assets are classified in this column.

(2) Liabilities that are necessary for banking activities and that cannot be liquidated in the short-term, such as equity, provisions, miscellaneous payables are classified in this column.

(3) In other liabilities, the amount of TL 19.479.250 at the "unallocated" column, includes the shareholders' equity amounting to TL 14.550.311, unearned revenue amounting to TL, 984.047, provisions amounting to TL 743.337 and other liabilities amounting to TL 3.201.555.

(4) In other liabilities "over 5 years" line includes subordinated debt instrument amounting to TL 2.901.759.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

4. The undiscounted cash flows of liabilities based on the remaining period to maturity dates are as follows:

Current Period	Book Value	Demand and up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Unallocated	Total
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	250.365.374	16.700.469	44.345.225	147.530.418	30.120.295	12.445.156	-	251.141.563
Funds borrowed from Interbank money market	6.517.681	3.124	2.395.178	1.780.645	2.353.042	-	-	6.531.989
Marketable securities issued	37.284.304	565.800	140.107	8.047.887	33.720.355	-	-	42.474.149
Miscellaneous payables	2.964.017	-	-	-	-	-	2.964.017	2.964.017
Other liabilities	10.578.812	12.995	184.990	289.519	4.256.802	3.627.815	4.928.937	13.301.058
Total liabilities	307.710.188	17.282.388	47.065.500	157.648.469	70.450.494	16.072.971	7.892.954	316.412.776

Prior Period	Book Value	Demand and up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Unallocated	Total
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	160.630.694	5.900.254	14.247.111	81.586.951	51.035.907	9.587.424	-	162.357.647
Funds borrowed from Interbank money market	1.375.566	-	-	1.076.331	336.117	-	-	1.412.448
Marketable securities issued	22.953.260	151.897	3.963.376	4.439.975	16.884.982	-	-	25.440.230
Miscellaneous payables	1.562.264	-	-	30.844	-	-	1.531.420	1.562.264
Other liabilities	5.500.905	17.700	183.527	238.455	3.159.132	3.990.843	2.487.335	10.076.992
Total liabilities	192.022.689	6.069.851	18.394.014	87.372.556	71.416.138	13.578.267	4.018.755	200.849.581

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

5. The undiscounted cash inflows and outflows of derivatives of the Bank

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives						
- Outflow	2.583.080	-	-	-	-	2.583.080
- Inflow	2.623.792	-	-	-	-	2.623.792
Interest rate derivatives						
- Outflow	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
Derivatives held for hedging						
Foreign exchange derivatives						
- Outflow	146.241	4.815.577	7.668.510	21.364.427	547.997	34.542.752
- Inflow	271.972	4.930.761	8.696.533	22.932.092	569.361	37.400.719
Interest rate derivatives						
- Outflow	-	-	274.458	6.925.478	-	7.199.936
- Inflow	-	-	354.388	6.947.638	-	7.302.026
Total outflow	2.729.321	4.815.577	7.942.968	28.289.905	547.997	44.325.768
Total inflow	2.895.764	4.930.761	9.050.921	29.879.730	569.361	47.326.537

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives						
- Outflow	1.544.597	21.573	1.226.603	-	-	2.792.773
- Inflow	1.558.310	24.445	1.123.957	-	-	2.706.712
Interest rate derivatives						
- Outflow	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
Derivatives held for hedging						
Foreign exchange derivatives						
- Outflow	93.580	165.812	4.645.698	20.039.273	848.747	25.793.110
- Inflow	151.897	269.055	5.019.006	20.005.974	801.204	26.247.136
Interest rate derivatives						
- Outflow	-	3.761.649	147.285	3.980.687	-	7.889.621
- Inflow	-	3.781.314	197.926	4.078.202	-	8.057.442
Total outflow	1.638.177	3.949.034	6.019.586	24.019.960	848.747	36.475.504
Total inflow	1.710.207	4.074.814	6.340.889	24.084.176	801.204	37.011.290

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VII. Explanations on leverage ratio

a) Explanations on Differences between Current and Prior Years' Leverage Ratios

The unconsolidated leverage ratio calculated by the Bank in accordance with the "Regulation on the Measurement and Evaluation of the Leverage Level of Banks" was 4,79%. (31.12.2020: 5,18%). According to the regulation, the minimum leverage is 3%. The change in the leverage ratio is mainly due to the increase in the total risk amount stemming from the exchange rate.

b) Comparison of the total amount of assets and the total amount of risk included in the Consolidated Financial Statements in accordance with TAS

The Bank has unconsolidated financial reporting however, there is no consolidated financial reporting since there is no subsidiaries.

c) The leverage ratio table is presented below:

	Current Period^(*)	Prior Period^(*)
On-Balance Sheet Items		
On-balance sheet items (excluding derivatives and SFTs, but including collateral)	301.006.214	212.888.487
Assets amounts deducted in determining Basel III Tier 1 capital	(21.694)	(18.917)
Total on balance sheet exposures	300.984.520	212.869.570
Derivative exposures and credit derivatives		
Replacement cost associated with derivative financial instruments and credit derivatives	3.001	2.860
The potential amount of credit risk with derivative financial instruments and credit derivatives	675.710	1.055.994
The total amount of risk on derivative financial instruments and credit derivatives	678.711	1.058.854
Investment securities or commodity collateral financing transactions		
The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items)	2.329.877	392.506
Risk amount of exchange brokerage operations		-
Total risks related with securities or commodity financing transactions	2.329.877	392.506
Off -Balance Sheet Items		
Gross notional amount of off-balance sheet items	137.729.104	83.053.365
Adjustments for conversion to credit equivalent amounts	(103.592.333)	(62.319.590)
The total risk of off-balance sheet items	34.136.771	20.733.775
Capital and Total Exposures		
Tier 1 capital	16.201.432	12.182.779
Total exposures	338.129.879	235.054.705
Leverage Ratio		
Leverage ratio	%4,79	%5,18

^(*) Three-month average of the amounts in Leverage Ratio table.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VIII. Presentation of financial assets and liabilities at their fair values

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets				
Due from interbank money market	2.329.447	1.688.243	2.329.447	1.688.243
Banks	5.851.411	5.005.582	5.851.411	5.005.582
Financial assets measured at fair value through other comprehensive income	117.530	95.532	117.530	95.532
Financial assets measured at amortised cost	9.957.445	10.639.077	8.584.989	10.293.862
Loans	288.125.056	179.035.036	301.216.417	186.062.386
Financial Liabilities				
Bank deposits	-	-	-	-
Other deposits	-	-	-	-
Funds borrowed from other financial institutions	250.365.374	160.630.694	261.060.111	166.418.626
Issued marketable securities ⁽¹⁾	37.284.304	22.953.260	35.940.234	22.886.387
Miscellaneous payables	2.964.017	1.562.264	2.964.017	1.562.264

⁽¹⁾ Securities traded in the markets are taken into consideration.

The fair values of financial assets measured at amortized cost are determined as Level 1 for presentation purposes.

The fair values of the loans and funds provided from other financial institutions for presentation purposes have been determined as Level 2.

Fair value measurement classification

In the table below, valuation method of financial instruments valued by fair value is given. Valuation methods according to the levels are defined as follows:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Current Period	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets measured at fair value through profit or loss	178.275	-	-	178.275
Financial assets at fair value through other comprehensive income ⁽¹⁾	1.273.937	-	-	1.273.937
Derivative financial Assets held for fair value hedges	-	40.982	-	40.982
Derivative Financial Assets for Hedging Purposes	-	1.498.107	-	1.498.107
Financial liabilities				
Derivative financial liabilities held for trading	-	638	-	638
Derivative financial assets held for fair value hedges	-	116.339	-	116.339

⁽¹⁾Refers to the balance of financial assets traded in stock exchanges and monitored within financial assets at fair value through other comprehensive income.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

IX. Presentation of financial assets and liabilities at their fair values (Continued)

Fair value measurement classification (Continued)

Prior Period	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets measured at fair value through profit or loss	153.454	-	-	153.454
Financial assets at fair value through other comprehensive income ⁽¹⁾	794.736	-	-	794.736
Derivative financial Assets held for fair value hedges	-	26.224	-	26.224
Derivative Financial Assets for Hedging Purposes	-	466.113	-	466.113
Financial liabilities				
Derivative financial liabilities held for trading	-	114.929	-	114.929
Derivative financial liabilities held for fair value hedges	-	676.200	-	676.200

(1) Fair value represents the balance of financial assets traded in stock exchanges, which are followed in financial assets at fair value through other comprehensive income.

IX. Explanations on activities carried out on behalf and account of other parties

The Bank does not carry out transactions on behalf of and account of others and there are not any trust transactions.

X. Information on risk management

1. The Bank's risk management policy

Eximbank, as Turkey's official Export Support Organization, provides export sector with credit, guarantee and insurance programs. While the Bank is not primarily engaged in profit-making activities, it maintains the level of risk that it must undertake when it fulfills its legal functions of "providing financial support to the export sector" with an approach that does not weaken the financial power and conforms to generally accepted banking and investment policies.

Eximbank supports exporters, export oriented manufacturers and exporters with contractors, entrepreneurs and foreign exchange earning companies operating with short, medium and long term cash / non-cash loans, insurance and guarantee programs. The bank applies the principle of obtaining a first quality guarantee such as a guarantee letter from a commercial bank for loans the Bank is using. Cash, non-cash credit and treasury transaction limits for guarantee letters and warranties issued by the banks to constitute the guarantees of the credits granted by the banks through Türk Eximbank and the loans granted directly to the firm are determined and monitored within the framework of financial analysis and risk assessment studies of domestic banks. In order to avoid the risk of concentration, the bank-based distribution of collateral is monitored closely and the policy of undertaking risk up to 20% of total cash and non-cash total credit risk, except treasury transactions for a single bank, is followed by limit controls. In order to carry out the activities at the optimum level, a risk appetite framework integrated with the budget process has been established considering the risk capacity of the Bank by the Board of Directors of the Bank and thus, it was ensured that the right risk position was taken.

Türk Eximbank's short, medium and long-term loan programs are implemented in accordance with the financial conditions (term, interest, collateral, etc.) approved by the Board of Directors and in accordance with the framework application principles. In loan pricing, the resource cost is determined by the Asset-Liability Committee, taking into account the maturity of the transaction, the collateral structure, and the change in interest rates in the markets, and the mission of the Bank to provide financing opportunities to exporters at costs that will make them competitive in existing markets and risky/new countries is pursued.

Commercial and political risks arising within the scope of insurance programs are transferred to reinsurer companies with agreements renewed every year. As a general principle, a certain percentage of the aforementioned risks are kept on Türk Eximbank. As of 2021, this rate is 40%.

Within the framework of export credit insurance activities, premium rates are determined by considering the risk group of the country where the buyer is resident, the payment method and maturity of the shipment, the type of the buyer (public or private) and the risk group of the buyer. The higher the risk of the country, the buyer or the payment method, or the longer the delivery term, the higher the premium rates. Pricing strategy, which is the basis for the

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

XI. Information on risk management (Continued)

determination of premium rates; market conditions, international prices of export credit insurance services and the size of losses experienced in the past years.

General risk policy including risk appetite and indicators; It is determined by the Board of Directors. The risk management process, which is organized within the framework of risk management regulations and serves to create a common risk culture across the organization; Is a structure in which risks are defined in line with international regulations, and measurement, analysis, monitoring and reporting activities are carried out in this framework. Risk management activities are structured under the responsibility of Audit Committee.

It is essential that all employees of the Bank fulfill their duties with a sense of responsibility that aims to develop controls to eliminate or reduce the possibility of the Bank incurring losses due to the risks that may be incurred in relation to its activities. In this context, the Risk Management Department develops the necessary systems to carry out its activities, monitors the compliance of the risks with the policies and standards and the Bank limits, and continues to work on compliance with the relevant legal regulations and Basel criteria. In addition to the standard approaches used for statutory reporting, reporting risk measures are also developed through internal models and are supported by applied stress tests.

The risk management process, which is organized within the framework of risk management regulations and serves to create a common risk culture throughout the organization; It is in a structure that prioritizes "good corporate governance", where the executive units that undertake the risk, and the internal audit and surveillance units are independent from each other, the risk is defined in accordance with international regulations, and measurement, analysis, monitoring, reporting and auditing activities are carried out within this framework. The units within the internal systems undertake the task of coordination at the point of dissemination and adoption of the necessary corporate culture in order to ensure that the operational risks are managed by the risk-bearing staff. The procedures and risk definitions to be followed in exceeding the risk thresholds are included in the risk policies. The Bank considers the establishment of risk culture throughout the Bank as an important factor, and aims to understand the importance of risk management in the execution of activities and to ensure risk awareness and sensitivity in the decision-making and action processes of all personnel.

Trainings given to employees, risk reporting to the Board of Directors, Senior Management and committees, the risk appetite framework created by the Bank and ISEDES make an important contribution to the dissemination of risk culture.

The capital adequacy standard ratio is calculated by distributing risk weighted assets and non-cash loans according to the risk weight ratios in the relevant legislation. The standard method for credit and market risk and the basic indicator approach for operational risk are calculated. While calculating the Liquidity Coverage Ratio from the liquidity metrics, the action plans prepared within the Liquidity Action Plan are also taken into account for monitoring the Bank's medium-long term liquidity balance. In addition, daily liquidity is monitored by Risk Management, taking into account the cash inflows and outflows from all product segments.

Within the framework of the "Regulation on the Measurement and Evaluation of the Interest Rate Risk Arising from Banking Accounts with the Standard Shock Method", a stress test report to measure the effect of interest rate shocks (+5 and -4 for TL, +2 and -2) on the bank's balance sheet is published monthly. It is sent to the BRSA. According to the regulation, the ratio of the net present value changes that will be created in the bank balance sheet by the interest shocks to the equity in the relevant month should not exceed 20%. The related ratio is well below the legal limit due to the strong equity structure of the Bank and the high matching of assets and liabilities.

The risk of the bank is reported to the senior management on an integrated basis with Risk Assessment and Problem Loans Reports. In addition, the risks arising from treasury transactions and the total risks directly or indirectly on commercial banks are monitored daily by the relevant units and reported to the management. Within the scope of the "Regulation on the Procurement of Support Services by Banks" published in the Official Gazette dated 5 November 2011 and numbered 28106, the Board of Directors, through the Audit Committee at least once a year, determines the general policies and principles regarding the services that the Bank receives/will receive support services. The Risk Analysis Report submitted to the company is being prepared.

As the Risk Management Presidency, active participation is ensured in the Assets and Liabilities Committee, which is held every month, and the Senior Management is informed about the current situation regarding risk management.

The effects of developments related to COVID-19 on the Bank's risk profile and risk appetite framework are closely monitored within the Bank's risk measurement, reporting and management processes.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

XII. Information on risk management (Continued)

The risk management process, which is organized within the framework of risk management regulations and serves to create a common risk culture across the organization; Analysis, monitoring, reporting, and auditing activities are carried out in accordance with the principles of independence of interdependence of executive units and internal supervision and supervision units, which take the risk of “good corporate governance” in the foreground, in harmony with international regulations. Internal systems are responsible for coordinating the dissemination of the institutional culture necessary to ensure that operational risks are managed by the risk-taking staff. The procedures for threshold increases and risk definitions are included in risk policies.

The stress tests, the Regulation on Internal Systems of Banks and the Internal Capital Adequacy Assessment Process text, and the BRSA Good Practice Guidelines, are made at the end of the year and sent to the BRSA until the end of March of the following year. The results of the stress test at the Bank are also reported to the upper management and are taken into account in the bank's internal decisions. Within the scope of ICAAP, credit risk, market risk and operational risk as well as interest rate risk arising from banking accounts, reinvestment risk, non-repayment risk, optionality risk, duration-convexity, value-at-risk analysis, concentration risk on the basis of country and bank accepted as collateral within the scope of credit risk and liquidity risk assessments are included in the calculation of legal capital requirement.

The Bank issuing the loans with the guarantee of the commercial banks in Turkey (guarantee letter, warranty etc.) is not subject to any risk arising from the companies. On the other hand, a systemic risk that may be experienced in the banking sector is monitored closely and the intention and controls are used to prevent concentration on the bank basis. Credit policies are based on improving asset quality, supporting effective risk management and compliance with legal practices.

2. Overview of risk weighted amounts

	Risk Weighted Amount		Minimum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	106.408.634	76.735.319	8.512.691
2 Of which standardized approach (SA)	106.408.634	76.735.319	8.512.691
3 Of which internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	2.100.913	857.708	168.073
5 Of which standardized approach for counterparty credit risk (SA-CCR)	2.100.913	857.708	168.073
6 Of which internal model method (IMM)	-	-	-
7 Equity positions in banking book under basic risk weighting or internal rating-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 SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	334.850	525.675	26.788
17 Of which standardized approach (SA)	334.850	525.675	26.788
18 Of which internal model approaches (IMM)	-	-	-
19 Operational Risk	3.392.163	2.537.427	271.373
20 Of which Basic Indicator Approach	3.392.163	2.537.427	271.373
21 Of which Standardized approach (SA)	-	-	-
22 Of which Advanced measurement approach	-	-	-
23 The amounts below the thresholds for deduction from capital (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	112.236.560	80.656.129	8.978.925

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

3. Linkages between Financial Statements and Risk Amounts

Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation

	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk	
Assets						
Cash and CBRT	11.300.265	11.300.265	-	-	-	-
Financial assets at fair value through profit/loss	5.851.098	5.851.411	-	-	-	(313)
Banks	2.329.447	2.329.447	-	-	-	-
Money market placements	178.275	-	-	-	178.275	-
Financial assets measured at fair value through other comprehensive income	1.391.467	1.622.720	-	-	-	-
Loans	287.473.621	287.565.300	-	-	-	(91.679)
Factoring receivables	-	-	-	-	-	-
Financial assets measured at amortised cost	9.957.445	9.957.445	-	-	-	-
Subsidiaries	73.000	73.000	-	-	-	-
Investment in associates	-	-	-	-	-	-
Joint ventures	-	-	-	-	-	-
Lease receivables	-	-	-	-	-	-
Derivative financial assets held for risk management	1.539.089	-	1.539.089	-	-	-
Tangible assets	9.714	9.397	-	-	-	317
Intangible assets	12.754	-	-	-	-	12.754
Investment property	2.008	2.008	-	-	-	-
Tax asset	-	-	-	-	-	-
Assets held for sale and discontinued operations	-	-	-	-	-	-
Other assets	2.259.297	2.361.530	-	-	-	(102.233)
Total assets	322.377.480	321.072.523	1.539.089	178.275	178.275	(181.154)
Liabilities						
Deposits	-	-	-	-	-	-
Funds borrowed	250.365.374	-	-	-	-	250.365.374
Money market funds	6.517.681	-	6.517.681	-	-	-
Securities issued (net)	37.284.304	-	-	-	-	37.284.304
Funds	246.796	-	-	-	-	246.796
Derivative financial liabilities	116.977	-	116.977	-	-	-
Factoring payables	-	-	-	-	-	-
Lease payables	5.923	-	-	-	-	5.923
Provisions	743.337	-	-	-	-	743.337
Current tax liability	12.995	-	-	-	-	12.995
Liabilities for tangible assets held for sale and related to discontinued operations	-	-	-	-	-	-
Subordinated loans	5.523.837	-	-	-	-	5.523.837
Other liabilities	7.009.945	-	-	-	-	7.009.945
Shareholders' equity	14.550.311	-	-	-	-	14.550.311
Total liabilities	322.377.480	-	6.634.658	-	-	315.742.822

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

4. Linkages Between Financial Statements and Risk Amounts

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

		Total	Credit Risk	Securitization Positions	Counterparty credit risk	Market risk	Not Subject to Capital Requirements or Deducted from Capital
1	Asset carrying value amount under regulatory in financial statement	322.377.480	321.072.523	-	1.539.089	178.275	(181.154)
2	Liabilities carrying value amount under regulatory in financial statement	322.377.480	-	-	-	-	-
3	Total net amount scope of financial statement	-	-	-	-	-	-
4	Off-balance sheet amounts	13.486.358	13.486.358	-	-	-	-
5	Differences in valuations	-	-	-	-	-	-
6	Differences due to different netting rules	-	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-	-
8	Differences due to prudential filters	-	-	-	-	-	-
9	Risk Amounts	335.863.838	334.558.881		1.539.089	178.275	(181.154)

a) The scope of the Bank's accounting consolidation and legal consolidation is exactly the same and there is no difference.

b) According to TAS, there is no difference between the Bank's risk assessed amounts and risk amounts.

c) According to the prudent valuation principles and bases in Annex-3 attached to the Regulation on Measurement and Evaluation of Capital Adequacy of Banks, banks define systems and controls to ensure the prudence and reliability of valuation estimates. Descriptions include the following.

- Valuation methodologies including a description of the use of market value and model value methodologies.

- Definition of independent price approval processes

- Processes for valuation adjustments or differences. (Includes definition of process and methodology for valuation of trading positions according to the type of financial instrument.)

Bank position transactions are all kinds of money market, capital market, foreign exchange market and derivative market transactions (excluding transactions for purchases and sales) made by the Treasury Department for the management of currency, interest rate and liquidity risk.

For the purpose of hedging against the market risk that the Bank may be exposed to through the trading portfolio, all trading securities portfolio, trading / foreign currency and foreign currency / Turkish currency transactions are evaluated on a daily basis with the current market rates.

In order to limit possible loss that may arise from market risk, the maximum amounts that can be carried per day, the maximum amount of transactions and the limit of termination of damages shall be applied within the limits set by the Board of Directors for all Turkish Currency and Foreign Exchange transactions for trading purposes. In other words, these limitations are determined on a product basis and are also subject to limitations according to the duties and authorities of the traders, and compliance with these limits is automatically made by the system.

Financial assets measured at amortised costs are valued by internal rate of return.

5. Public Disclosures on Credit Risk

The Bank applies the principle which is accepting first group guarantee like letter of guarantee from commercial banks, warranty etc. for its loans. For this reason, the "institutional receivables" risk category is largely transformed into "receivables from banks and intermediary institutions".

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

5. Public Disclosures on Credit Risk (Continued)

In order to avoid the risk of concentration, the bank-based distribution of collateral is monitored closely and the policy of undertaking risk up to 20% of total cash and non-cash credit risk, except treasury transactions for a single bank, is followed by limit controls. In addition, credit limits to be used by a single company are determined by the Credit Committee within the limits of the Board of Directors and legal limits.

In order to ensure that credits are in line with company and bank limits, there are controls on the system that prevent limit overruns. These checks are periodically tested by the Internal Control unit. The limits of the banks that receive guarantees are monitored daily by the Financial Institutions Department. Limit change requirements are regularly monitored and necessary updates are made by the Board of Directors.

Both company and bank-based limit controls, cash and non-cash guarantees received for the said loans, account status documents provided for the financial analysis / allocation process and the attached profit and loss statements are audited by the Board of Inspectors and the Internal Control Department over the selected files. . The credit worthiness of loans and other receivables is monitored by the Credit Monitoring unit. The risks and limits of companies and banks are monitored daily and weekly by the responsible units and can be canceled instantly. Domestic and foreign bank limits are calculated using a Bank methodology based on the simplification of unnecessary allocated limit amounts and their full compliance with Basel III Rules. In terms of creditworthiness of countries, OECD country risk groupings, reports of Berne Union member institutions, reports of independent credit rating agencies, country reports prepared within the Bank and financial statements of banks whose risk is taken are monitored regularly.

The Risk Assessment Report prepared by the Risk Management Department and senior management and board of directors lending programs are periodically informed on the basis of total risks and problem loans. The Financial Institutions Department monitors the existing risks on an intermediary bank basis on a daily basis.

5.1. Credit quality of assets

	Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/ amortization and impairments	Net Values
	Defaulted	Non-defaulted		
1 Loans	559.756	203.164.072	649.972	203.073.856
2 Debt Securities	-	8.950.632	59.402	8.891.230
3 Off-balance sheet exposures	-	18.078.675	352.658	17.726.017
4 Total	559.756	230.193.379	1.062.032	229.691.103

5.2. Changes in stock of default loans and debt securities

1	Defaulted loans and debt securities at end of the previous reporting period	490.026
2	Loans and debt securities that have defaulted since the last reporting period	143.427
3	Receivables back to non-defaulted status	-
4	Amounts written off	(22.587)
5	Other changes	(51.110)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	559.756

5.3. Additional Explanation about the Credit Quality of Asset

Additional qualitative disclosures about the credit quality of assets

Due to the fact that loan debt is not performed or cannot be paid by the debtor in the loan repayment period, the loans that are not paid in due period are considered as overdue receivables in terms of accounting practices.

With the transition to TFRS 9, the impairment model and expected loss provision calculation methodology used by the Bank in determining the provisions for its financial assets and overdue receivables are explained in the Section III Note VII.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

5.3 Public Explanations on Credit Risk (Continued)

Additional Explanation about the Credit Quality of Asset (Continued)

Loans and other receivables restructured or rescheduled in order to provide liquidity to the borrower and to collect the receivables of the borrower pursuant to the related provisions of the regulation are followed by debt to the relevant loan accounts after the conditions specified in the said Regulation are fulfilled. As of 31 December 2021, there are restructured or rescheduled loans among the standard loans and loans in close follow-up with a total amount of TL 2.481.032 and there are restructured or rescheduled loans and receivables with a total amount of TL 7.519 among the non-performing loans.

Additional quantitative disclosures about the credit quality of assets

- a) According to the geographical area of the receivables, according to the sector and according to the remaining maturity.

Explanations about the breakdown of receivables according to geographical regions, sectors and residuals are included in the “Explanations on Credit Risk” section.

- b) Amounts of receivables that are provisioned on geographical regions and sector basis and related provisions and amounts deleted from assets

Current Period	Non-Performing Loans^(*)	Specific Provision
Domestic	3.251.218	248.562
EU Countries	154.642	154.642
OECD Countries	1.640	1.640
Off-shore Banking Regions	818	818
USA, Canada	24.752	24.752
Other Countries	135.356	135.356
Total	3.568.426	565.770

Current Period	Non-Performing Loans^(*)	Specific Provision
Agriculture	5.294	2.883
Farming and Stockbreeding	5.294	2.883
Forestry	-	-
Fishery	-	-
Manufacturing	2.147.578	317.066
Mining and Quarrying	3.479	3.330
Production	2.142.072	312.631
Electricity, Gas and Water	2.027	1.105
Construction	667.947	36.885
Services	737.141	198.720
Wholesale and Retail Trade	354.104	186.205
Hotel, Food and Beverage services	16.565	805
Transportation and Telecom	21.117	11.226
Financial Institutions	292	292
Real Estate and Rental Services	-	-
Self-employment Services	-	-
Educational Services	-	-
Health and Social Services	345.063	192
Other	10.466	10.216
Total	3.568.426	565.770

^(*) Non-performing loans include non-performing loans and loans under close monitoring.

As of 31 December 2021, the total of non-performing loans written off from assets is amounting to TL 22.587.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

5. Public Explanations on Credit Risk (Continued)

5.3. Additional Explanation about the Credit Quality of Asset (Continued)

c) Aging analysis for overdue receivables

Past due items (*)	Current Period	Prior Period
Up to 8 months	3.018.540	3.601.139
3-12 months	3.770	227.704
1-5 years	415.732	457.019
5 years and over	130.384	86.020
Total	3.568.426	4.371.882

(*) Non-performing receivables include non-performing loans and loans under close monitoring.

d) Analysis of restructured loans according to making provision

Current Period	Restructured Receivables	Specific Provisions
Restructured Standard Loans and Other Receivables	-	-
Loans and Other Receivables Under Close Monitoring	2.481.032	5.341
Restructured Non-performing Loans	7.519	7.519
Total	2.488.551	12.860

Prior Period	Restructured Receivables	Specific Provisions
Restructured Standard Loans and Other Receivables	-	-
Loans and Other Receivables Under Close Monitoring	2.785.260	4.560
Restructured Non-performing Loans	1.265	1.265
Total	2.786.525	5.825

5.4. Credit risk mitigation techniques

5.4.1. Politics and processes of offsetting balance sheet and off-balance sheet items

The Bank does not make balance sheet and off-balance sheet offsetting as risk mitigation technique.

5.4.2. Basic characteristics of policies and processes related to the assessment and management of collateral

The Bank receives letters of guarantee for all cash loans granted by the banks in Turkey and abroad. Within this scope, the limits given to the banks are checked regularly and amendments are made with the decision of the Board of Directors when necessary.

5.4.3. Intensification of market and credit risk arising from credit risk mitigation tools used

Cash and non-cash loan and treasury transaction limits for guarantee letters and avors issued by the banks to constitute the guarantee of the credits granted by the banks through Eximbank and the loans granted directly to the firm are determined and monitored within the framework of financial analysis and risk assessment studies of domestic banks. In order to avoid the risk of concentration, the bank-based distribution of collateral is monitored closely and the policy of undertaking risk up to 20% of total cash and non-cash credit risk, except treasury transactions for a single bank, is followed by limit controls. Concentration risk measurements are made on the basis of banks that give collateral and loan customers by applying Herfindahl-Hirschman method in the stress test report sent to the BRSA every year.

5.4.4. Risk Decreasing Techniques – General Overview

	Exposures unsecured	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	13.324	203.060.533	202.511.663	-	-	-	-
2 Debt securities	8.891.230	-	-	-	-	-	-
3 Total	8.904.554	203.060.533	202.511.663	-	-	-	-
4 Of which defaulted	-	-	-	-	-	-	-

According to the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks, the external rating grades of the counterparties of Fitch Ratings International Rating Agency are used in determining the risk weights for the entire risk class from central government or central banks. There has been no change in the rating agency used during the period.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

5. Public Explanations on Credit Risk (Continued)

5.4. Credit risk mitigation techniques (Continued)

5.4.5. Standard approach - Exposure credit risk and credit risk mitigation effects

Risk Groups		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet Amount	Off-balance sheet amount	Risk-weighted amount	Risk-weighted amount density (%)
1	Exposures to sovereigns and their central banks	22.827.806	998.999	19.948.944	-	16.948.944	84,96
2	Exposures to regional and local governments	-	-	-	-	-	-
3	Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and securities firms	23.472.216	38.094.284	205.204.259	-	76.649.726	37,35
7	Exposures to corporates	175.405.870	64.033.212	18.539	8.448.636	8.467.174	100,00
8	Retail exposures	5.339.104	4.289.974	1.873.255	896.540	2.079.852	75,00
9	Exposures secured by residential property	15.635	-	15.635	-	5.472	35,00
10	Exposures secured by commercial property	76.489	-	76.489	-	38.245	50,00
11	Past-due loans	-	-	-	-	-	-
12	Exposures in higher-risk categories	-	-	-	-	-	-
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Equity investments in the form of collective investment undertakings	-	-	-	-	-	-
16	Other exposures	2.028.692	-	2.028.691	-	2.028.691	100,00
17	Equity investments	190.530	-	190.530	-	190.530	100,00
18	Total	229.356.342	107.416.469	229.356.342	9.345.176	106.408.634	44,58

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

5. Public Explanations on Credit Risk (Continued)

5.4. Credit risk mitigation techniques (Continued)

5.4.6. Standard Approach - Receivables according to risk classes and risk weights

	Risk Groups/ Risk Weights	0%	10%	20%	35% ⁽¹⁾	50%	75%	100%	150%	200%	Others	Total risk amount ⁽²⁾
1	Exposures to sovereigns and their central banks	3.000.000	-	-	-	-	-	-	16.948.944	-	-	19.948.944
2	Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and securities firms	115.573.031	-	7.315.069	-	-	14.258.894	-	68.057.265	-	-	205.204.259
7	Exposures to corporates	-	-	-	-	-	-	-	8.467.175	-	-	8.467.175
8	Retail exposures	-	-	-	-	-	-	2.766.353	155	3.287	-	2.769.795
9	Exposures secured by residential property	-	-	-	-	15.635	-	-	-	-	-	15.635
10	Exposures secured by commercial property	-	-	-	-	-	76.489	-	-	-	-	76.489
11	Past-due loans	-	-	-	-	-	-	-	-	-	-	-
12	Exposures in higher-risk categories	-	-	-	-	-	-	-	-	-	-	-
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-
16	Equity investments	-	-	-	-	-	-	-	190.530	-	-	190.530
17	Other exposures	-	-	-	-	-	-	-	2.028.691	-	-	2.028.691
18	Total	118.573.031	-	7.315.069	-	15.635	14.335.383	2.766.353	95.692.760	3.287	-	238.701.518

⁽¹⁾ Secured by residential property

⁽²⁾ Exposures post-CCR and CRM

6. Explanations on counterparty credit risk

6.1. Qualitative Explanations on Counterparty credit risk

For transactions made with foreign banks, the amount and the maturity limit are established by the resolution of the Board of Directors. Limits are checked by Treasury Department. The majority of transactions that create counterparty risk in the Bank are money, interest swaps and forward transactions intended for hedging purposes. Fair value appraisal method is used in determining the amount subject to counterparty risk in accordance with the principles stated in Appendix-2 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks. There is no reverse trend risk due to counterparty credit risk policies. If Repo transactions are carried out in our bank under Takasbank guarantee, the Central Counterparty Risk is calculated by taking into account the tables revised by Takasbank and containing the values that the Banks will use in calculating the capital requirement for the risks related to the qualified transactions with the Central Counterparties. In addition, OTC money market transactions, which do not have the characteristics of a Central Counterparty, are also carried out, and the counterparty credit risk is measured by taking into account the collateral and haircut ratios for the relevant transactions.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

6. Explanations on counterparty credit risk (Continued)

6.2. Counterparty credit risk (CCR) approach analysis

		Replacement Cost	Potential Credit Risk	EEPE	Alpha used for computing regulatory EAD	Exposure after Credit Risk Mitigation	Risk Weighted Amounts
1	Standardized Approach -CCR (for derivatives)	3.510	596.015		1,40	599.525	295.793
2	Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					6.819.979	1.793.373
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					20.117	10.059
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						2.099.225

6.3 Credit valuation adjustment (CVA) for capital obligation

	Risk Amounts (After use of credit risk mitigation techniques)	Risk Weighted Amounts
Total portfolio value with comprehensive approach CVA capital adequacy		
1 (i) Value at Risk component (including the 3*multiplier)		-
2 (ii) Stressed Value at Risk component (including the 3*multiplier)		-
3 Total portfolio value with standardized approach CVA capital charge	24.567.107	-
4 Total subject to the CVA capital charge	3.376	1.688

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

6. Explanations on counterparty credit risk (Continued)

6.4. CCR Exposures by Risk Class and Risk Weights

Risk Weights	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk
Risk Groups									
Conditional and unconditional exposures to sovereigns and their central banks	6.819.979	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to regional and local governments	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and securities firms	2.689.167	-	13.234	3.833.820	-	-	-	-	1.919.557
Exposures to corporates	-	-	-	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	-	-	-	-
Exposures secured by residential property	-	-	-	-	-	-	-	-	-
Exposures secured by commercial property	-	-	-	-	-	-	-	-	-
Exposures in high-risk categories	-	-	-	-	-	-	-	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-	-
Other Exposures	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Total	9.509.146	-	13.234	3.833.820	-	-	-	-	1.919.557

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

6. Explanations on counterparty credit risk (Continued)

6.5. Collateral for CCR

	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	-	-	-	-	-	76.841
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	2.744.190	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	2.744.190	76.841

6.6. Exposures to central counterparties

None.

6.7. Counterparty credit risk based on risk class and probability of default

None.

6.8. Counterparty credit risk based on credit variety

None.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

7. Change Table of Risk Weighted Amounts Based on Internal Rating (IRB) Approach

None.

7.1. Internal Rating (IRB) Portfolio and Default Probability credit risk amounts based on interval

None.

7.2. Effect of Credit Derivatives Used as Internal Rating (IRB) Credit Risk Mitigation Technique on Risk Weighted Amount

None.

7.3. Specialized loans based on Internal Rating (IRB) and stock investments subject to simple risk weighting approach

None.

7.4. Risk Weighted Assets within Internal Model Methodology

None.

8. Market Risk Disclosures

8.1. Qualitative information to be disclosed to the public regarding market risk

Market risk refers to the possibility of loss that may arise due to interest, exchange rate and price changes arising from fluctuations in the financial markets in the positions of the Bank on its balance sheet and off-balance sheet accounts and consequent changes in the Bank income/expense item and equity profitability. In order to hedge against the market risk that the Bank may be exposed to as a result of financial activities, all Turkish Lira (TL) and foreign currency securities portfolio for trading purposes are evaluated on a daily basis with the current rates in the market. In order to limit the possible loss that may arise from market risk, the maximum amount of transactions that can be carried per day, including securities transactions, the maximum amount of transactions and the limit for termination of damages are applied within the limits set by the Board of Directors for all trading transactions. "Exchange Rate" and "Interest Rate" are calculated based on the "Standard Method and Market Risk Measurement Method" published by the BRSA in the calculation of the market risk exposed to the Bank in the Capital Adequacy Analysis Form. Also, Value at Risk (VAR) calculations are performed as part of the internal control mechanism other than statutory reporting and adapting to international studies.

Derivative transactions are initially measured at fair value and transaction costs that are attributable to them are recognized in profit or loss as they are incurred. They are valued with their fair values in subsequent periods. This valuation result is reflected in the financial statements as a single asset or liability on a contract basis by netting off the receivables and payables arising from each contract within their fair values. The method of accounting for the resulting profit or loss varies depending on whether the derivative is intended for hedging or not and the content of the hedged asset.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

8. Market Risk Explanations (Continued)

8.2. Standardized Approach

		Risk Weighted Amounts
	Outright Products	
1	Interest rate risk (general and specific)	222.575
2	Equity risk (general and specific)	-
3	Foreign exchange risk	112.275
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitizations	-
9	Total	334.850

8.3. Internal model approach for trading account

None.

8.4. Comparison of Risk Exposure Value (VAR) estimates with profit / loss

None.

9. Explanations on Operational Risk

Calculation of the operational risk capital requirement is measured using the Basic Indicator Approach once a year in parallel with domestic regulations.

The information contained in the following table when using the basic indicator method:

Current Period	2 PP Amount	1 PP Amount	CP Amount	Total/No. of Years of Positive Gross	Rate (%)	Total
Gross Income	1.195.959	1.924.446	2.307.058	1.809.154	15	271.373
Value at operational risk (Total*12.5)						3.392.163

Prior Period	2 PP Amount	1 PP Amount	CP Amount	Total/No. of Years of Positive Gross	Rate (%)	Total
Gross Income	939.479	1.195.959	1.924.446	1.353.294	15	202.994
Value at operational risk (Total*12.5)						2.537.427

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

10. The interest rate risk of the banking book items

The interest rate risk ratio of the banking book items are conducted on a monthly basis and reported to BRSA.

Current Period				
	Currency	Applied Shock (+/- x basis point)	Revenue/ Loss	Revenue/Shareholders' Equity – Loss/ Shareholders' Equity
1	TL	500	(184.871)	% (0,91)
	TL	(400)	140.077	%0,69
2	EUR	200	165.363	%0,82
	EUR	(200)	(173.102)	% (0,86)
3	USD	200	584.895	%2,89
	USD	(200)	(637.306)	%(3,15)
	Total (for Negative Shocks)		(670.331)	%(3,32)
	Total (for Positive Shocks)		565.387	%2,80

Prior Period				
	Currency	Applied Shock (+/- x basis point)	Revenue/ Loss	Revenue/Shareholders' Equity – Loss/ Shareholders' Equity
1	TL	500	13.971	%0,09
	TL	(400)	(68.928)	%(0,43)
2	EUR	200	71.571	%0,44
	EUR	(200)	(43.591)	%(0,27)
3	USD	200	(26.296)	%(0,16)
	USD	(200)	38.238	%0,24
	Total (for Negative Shocks)		(74.281)	%(0,46)
	Total (for Positive Shocks)		59.246	%(0,37)

XI. Explanations on securitization

1. Securitization positions on banking accounts

None.

2. Securitization positions in trading accounts

None.

3. Securitization positions in banking accounts and related capital requirement

None.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

XII. Explanations on operating segments

Information regarding operating segments as of 31 December 2021 and 31 December 2020 has been given in the following table:

Current Period	Corporate Banking	Investment Banking	Undistributed	Total Operations of the Bank
Interest income	6.013.269	1.177.470	-	7.190.739
Interest income on loans	6.009.864	-	-	6.009.864
Interest received from banks	-	261.088	-	261.088
Interest received from money market transactions	-	128.648	-	128.648
Interest received from marketable securities	-	787.734	-	787.734
Other interest income	3405	-	-	3.405
Interest expense	(2.309.811)	(2.077.074)	(1.545)	(4.388.430)
Interest on loans borrowed	(2.212.652)	-	-	(2.212.652)
Interest paid for money market transactions	-	(115)	-	(115)
Interest on securities issued	-	(2.076.959)	-	(2.076.959)
Lease interest expenses	-	-	(1.545)	(1.545)
Other interest expenses	(97.159)	-	-	(97.159)
Net fees and commissions income	447.739	(37.154)	20.067	430.652
Fees and commissions received	902.878	-	21.642	924.520
Fees and commissions paid	(455.139)	(37.154)	(1.575)	(493.868)
Trade profit/ loss (net)	-	2.023.245	(1.380.172)	643.073
Profit/ loss on capital market transactions	-	4.098	-	4.098
Profit /loss on derivative financial transactions	-	2.019.147	-	2.019.147
Foreign exchange profit/ loss	-	-	(1.380.172)	(1.380.172)
Other operating income	126.071	200	-	126.271
Provision for impairment of loan and other receivables	(231.578)	-	-	(231.578)
Other provisions	-	-	(151.073)	(151.073)
Other operating expenses	-	-	(513.137)	(513.137)
Net period profit	4.045.690	1.086.687	(2.025.860)	3.106.517
Total segment assets	287.475.084	32.545.623	2.356.773	322.377.480
Banks and money market placements	-	19.480.810	-	19.480.810
Financial assets designated at fair value through profit or loss	-	178.275	-	178.275
Financial assets measured at fair value through other comprehensive income	-	1.391.467	-	1.391.467
Financial assets measured at amortised cost	-	9.957.445	-	9.957.445
Derivative financial assets measured at fair value through profit/loss	-	1.442.689	-	1.442.689
Derivative financial assets measured at fair value through other comprehensive income	-	96.400	-	96.400
Loans	288.125.056	-	-	288.125.056
Tangible assets (net)	-	-	11.722	11.722
Intangible assets (net)	-	-	12.754	12.754
Affiliates	-	-	73.000	73.000
Other assets	-	-	2.259.297	2.259.297
Loan loss provision	(649.972)	(1.463)	-	(651.435)
Total segment liabilities	250.964.076	49.442.799	21.970.605	322.377.480
Funds borrowed and funds	250.612.170	-	-	250.612.170
Borrowings from money markets	-	6.517.681	-	6.517.681
Securities issued	-	37.284.304	-	37.284.304
Subordinated loans	-	5.523.837	-	5.523.837
Derivative financial liabilities measured at fair value through profit/loss	-	19.580	-	19.580
Derivative financial liabilities measured at fair value through other comprehensive income	-	97.397	-	97.397
Provisions	351.906	-	391.431	743.337
Shareholders' equity	-	-	14.550.311	14.550.311
Other liabilities	-	-	7.028.863	7.028.863

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

XII. Explanations on operating segments (Continued)

Prior Period	Corporate Banking	Investment Banking	Undistributed	Total Operations of the Bank
Interest income	4.240.601	770.898	-	5.011.499
Interest income on loans	4.229.188	-	-	4.229.188
Interest received from banks	-	126.794	-	126.794
Interest received from money market transactions	-	72.387	-	72.387
Interest received from marketable securities	-	571.717	-	571.717
Other interest income	11.413	-	-	11.413
Interest expense	(2.103.454)	(1.682.619)	(2.481)	(3.788.554)
Interest on loans borrowed	(2.084.517)	-	-	(2.084.517)
Interest paid for money market transactions	-	(151)	-	(151)
Interest on securities issued	-	(1.682.468)	-	(1.682.468)
Lease interest expenses	-	-	(2.481)	(2.481)
Other interest expenses	(18.937)	-	-	(18.937)
Net fees and commissions income	252.352	(44.917)	16.981	224.416
Fees and commissions received	556.904	-	17.062	573.966
Fees and commissions paid	(304.552)	(44.917)	(81)	(349.550)
Trade profit/ loss (net)	-	(1.539.815)	2.384.657	844.842
Profit/ loss on capital market transactions	-	10.003	-	10.003
Profit/loss on derivative financial transactions	-	(1.549.818)	-	(1.549.818)
Foreign exchange profit/ loss	-	-	2.384.657	2.384.657
Other operating income	14.766	89	-	14.855
Provision for impairment of loan and other receivables	(367.359)	(2.110)	-	(369.469)
Other provisions	-	-	(14.281)	(14.281)
Other operating expenses	-	-	(411.920)	(411.920)
Net period profit	2.036.906	(2.498.474)	1.972.956	1.511.388
Total segment assets	178.255.442	23.770.072	2.201.760	204.227.274
Banks and money market placements	-	11.681.430	-	11.681.430
Financial assets designated at fair value through profit or loss	-	153.454	-	153.454
Financial assets measured at fair value through other comprehensive income	-	805.309	-	805.309
Financial assets measured at amortised cost	-	10.639.077	-	10.639.077
Derivative financial assets measured at fair value through profit/loss	-	474.784	-	474.784
Derivative financial assets measured at fair value through other comprehensive income	-	17.553	-	17.553
Loans	179.035.036	-	-	179.035.036
Tangible assets (net)	-	-	18.872	18.872
Intangible assets (net)	-	-	10.187	10.187
Other assets	-	-	2.172.701	2.172.701
Loan loss provision	(779.594)	(1.535)	-	(781.129)
Total segment liabilities	160.792.859	29.583.530	13.850.885	204.227.274
Funds borrowed and funds	160.630.707	-	-	160.630.707
Borrowings from money markets	-	1.375.566	-	1.375.566
Securities issued	-	22.953.260	-	22.953.260
Subordinated loans	-	4.463.576	-	4.463.576
Derivative financial liabilities measured at fair value through profit/loss	-	122.230	-	122.230
Derivative financial liabilities measured at fair value through other comprehensive income	-	668.898	-	668.898
Provisions	162.152	-	167.189	329.341
Shareholders' equity	-	-	11.413.457	11.413.457
Other liabilities	-	-	2.270.239	2.270.239

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and notes related to assets

1. Cash equivalents and the account of CBRT

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Foreign currency	-	-	10	-
CBRT	1.057	11.299.208	258	5.005.314
Other	-	-	-	-
Total	1.057	11.299.208	268	5.005.314

Account of CBRT

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1.057	11.299.208	258	5.005.314
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	-	-	-
Total	1.057	11.299.208	258	5.005.314

2. With their net values and comparison, information on financial assets at fair value through profit or loss subject to repo transactions and given as collateral/blocked

Financial Assets at Fair Value through Profit/Loss	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Subject to Repo Transaction	-	111.458	-	74.901
Financial Assets Given / Blocked as Collateral	-	-	-	-
Total	-	111.458	-	74.901

3. Derivative financial assets

3.1. Derivative financial assets measured at fair value through profit/loss

3.1.1. Derivative financial assets held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	-	-	761	-
Swap Transactions	-	40.982	25.368	95
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	40.982	26.129	95

3.1.2. Derivative financial instruments held for risk management

Derivative financial instruments held for risk management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedges	-	1.401.707	-	448.560
Cash flow hedges	-	-	-	-
Net foreign investment hedges	-	-	-	-
Total	-	1.401.707	-	448.560

3.2. Derivative financial assets measured at fair value through other comprehensive income

3.2.1. Derivative financial assets held for trading

None.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

3. Derivative financial assets (Continued)

3.2. Derivative financial assets measured at fair value through other comprehensive income (Continued)

3.2.2. Derivative financial instruments held for risk management

Derivative Financial Instruments Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	96.400	-	17.553
Net Foreign Investment Hedges	-	-	-	-
Total	-	96.400	-	17.553

4. Information on banks and foreign bank accounts

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	3.223.642	3.629	1.274.843	3.428.548
Foreign banks	-	2.624.140	-	284.722
Foreign head offices and branches	-	-	-	-
Total	3.223.642	2.627.769	1.274.843	3.713.270

Foreign Bank Account

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	107.955	46.029	-	-
USA, Canada	2.460.133	238.027	-	-
OECD Countries ⁽¹⁾	56.052	666	-	-
Off-shore Banking Regions	-	-	-	-
Other	-	-	-	-
Total	2.624.140	284.722	-	-

⁽¹⁾ OECD countries except EU countries, USA and Canada.

5. With net values and comparison, financial assets measured at fair value through other comprehensive income subject to repo transactions and given as collateral/blocked

Financial Assets Measured at Fair Value through Other Comprehensive Income	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Subject to Repo Transaction	-	750.209	-	439.424
Financial Assets Given / Blocked as Collateral	-	-	-	-
Total	-	750.209	-	439.424

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

6. Information related financial assets measured at fair value through other comprehensive income

	Current Period	Prior Period
Debt Securities		
Quoted to Stock Exchange	1.343.634	709.824
Not Quoted	-	-
Share Certificates		
Quoted to Stock Exchange	-	-
Not Quoted	117.530	95.532
Impairment Provision (-)	69.697	47
Total	1.391.467	805.309

As of 31 December 2021 and 31 December 2020, financial assets measured at fair value through other comprehensive income of the Bank consist of Garanti Faktoring A.Ş. and Kredi Garanti Fonu A.Ş. with the shareholding percentages of 9,78% and 1,49%, respectively.

In addition, the Bank classifies the Borsa Istanbul A.Ş. (BIST) shares included in its portfolio under Financial Assets at Fair Value Through Other Comprehensive Income.

As of 17 January 2020, the Bank participates in JCR Avrasya Rating A.Ş. with a 2.86% stake.

All debt securities in the Bank's portfolio of financial assets at fair value through other comprehensive income consist of government bonds.

7. Information related to loans

7.1. Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash	Non-Cash Loans	Cash	Non-Cash Loans
Direct Lendings to Shareholders	-	-	-	-
Corporates	-	-	-	-
Individuals	-	-	-	-
Indirect Lendings to Shareholders	-	-	-	-
Loans to Employees	13.324	-	13.324	-
Total	13.324	-	13.324	-

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.2. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled

		Loans Under Close Monitoring		
		Loans not Subject to Restructuring	Restructured	
Cash Loans	Standard Loans		The ones whose payment plans have changed	Refinancing
Non-specialized Loans	281.697.143	475.513	1.884.369	-
Working capital loans	34.755.903	237.010	1.148.428	-
Export loans	198.290.264	137.089	257.241	-
Import loans	-	-	-	-
Loans granted to financial sector	19.144.861	-	-	-
Consumer loans	13.324	-	-	-
Credit cards	-	-	-	-
Other	29.492.791	101.414	438.700	-
Specialized loans	2.859.442	52.170	636.663	-
Other receivables	-	-	-	-
Total	284.556.585	527.683	2.481.032	-

	Standard Loans	Loans Under Close Monitoring
12 months expected credit loss	84.202	-
Increase in credit risk	-	6.014

7.3. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled

Number of Amendments Related to the Extension of the Payment Plan	Standard Loans	Loans Under Close Monitoring
Extended for 1 or 2 Times	2.386	954.851
Extended for 3, 4 or 5 Times	273	1.047.352
Extended for More than 5 Times	42	817.267

The Time Extended via the Amendment on Payment Plan	Standard Loans	Loans Under Close Monitoring
0-6 Months	2.101	514.512
6-12 months	384	311.688
1-2 Years	78	303.731
2-5 Years	138	831.687
5 Years and More	-	857.852

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.4. Distribution of loans by maturity structure

Current Period	Standart Loans	Loans Under Close Monitoring	
		Loans and Other Receivables	Restructured Loans
Short-term Loans	179.436.259	133.402	286.642
Medium and Long-term Loans	105.120.326	394.281	2.194.390
Total	284.556.585	527.683	2.481.032

Prior Period	Standart Loans	Loans Under Close Monitoring	
		Loans and Other Receivables	Restructured Loans
Short-term Loans	124.506.403	266.115	861.803
Medium and Long-term Loans	50.156.751	830.481	1.923.457
Total	174.663.154	1.096.596	2.785.260

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.6. Information on consumer loans, personal credit cards, personnel loans and personnel credit cards

There are not any consumer loans, consumer credit cards and personnel credit cards.

As of 31 December 2021, the Bank has personnel loans amounting to TL 13.324.

	Short-term	Medium and Long-term	Total
Consumer Loans-TL	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards – TL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Retail Credit Cards – FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personel Loans-TP	190	13.134	13.324
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	190	13.134	13.324
Personnel Loans - FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personel Loans-YP	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personel Credit Cards -TP	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personel Credit Cards-YP	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Deposit Accounts– TL (Real Persons)	-	-	-
Deposit Accounts– FC (Real Persons)	-	-	-
Total	190	13.134	13.324

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.7. Information on commercial installment loans and corporate credit cards

None.

7.8. Distribution of domestic and foreign loans

	Current Period^(*)	Prior Period
Public	16.117.117	10.607.683
Private	271.448.183	167.937.327
Total	287.565.300	178.545.010

(*) Non-performing loans and non-performing loans' accrual amounts are not included.

7.9. Distribution of domestic and foreign loans according to borrowers based on the following table

	Current Period^(*)	Prior Period^(*)
Domestic Loans	280.890.338	172.335.361
Foreign Loans	6.674.962	6.209.649
Total	287.565.300	178.545.010

7.10. Loans granted to investments in associates and subsidiaries

None.

7.11. Information on provisions allocated for defaults (stage three)

	Current Period	Prior Period
Loans with Limited Collectability	3.431	11.566
Loans Doubtful Collectability	7.033	4.538
Uncollectible Loans	549.292	473.718
Total	559.756	489.822

7.12. Information on non-performing loans (Net)

7.12.1 Information on non-performing loans and other receivables that are restructured or rescheduled

	III. Group Loans and Other Receivables with Limited Collectability	IV. Group Loans and Other Receivables with Doubtful Collectability	V. Group Uncollectible Loans and Other Receivables
Current Period			
Gross Amounts Before Provisions	-	6.139	1.380
Restructured Loans	-	6.139	1.380
Prior Period			
Gross Amounts Before Provisions	-	-	1.265
Restructured Loans	-	-	1.265

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7.12. Information on non-performing loans (Net) (Continued)

7.12.2 Information on the movement of total non-performing loans

	III. Group	IV. Group	V. Group
	Loans and Other	Loans and Other	Uncollectible Loans
	Receivables with	Receivables with	and Other
	Limited Collectability	Doubtful Collectability	Receivables
Balance at the Beginning of the Period	11.770	4.538	473.718
Additions During the Period	17.366	242	125.819
Transfers from Non-performing Loans Accounts	-	11.528	2.961
Transfers to Other Non-Performing Loans Accounts	(14.489)	-	-
Collections During the Period	(11.216)	(9.275)	(30.619)
Write-offs	-	-	(22.587)
Sold	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Balance at the End of the Period	3.431	7.033	549.292
Provisions	(3.431)	(7.033)	(549.292)
Net Balance Sheet Amount	-	-	-

7.12.3 Information on non-performing loans that are granted as foreign currency loans

	III. Group	IV. Group	V. Group
	Loans and Other	Loans and Other	Uncollectible Loans
	Receivables with Limited	Receivables with	and Other
	Collectability	Doubtful Collectability	Receivables
Current Period			
Balance at the End of the Period	3.431	7.033	529.706
Provisions	(3.431)	(7.033)	(529.706)
Net Balance Sheet Amount	-	-	-
Prior Period			
Balance at the End of the Period	11.700	4.538	453.486
Provisions	(11.496)	(4.538)	(453.486)
Net Balance Sheet Amount	204	-	-

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.12. Information on non-performing loans (Net) (Continued)

7.12.4. Information on the gross and net amounts of the non-performing loans according to types of borrowers

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectability	Loans and Other Receivables with Doubtful Collectability	Uncollectible Loans and Other Receivables
Current Period (Net)			
Loans Granted to Real Persons and Corporate Entities (Gross)	3.431	7.033	549.000
Specific Provision Amount	(3.431)	(7.033)	(549.000)
Loans Granted to Real Persons and Corporate Entities (Net)	-	-	-
Banks (Gross)	-	-	292
Specific Provision Amount	-	-	(292)
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Specific Provision Amount	-	-	-
Other Loans (Net)	-	-	-
Prior Period (Net)			
Loans Granted to Real Persons and Corporate Entities (Gross)	11.770	4.538	473.426
Specific Provision Amount	(11.566)	(4.538)	(473.426)
Loans Granted to Real Persons and Corporate Entities (Net)	204	-	-
Banks (Gross)	-	-	292
Specific Provision Amount	-	-	(292)
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount	-	-	-
Other Loans and Receivables (Net)	-	-	-

7.12.5. Information on interest accruals, rediscounts and valuation differences and their equivalents calculated by banks allocating expected credit loss according to TFRS 9

None.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.12.6. The main features of the collection policy for the uncollectible loans and other receivables

In order to liquidate the problematic receivables, all possible alternatives are assessed to be able to collect the maximum amount in line with the current legislation. In case the receivable is not collected within the allowed period, the receivable is collected by compensating the collateral. In case the collateral is not adequate for liquidating the receivable, negotiations with the debtors are attempted. The legal process commences for the receivables for which collection, settlement or rescheduling is not possible.

The Bank obtains Current Account Letter of Undertaking of the Debtor for loans granted to financial sector and obtains Letter of Undertaking of the Company for loans granted to companies to secure the repayment of the loans granted. The Bank attempts to liquidate the receivables from banks who acted as an intermediary for loans granted and whose banking licenses are cancelled upon application to the Savings Insurance and Deposit Fund.

7.12.7. Explanations on the write-off policy

Where sound indicators exist that would suggest that the collection of the Bank's foreign compensation receivables is almost impossible or that the costs to be incurred for the collection of the receivable amount would be higher than the amount of the receivable, the receivable amount is written-off from the assets upon the decision of the Board of Directors. The Bank has derecognized non-performing loans amounting to TL 22,587 in the current period.

Write-off of the non-performing loans and receivables is considered, during the legal follow-up process concerning the collection of receivables.

8. Explanations on financial assets measured at amortized cost

As of 31 December 2021, all of the marketable securities classified as financial asset measured at amortized cost are formed of government bonds, foreign currency bonds that are issued domestically and abroad by the Ministry of Treasury and Finance and lease certificates issued by the Ministry of Treasury and Finance.

8.1. Information on net values and comparative figures, which are subject to repo transactions and given / blocked as collateral

i) Financial assets measured at amortized cost

Financial assets measured at amortized cost subject to repo transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds and Similar Securities	2.981.313	6.709.592	-	1.519.521
Total	2.981.313	6.709.592	-	1.519.521

Financial assets measured at amortized cost given as collateral/blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds and Similar Securities	10.250	133.570	559.151	454.646
Total	10.250	133.570	559.151	454.646

There are not any financial assets measured at amortised cost held for structured position.

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	2.991.563	5.600.873	2.991.111	6.885.677
Treasury Bonds	-	-	-	-
Other Public Borrowing Bonds	-	1.365.009	-	762.289
Total	2.991.563	6.965.882	2.991.111	7.647.966

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

8.2 Information on financial assets measured at amortized cost government debt securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	2.991.563	6.965.882	2.991.111	7.647.966
Traded on the Stock Exchange	2.991.563	6.965.882	2.991.111	7.647.966
Not Traded on the Stock Exchange	-	-	-	-
Impairment Provision (-)	-	-	-	-
Total	2.991.563	6.965.882	2.991.111	7.647.966

8.4 The movement of financial assets measured at amortised cost

i) Financial assets measured at amortised cost

	Current Period	Prior Period
Balance at the beginning of the period	10.639.077	7.090.482
Foreign exchange differences on monetary assets	5.537.917	1.715.963
Purchases during the year	1.500	1.724.460
Disposals through sales and redemptions	(6.423.913)	-
Increase/Decrease in value impairment provision ⁽¹⁾	202.864	108.172
Balance at the end of the period	9.957.445	10.639.077

⁽¹⁾ Includes changes in interest accruals, TL 1.535 amounting of expected loss provision not included.

9. Following information investments in associates account (net)

Title	Address(City/Country)	If the Bank's Share ratio is different, the voting ratio	Bank Risk Group Share Ratio
İhracatı Geliştirme A.Ş.	İstanbul/Türkiye	%5	%5

Total Assets ⁽²⁾	Total Equity ⁽²⁾	Fixed Asset Total ⁽²⁾⁽³⁾	Interest income ⁽²⁾	Current Period Profit/Loss ⁽²⁾	Fair Value ⁽¹⁾
1.479.377	1.469.063	548	9.061	7.792	-

⁽¹⁾Since it is not traded on the stock exchange, it has no fair value.

⁽²⁾Since the company was established on October 13, 2021, historical information is not available.

⁽³⁾Fixed Asset total represents the total of tangible and intangible assets.

9.1 Movement table for unconsolidated associates

	Cari Dönem	Önceki Dönem
Dönem Başı Değeri	-	-
Dönem İçi Hareketler	73.000	-
Alışlar	73.000	-
Bedelsiz Edinilen Hisse Senetleri	-	-
Cari Yıl Payından Alınan Kâr	-	-
Satışlar	-	-
Yeniden Değerleme Artışı /Azalışı	-	-
Değer Azalma Karşılıkları (-)	-	-
Dönem Sonu Değeri	73.000	-
Sermaye Taahütleri	-	-
Dönem Sonu Sermaye Katılma Payı %	-	-

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

- I. Explanations and notes related to assets (Continued)**
- 9. Following information investments in associates account (net)**
- 10. Information on subsidiaries (net)**
There is no any subsidiary.
- 11. Information related to the jointly controlled partnerships**
None.
- 12. Information on lease receivables (net)**
None.
- 13. Explanations on tangible assets**

	Immovables ⁽¹⁾	Financial Leased Assets	Vehicles	Other Tangibles	Leasehold Improvements	Total
Cost						
1 January 2021	23.215	-	4.361	18.852	14.257	60.685
Additions	2.076	-	-	655	348	3.079
Disposals	(1.216)	-	(812)	(39)	-	(2.067)
Transfers	-	-	-	-	-	-
31 December 2021	24.075	-	3.549	19.468	14.605	61.697
Accumulated Depreciation						
1 January 2021	13.408	-	3.646	12.613	14.257	43.924
Current year depreciation	6.991	-	204	2.309	31	9.535
Disposals	(634)	-	(812)	(30)	-	(1.476)
Transfers	-	-	-	-	-	-
31 December 2021	19.765	-	3.038	14.892	14.288	51.983
Net book value						
31 December 2021	4.310	-	511	4.576	317	9.714

	Immovables	Financial Leased Assets	Vehicles	Other Tangibles	Leasehold Improvements	Total
Cost						
1 January 2020	22.354	31	4.330	15.440	14.257	56.412
Additions	861	-	-	3.427	-	4.288
Disposals	-	-	-	(15)	-	(15)
Transfers	-	(31)	31	-	-	-
31 December 2020	23.215	-	4.361	18.852	14.257	60.685
Accumulated Depreciation						
1 January 2020	6.948	31	3.339	10.352	14.257	34.927
Current year depreciation	6.460	-	276	2.271	-	9.007
Disposals	-	-	-	(10)	-	(10)
Transfers	-	(31)	31	-	-	-
31 December 2020	13.408	-	3.646	12.613	14.257	43.924
Net book value						
31 December 2020	9.807	-	715	6.239	-	16.761

As of 31 December 2021 and 31 December 2020, there is not any impairment in tangible assets.

⁽¹⁾ In the Immovables column, all of the amounts acquired in 2021 and 2020 are due to the inclusion of the right of use of the rented immovables in the balance sheet within the scope of TFRS 16 application and resulting from the exit of transactions whose lease agreement has been terminated

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

14. Explanations on intangible assets

The Bank classified computer software licenses under intangible assets.

a) Cost and accumulated amortization at the beginning and end of the period:

As of 31 December 2021, gross book value and accumulated amortization of intangible assets are TL 23.883 and TL 11.129, respectively; at the beginning of the period, the gross book value and the accumulated amortization are TL 18.821 and TL 8.634 respectively.

b) Reconciliation of movements for the current period and the prior period:

	Current Period	Prior Period
Net Book Value at the Beginning of the Period	10.187	7.122
Internally Generated Amounts	-	-
Additions due to Mergers, Transfers and Acquisitions	5.062	4.566
Sales and Write-Off	-	-
Amounts Recorded under Revaluation Fund for Increase or Decrease in Value	-	-
Recorded Impairments in the Statement of Profit or Loss	-	-
Cancelled Impairments from Statement of Profit or Loss	-	-
Amortization Expense (-)	(2.495)	(1.501)
Net Currency Translation Differences of Foreign Subsidiaries	-	-
Other Changes in the Book Value	-	-
End of the Period	12.754	10.187

15. Information on investment properties

The former Istanbul service building, which had been included in the tangible fixed assets of the Bank, has been leased to the Prime Ministry Investment Support and Promotion Agency and classified as investment property in accordance with TAS 40.

	Current Period	Prior Period
Cost	4.727	4.727
Depreciation Expense	(2.719)	(2.616)
Net Value at the end of the Period	2.008	2.111

16. Information on deferred tax asset

As stated at Section 3 Note XVII, the Bank is exempt from corporate tax, and accordingly, no deferred tax asset or liability is recognized in the accompanying financial statements.

17. Explanations on assets held for sale and explanations related to discontinued operations

None.

18. If the other assets' items in the balance sheet exceed 10% of the total of the balance sheet, excluding the off-balance sheet commitments, the sub-accounts constituting at least 20% of these accounts

None.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

II. Explanations and notes on liabilities

1. Information on deposits/funds received

The Bank does not accept deposits.

2. Derivative financial liabilities

2.1. Explanations on derivative financial liabilities at fair value through profit or loss

2.1.1. Information on trading derivative financial liabilities

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Derivative Financial Liabilities				
Forward Transactions	-	-	825	-
Swap Agreements	-	638	10.618	103.486
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	638	11.443	103.486

2.1.2. Information on derivative financial liabilities for hedging purposes

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Liabilities for Hedge				
Fair Value Hedge	-	18.942	-	7.301
Cash Flow Hedge	-	-	-	-
Net Investment in Foreign Operations Hedge	-	-	-	-
Total	-	18.942	-	7.301

2.2. Information on derivative financial liabilities at fair value through other comprehensive income

2.2.1. Information on derivative financial liabilities for hedging purposes

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Liabilities for Hedge				
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	-	97.397	-	668.898
Net Investment in Foreign Operations Hedge	-	-	-	-
Total	-	97.397	-	668.898

3. Information on banks and other financial institutions

3.1. General information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	3.585.529	164.009.307	7.769.415	107.738.177
From Domestic Banks and Institutions	-	14.514.622	-	5.835.364
From Foreign Banks, Institutions and Funds	-	68.255.916	-	39.287.738
Total	3.585.529	246.779.845	7.769.415	152.861.279

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

II. Explanations and notes on liabilities (Continued)

3. Information on banks and other financial institutions (Continued)

3.2 Information on maturity structure of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	3.585.529	192.280.974	7.769.415	120.795.983
Medium and Long-Term ^(*)		57.023.581	-	33.530.744
Total	3.585.529	249.304.555	7.769.415	154.326.727

^(*) Medium and long-term loans include subordinated loans amounting to TL 2.235.705 (31 December 2020: TL 1.357.680) and interest accruals of these loans amounting to TL 289.005 (31 December 2020: TL 107.768).

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

3. Information on banks and other financial institutions (Continued)

3.3 Additional explanations over areas of concentration of the liabilities of the Bank

As of 31 December 2021 and 31 December 2020, the main liabilities of the Bank are presented in the table below on the bases of the sources of the funds:

Funds borrowed	Current Period^(*)	Prior Period^(*)
CBRT	167.594.836	115.507.591
Syndicated loans	45.001.040	26.592.608
World Bank	6.327.520	3.644.021
ICBC Macau Ltd.	4.630.328	2.585.905
European Investment Bank.	3.389.299	3.135.900
Asian Infrastructure Development Bank	3.300.282	-
Islamic Development Bank	3.179.659	2.065.365
Intesa Sanpaolo Istanbul Branch	3.002.856	502.754
ICBC Turkey AŞ	2.987.941	1.814.751
Subordinated loans	2.524.710	1.465.448
Council of Europe Development Bank	1.723.356	1.510.419
Vakıf Katılım Bankası AŞ	1.330.806	-
Standard Chartered Bank	1.213.989	391.338
Citibank Turkey	991.767	-
China Development Bank	931.889	-
Sumitomo Mitsui Banking Corporation	882.247	638.631
ING DIBA	843.290	614.572
Black Sea Trade and Development Bank	750.052	226.352
Doha Bank	663.460	-
Bank ABC	528.792	-
MUFG Bank Turkey	442.494	292.820
Türkiye Vakıflar Bankası TAO	301.149	-
Citibank Dublin	198.858	366.410
KT Bank AG	149.464	182.746
NCB - National Commercial Bank of Saudi Arabia	-	365.952
Mizuho Corporate Bank Ltd	-	180.999
Türk Bankası LTD	-	11.560
Total^(**)	252.890.084	162.096.142

(*) Includes credit principal balances and related rediscount amounts.

(**) The total amount of funds borrowed from financial institutions includes subordinated loans amounting to TL 2.355.320 (31 December 2020: 1.357.680) and interest accruals of TL 169.390 (31 December 2020: 107.768) related to these loans.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

3. Information on banks and other financial institutions (Continued)

3.3 Additional explanations over areas of concentration of the liabilities of the Bank (Continued)

The Bank performed the following repayments during the year 2021:

Funds borrowed	Repayment Amount- USD	Repayment Amount- EUR	Repayment Date
European Investment Bank	-	10.000.000,00	6.01.2021
European Investment Bank	1.914.558,82	-	13.01.2021
Islamic Development Bank	4.935.714,29	-	20.01.2021
European Investment Bank	2.840.906,25	2.375.000,00	27.01.2021
Council of Europe Development Bank	-	15.625.000,00	8.02.2021
European Investment Bank	1.903.235,29	-	10.02.2021
World Bank	4.148.050,83	1.109.760,00	1.03.2021
Standard Chartered Bank	-	43.000.000,00	2.03.2021
Syndication loans	10.416.666,75	5.555.555,60	29.03.2021
Citibank	49.500.000,00	-	5.04.2021
European Investment Bank	-	1.470.588,24	6.04.2021
Sumitomo Mitsui Banking Corporation	55.000.000,00	-	14.04.2021
Islamic Development Bank	12.096.142,86	-	14.04.2021
Syndication loans	50.000.000,00	30.000.000,00	22.04.2021
Council of Europe Development Bank	0,00	5.000.000,00	26.04.2021
Islamic Development Bank	2.253.857,14	0,00	26.04.2021
Syndication loans	2.142.857,14	7.142.857,14	7.05.2021
NCB - National Commercial Bank of Saudi Arabia	49.500.000,00	-	17.05.2021
Council of Europe Development Bank	-	5.000.000,00	17.05.2021
Council of Europe Development Bank	211.000.000,00	465.500.000,00	21.05.2021
MUFG Bank	-	32.000.000,00	4.06.2021
ICIEC Guaranteed Loan	-	5.652.631,57	4.06.2021
European Investment Bank	-	1.470.588,24	17.06.2021
European Investment Bank	-	15.000.000,00	21.06.2021
European Investment Bank	-	20.000.000,00	22.06.2021
Syndication loans	37.500.000,00	14.285.714,29	29.06.2021
European Investment Bank	-	5.000.000,00	30.06.2021
Sumitomo Mitsui Banking Corporation	30.000.000,00	-	1.07.2021
European Investment Bank	-	10.000.000,00	6.07.2021
Intesa SPA TR	-	55.000.000,00	12.07.2021
European Investment Bank	1.914.558,82	-	13.07.2021
Islamic Development Bank	4.935.714,29	-	19.07.2021
Mizuho Bank	24.500.000,00	-	27.07.2021
European Investment Bank	2.840.906,25	2.375.000,00	27.07.2021
Council of Europe Development Bank	-	15.625.000,00	9.08.2021
European Investment Bank	1.903.235,29	-	10.08.2021
World Bank	4.148.050,83	1.109.760,00	1.09.2021
Syndication loans	10.416.666,75	5.555.555,60	28.09.2021
European Investment Bank	-	1.470.588,24	4.10.2021
Islamic Development Bank	12.096.142,86	-	14.10.2021
Islamic Development Bank	2.253.857,14	-	25.10.2021
Council of Europe Development Bank	-	5.000.000,00	26.10.2021
Syndication loans	2.142.857,14	7.142.857,14	8.11.2021
Council of Europe Development Bank	-	5.000.000,00	16.11.2021

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

3. Information on banks and other financial institutions (Continued)

3.4 Additional explanations over areas of concentration of the liabilities of the Bank (Continued)

Funds borrowed	Repayment Amount- USD	Repayment Amount- EUR	Repayment Date
Syndication loans	99.800.000,00	397.900.000,00	17.11.2021
ICIEC Guaranteed Loan	-	5.652.631,57	6.12.2021
European Investment Bank	-	1.470.588,16	17.12.2021
European Investment Bank	-	15.000.000,00	20.12.2021
European Investment Bank	-	20.000.000,00	22.12.2021
Syndication loans	37.500.000,00	14.285.714,29	29.12.2021
European Investment Bank	-	5.000.000,00	30.12.2021

4. Information regarding securities issued

As of 31 December 2021, the liabilities of the Bank resulting from bond issuances is presented as follows:

Information regarding securities issued	Current Period	Prior Period
Securities Issued	36.024.241	21.853.312
Discount on Issuance of Securities (-)	78.709	30.528
Bond Interest Accrual	1.338.772	1.130.476
Total	37.284.304	22.953.260

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

5. If the other liabilities items in the balance sheet exceed 10% of the total of the balance sheet, the sub-accounts constituting at least 20% of these (names and amounts)

At least 20% of other liabilities item on Balance Sheet, together with the amounts not to exceed 10% of the total balance sheet is provided below.

	Current Period		Prior Period	
	TL	FC	TL	FC
Country Loans- Risk Premiums	-	949.178	-	597.657
Loan Transactions	3.469	33.487	7.338	48.128
Insurance Transactions	5.216	26.840	5.790	3.548
Political Risk and Loss	-	5.047	-	2.641
Unearned Revenue	-	35.265	-	12.617
Other ^(*)	3.000.000	-	-	-
Total	3.008.685	1.049.817	13.128	664.591

^(*)It consists of the balance sent by the Ministry of Treasury and Finance for capital increase.

6. Information on lease payables (net)

As of 31 December 2021, all lease transactions of the Bank consist of operating lease transactions.

	Current Period	Prior Period
Lease obligation under the contract	6.892	14.306
Deferred interest expense	(969)	(1.773)
Total	5.923	12.533

7. Information on provisions

7.1. Expected credit losses for non-cash loans that are not indemnified or converted into cash or expected credit losses for non-cash loans

	Current Period	Prior Period
Expected credit losses (insurance and non-cash loans)	351.906	162.152

As of 31 December 2021, the Bank has a provision amounting to TL 343.920 (31 December 2020: TL 160.393) for the possible future claims due to the export receivables it insures and TL 7.986 (31 December 2020: TL 1.759) for letter of guarantees.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities items (Continued)

7. Information on provisions

7.2. Information on provisions for decrease in foreign exchange differences of foreign currency indexed loans and financial leasing receivables principal amounts

There is not any foreign currency indexed loan of the Bank.

7.3. Information on employee benefits provisions

	Current Period	Prior Period
Reserve for employee termination benefits	33.824	26.332
Reserve for success fee	48.477	35.000
Unused vacation	18.002	15.995
Reserve for dividend payment	39.626	21.500
Total	139.929	98.827

7.4. Other provisions, If other provisions exceed 10% of total provisions, the names and amounts of the sub-accounts causing the overdraft

Other provisions consist of TL 603.408 (31 December 2020: TL 230.514), sub-accounts consist of non-cash insurance provisions of TL 351.906 (31 December 2020: TL 162.152), lawsuits and court provisions consist of TL 14.035, free provisions for miscellaneous risks amounting to TL 120.000 (31 December 2020: None) and other provisions amounting to TL 107.466 (31 December 2020: TL 54.327).

8. Explanations on tax liability

8.1 Explanations on current tax liability

8.1.1. Information on provision for taxes

None.

8.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate Taxes Payable ⁽¹⁾	-	-
Taxation on Revenue from Securities	-	-
Property Tax	-	-
Banking Insurance Transaction Tax	2.578	5.267
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	1.064	763
Other	4.302	3.721
Total	7.944	9.751

⁽¹⁾ As stated at Section 3 Note XVII, the Bank is exempt from corporate tax.

8.1.3. Information on premium payables

	Current Period	Prior Period
Social Security Premiums – Employee	1.781	2.864
Social Security Premiums – Employer	2.843	4.432
Bank Social Aid Pension Fund Premiums – Employee	-	-
Bank Social Aid Pension Fund Premiums – Employer	-	-
Pension Fund Membership Fee and Provisions - Employee	-	-
Pension Fund Membership Fee and Provisions - Employer	-	-
Unemployment Insurance – Employee	152	227
Unemployment Insurance - Employer	275	426
Other	-	-
Total	5.051	7.949

8.2. Information on deferred tax liability

None.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

9. Information on subordinated debt instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in the additional capital calculation	-	2.524.710	-	1.465.448
Subordinated Loans	-	2.524.710	-	1.465.448
Subordinated Debt Instruments	-	-	-	-
Debt instruments to be included in the contribution capital calculation	2.999.127	-	2.998.128	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	2.999.127	-	2.998.128	-
Total	2.999.127	2.524.710	2.998.128	1.465.448

10. Information on shareholders' equity

10.1. Presentation of paid-in capital

	Current Period	Prior Period
Common Stock	10.800.000	9.270.000
Preferred Stock	-	-

10.2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling

Capital System	Paid-in Capital	Capital Ceiling
Registered Capital System	10.800.000	17.500.000

The Bank has decided to use the capital stock system that is registered on the extraordinary general meeting held on 12 January 2017. The decision has been submitted to the trade register and has been published on Turkey Trade Registry Gazette No. 9252 on 30 January 2017.

10.2.1. Information on share capital increase from revaluation funds during the current period

Increase Date	Increase Amount	Cash	Profit reserves used for increase	Capital reserves used for increase
21 December 2021	1.530.000	100.000	1.430.000	-

10.2.2. Information on the portion added from capital reserves to paid-in capital

There is no portion added from capital reserves to the paid-in capital in the current period.

10.2.3. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period

None.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

10. Information on shareholders' equity (Continued)

10.3. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and the anticipations regarding the uncertainty of these indicators on the shareholders' equity

The credit, interest and the foreign currency risk policies of the Bank were determined to minimize the losses that may result from these risks. The Bank aims to obtain a reasonable positive return on equity in real terms in relation with its banking transactions and to protect its equity from the effects of inflation. Accordingly, the Bank does not expect losses that may materially affect its equity. In addition, the free capital of the Bank is high and is getting steadily stronger.

10.4. Information on privileges given to shares representing the capital

The common shares of the Bank are owned by the Republic of Turkey Ministry of Treasury and Finance.

10.5. Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Valuation Difference	105.518	(98.662)	83.612	32.668
Foreign Currency Differences	-	-	-	-
Total	105.518	(98.662)	83.612	32.668

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and notes related to off-balance sheet accounts

I. Explanations on off-balance sheet commitments

1.1 Type and amount of irrevocable commitments

As of 31 December 2021, the Bank has irrevocable commitments amounting to TL 13.334 TL (31 December 2020: TL 1.147.391).

1.2 The structure and amount of probable losses and commitments resulting from off-balance sheet items, including those below:

None.

1.2.1 Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit

	Current Period	Prior Period
Letters of Guarantee	114.634	11.040
Endorsements	-	-
Guarantees and bails given for export	791.075	-
Guarantees given for Export Loan Insurance	25.161.299	11.979.838
Total	26.067.008	11.990.878

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

None.

1.3 Total amount of non-cash loans

	Current Period	Prior Period
Non-cash loans given against cash loans	114.634	11.040
With original maturity of 1 year or less than 1 year	114.634	11.040
With original maturity of more than 1 year	-	-
Other non-cash loans	25.952.374	11.979.838
Total	26.067.008	11.990.878

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and notes related to off-balance sheet accounts (Continued)

1. Explanations on off-balance sheet commitments (Continued)

1.4. Information on sectorial risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	-	-	-	-	-	-	-	-
Farming and Raising livestock	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Manufacturing	288.719	60,20	10.376.695	40,60	-	-	840	0,01
Mining and Quarrying	-	-	-	-	-	-	-	-
Production	288.259	60,10	10.304.745	40,30	-	-	840	0,01
Electric, Gas and Water	460	0,10	71.950	0,30	-	-	-	-
Construction	10.148	2,10	177.440	0,70	-	-	4.676	0,04
Services	177.853	37,10	14.275.430	55,80	-	-	5.524	0,05
Wholesale and Retail Trade	177.853	37,10	13.103.077	51,20	-	-	-	-
Hotel, Food and Beverage Services	-	-	7.358	0,00	-	-	-	-
Transportation and Telecommunication	-	-	1.034.589	4,00	-	-	5.524	0,05
Financial Institutions	-	-	118.443	0,50	-	-	-	-
Real Estate and Leasing Services	-	-	9.449	0,00	-	-	-	-
Self-employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	426	0,00	-	-	-	-
Health and Social Services	-	-	2.088	0,00	-	-	-	-
Other	3.105	0,60	757.618	2,90	137.621	100	11.842.217	99,90
Total	479.825	100	25.587.183	100	137.621	100	11.853.257	100

1.5. Information on the non-cash loans classified under Group I and Group II

	Group I		Group II	
	TL	FC	TL	FC
Non-Cash loans	479.825	25.587.183	-	-
Letters of Guarantee	-	114.634	-	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	-	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	479.825	25.472.549	-	-

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and notes related to off-balance sheet accounts (Continued)

1. Explanations on off-balance sheet commitments (Continued)

1.6. Information on derivative transactions

	Current Period	Prior Period
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions: (I)	5.195.780	5.474.056
Forward Transactions	-	89.339
Swap Transactions	5.195.780	5.384.717
Futures Transactions	-	-
Option Transactions	-	-
Interest Related Derivative Transactions (II)	-	-
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	-	-
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivative Transactions: (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	5.195.780	5.474.056
Types of Hedging Derivative Transactions		
Fair Value Hedges	44.286.238	40.242.242
Cash Flow Hedges	22.904.385	14.714.995
Foreign Currency Investment Hedges	-	-
B. Total Hedging Derivative Transactions (IV)	67.190.623	54.957.237
Total Derivative Transactions (A+B)	72.386.403	60.431.293

1.7. Explanations on credit derivatives and risk of exposure from these derivatives

Derivative transaction is made for hedging the balance sheet risks to the maximum extent by minimizing the inconsistencies between the assets and liabilities of the Bank. As a result of these transactions, the Bank is exposed to the risk of changes in fair value. As a result of these transactions, there are cross currency swaps and interest swaps against the fixed interest rate bonds issued by the Bank.

Except for derivative financial transactions subjected to hedge accounting, the Bank is also preserved from the risk financially, through but also it has financial derivative instruments recorded as trading derivative assets and trading derivative liabilities. For this purpose, the Bank mainly uses foreign currency and interest rate swaps. With these instruments, the Bank aims to prevent the currency risk and interest rate risk

1.8. Explanations on contingent assets and liabilities

The Bank recognizes contingent assets if the probability of the inflow of economic benefits is virtually certain. In case the inflow of economic benefits is probable but not virtually certain, such contingent asset is disclosed.

As of 31 December 2021 and 31 December 2020, there is not any contingent asset.

The Bank recognizes provision for contingent liability when the probability of occurrence is high and the contingent liability can be reliably estimated; if the contingent liability cannot be reliably estimated, the contingent liability is disclosed. When the likelihood of the occurrence of the contingent liability is remote or low, it is disclosed.

In this respect, as of 31 December 2021, there are legal proceedings outstanding against the Bank amounting to TL 29.050, USD 1.112, EUR 690 and 165 GBP as confirmed from the lawyer letter prepared by the legal department of the Bank.

There are legal proceedings outstanding filed by the Bank. These legal proceedings amount to TL 206.201, USD 122.258 and EUR 16.840.

1.9. Explanations on services in the name of others

The Bank does not have any custody and deposit activities in the name of real and legal persons.

The Bank also provides insurance to some extent for the export receivables of exporter companies against commercial and political risks under the scope of export loan insurance program.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations on notes related to statement of profit or loss

1. Within the scope of interest income

1.1. Information on interest income on loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest income on Loans				
Short-term Loans	1.406.194	1.817.165	1.016.730	1.591.495
Medium and Long-term Loans	282.155	2.502.433	35.154	1.580.860
Interest on Loans Under Follow-up	1.917	-	4.644	305
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	1.690.266	4.319.598	1.056.528	3.172.660

1.2. Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	-	-	-	-
Domestic Banks	259.121	1.005	117.247	5.264
Foreign Banks	-	962	-	4.283
Headquarters and Branches Abroad	-	-	-	-
Total	259.121	1.967	117.247	9.547

1.3. Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit or Loss	-	10.701	-	20.614
Financial Assets Measured at Fair Value through Other Comprehensive Income	76	83.010	-	25.163
Financial Assets Measured at Amortized Cost	280.995	412.952	281.751	244.189
Total	281.071	506.663	281.751	289.966

1.4. Information on interest income received from associates and subsidiaries

There is no interest income from associates and subsidiaries.

2. Within the scope of interest expense

2.1. Information on interest expense on borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
CBRT	387.243	373.039	254.942	624.844
Domestic Banks	-	246.257	75	156.212
Foreign Banks	-	1.024.877	-	972.181
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	181.236	-	76.263
Total	387.243	1.825.409	255.017	1.829.500

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and notes related to statement of profit or loss (Continued)

2.2. Information on interest expense given to associates and subsidiaries

There is no interest expense given to associates and subsidiaries.

2.3. Interest paid to marketable securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interests paid to marketable securities issued	387.755	1.689.204	388.066	1.294.402

2.4. With respect to deposit and participation accounts

2.4.1 Maturity structure of the interest expense on deposits

The Bank does not accept deposits.

2.4.2 Maturity structure of the share paid of participation accounts

There are no participation accounts.

3. Information on trading income/loss (Net)

	Current Period	Prior Period
Gain	153.561.666	85.038.322
Trading Gains on Securities	4.451	10.003
Trading Gains on Derivative Financial Transactions	3.564.554	1.627.465
Foreign Exchange Gains	149.992.661	83.400.854
Loss (-)	152.918.593	84.193.480
Trading Losses on Securities	353	-
Trading Losses from Derivative Financial Transactions	1.545.407	3.177.283
Foreign Exchange Loss	151.372.833	81.016.197

4. Information on other operating income

	Current Period	Prior Period
Other Income from International Loans	5.926	1.689
Rent Income	1.708	1.367
Released Provisions	106.574	3.311
Income from Sales of Assets	110	-
Other	11.753	8.399
Total	126.071	14.766

5. Information on Expected Loss Provisions and Other Provisions

	Current Period	Prior Period
Expected Credit Loss	231.578	369.469
12 month expected credit loss (Stage 1)	161.643	102.969
Significant increase in credit risk (Stage 2)	-	199.982
Non-performing loans (Stage 3)	69.935	66.518
Marketable Securities Impairment Expense ^(*)	12.093	195
Financial Assets Measured at Fair Value through Profit or Loss	12.093	195
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Financial Assets Measured at Amortised Cost Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other ^(*)	130.088	14.035
Total	373.759	383.699

^(*) It consists of litigation and court provision expenses and free provision expenses for miscellaneous risks.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and notes related to statement of profit or loss (Continued)

6. Information related to other operating expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits ^(*)	6.830	-
Bank Social Aid Provision Fund Deficit Provision	-	-
Vacation Pay Liability, net	2.062	51
Impairment Expenses of Tangible Fixed Assets	-	-
Depreciation Expenses of Tangible Fixed Assets	9.638	9.101
Impairment Expenses of Intangible Fixed Assets	-	-
Impairment Expenses of Goodwill	-	-
Amortization Expenses of Intangible Assets	2.495	1.501
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses of Assets Held for Sale	-	-
Impairment Expenses of Non-current Asset Held for Sale and Discounted Operations	-	-
Other Operating Expenses	32.576	23.718
Operational Lease Expenses	656	-
Maintenance Expenses	489	508
Advertisement Expenses	51	67
Other Expenses	31.380	23.143
Loss on Sale of Assets	-	-
Other ^(**)	167.767	116.734
Total	221.368	151.105

^(*) The amount of severance pay and accumulated vacation allowance shown in other provisions that are not included in other operating expenses in the profit or loss statement are also included in this table.

^(**) The other column under other operating expenses includes BRSA participation share amounting to TL 96.785 (31 December 2020: TL 51.181)

Fees for services received from an independent audit firm

In accordance with the decision of the POA, dated March 26, 2021, the fees for the reporting period regarding the services received from the independent auditor or independent audit firm are given in the table below, excluding VAT.

	Current Period	Prior Period
Independent audit fee for the reporting period	361	346
Other assurance services	1.003	23
Total	1.364	369

8. Explanation on tax provisions for continuing and discontinued operations

None.

9. Explanation on net income/loss for the period

9.1. If the nature, size and the reoccurrence rate of the income and expense resulting from the ordinary banking activities are important to explain the performance of the Bank in the current period, the nature and the amount of these transactions

None.

9.2. If the changes in the estimates of the financial statement accounts may affect the profit/loss in the following periods, related periods and the necessary information

None.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

IV. Explanations and notes related to statement of profit or loss (Continued)

9.3. If the other accounts in the income statement exceed 10% of the total of the income statement, the sub-accounts constituting at least 20% of these accounts

	Current Period	Prior Period
Insurance Transactions Commission Income	796.898	473.221
Loan Transactions Commission Income	123.021	83.683
Other	4.601	17.062
Fees and Commissions Received	924.520	573.966
Insurance Transactions Commission Expenses	396.063	255.783
Funds Borrowed Commission Expenses	7.231	5.301
Securities Issued Commission Expenses	14.992	13.487
Other	75.582	74.979
Fees and Commissions Paid	493.868	349.550
Net Fees and Commissions Income	430.652	224.416

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and notes related to changes in shareholders' equity

1. Information about the adjustment related to the application of Financial Instruments Accounting Standards in the current period

1.1. The increase after the revaluation of the Financial Assets Measured at Fair Value through Other Comprehensive Income

The fair value losses of the Financial Assets Measured at Fair Value through Other Comprehensive Income, other than the hedging instruments, amounting to TL 109.423 are recorded under the "Marketable Securities Value Increase/Decrease Fund" account under equity.

1.2. Information for the increases in the accounts related to cash flow hedges

	Current Period	Prior Period
Hedging Reserves (Effective portion)	40.422	(15.982)

1.2.1 The reconciliation and confirmation for the cash flow hedges accounts at the beginning and end of the period

Opening Balance	Current Period	Prior Period
Hedging Reserves (Effective portion)	33.017	48.999

Ending Balance	Current Period	Prior Period
Hedging Reserves (Effective portion)	73.439	33.017

1.2.2. Under the cash flow hedges, the current period charge of the income or loss under equity related with a derivative or a non-derivate financial asset and liability designated as cash flow hedge instruments

Under the cash flow hedge , the income or loss are related with a derivative or a non-derivate financial asset and liability designated as cash flow hedge instruments recorded under the hedging reserves amounting to TL 73.439.

1.2.3. Reconciliation of foreign exchange differences at the beginning and end of the period

None.

2. Information related to distribution of profit

2.1. The amount of dividend declared before the approval date of the financial statements but after the balance

None.

2.2. Earnings per share proposed to be distributed to shareholders after the balance sheet date

Profit distributions are approved by the General Assembly of the Bank. As of the report date, no profit distribution decision has been made by the General Assembly for 2021 profit.

3. Amount transferred to legal reserves

	Current Period	Prior Period
Amount Transferred to Legal Reserves under Dividend Distribution	75.569	71.582

4. Information on issuance of share certificates

4.1 For all share groups; any restrictions, preferential terms and rights for distribution of dividends and payment of share capital.

None.

5. Explanations on other share capital increases

With the decision of the Bank's Board of Directors dated October 4, 2021, 100.000 TL of the fully paid-up capital of 9.270.000 TL was covered by the Ministry of Treasury and Finance in cash, and 1.430.000 TL was met from legal reserves and the paid-in capital was increased to 10,800,000 TL. The capital increase was registered by the Istanbul Trade Registry on December 21, 2021, and the capital increase process was completed.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations and notes related to statement of cash flows

1. Information on the cash and cash equivalents

1.1. Information on cash and cash equivalents at the beginning of the period

The components constituting the cash and cash equivalents and the accounting policies used for the determination of these components:

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as “Cash” and interbank money market and time deposits in banks with original maturities of less than three months are defined as “Cash equivalents”.

Beginning of the Period	Current Period	Prior Period
Cash	10	21
CBRT and other banks	9.993.685	9.988.297
Money market placements	1.688.243	-
Banks accrual	(11.882)	-
Total Cash and Cash Equivalents	11.670.056	9.988.318

1.2. Information on the cash and cash equivalents at the end of the period

	Current Period	Prior Period
Cash	11.300.265	5.005.582
Cash	-	10
Central Bank	11.300.265	5.005.572
Cash Equivalents	8.180.858	6.676.356
Banks and other financial institutions	5.851.411	4.988.113
Money market placements	2.329.447	1.688.243
Cash and Banks	19.481.123	11.681.938
Banks Accrual	(2.279)	(11.882)
Total Cash and Cash Equivalents	19.478.844	11.670.056

1.3. Explanations about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents

The “Other” item under “Operating profit before changes in operating assets and liabilities” amounting to TL (3.778.402) (31 December 2020: TL 445.517) mainly consists of fees and commissions paid, foreign exchange losses, other operating income excluding collections from doubtful receivables and other operating expenses excluding personnel expenses.

“Net increase/decrease in other liabilities” amounting to TL 10.320.073 (31 December 2020: TL 701.140) in “Changes in assets and liabilities subject to banking activities”; It includes 3,000,000 TL sent in cash for capital increase by the Ministry of Treasury and Finance, together with changes in taxes, duties, fees and premiums payable in other liabilities. As of 31 December 2021, the capital increase process continues.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

VII. Explanations and notes related to the Bank's risk group

In accordance with the paragraph 5 of article 49 of the Banking Law No. 5411, the Bank does not have any shareholding which it controls directly or indirectly and with which it constitutes a risk group.

1. Explanations and notes related to the domestic, foreign, off-shore branches or affiliates and foreign representatives of the Bank

Information on the Bank's domestic and foreign branches and foreign representatives of the Bank

	Number	Number of Employees			
Domestic Branch	22	734			
			Country of Incorporation		
Foreign Representation Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign branch	-	-	-	-	-
Off-shore Banking Region Branches	-	-	-	-	-

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure

The Bank has opened 2 branches in 2021.

VIII. Explanations and notes related to events after balance sheet

Murat Zaman has been appointed as the Chairman of the Board of Directors based on the Bank's Board of Directors decision dated February 18, 2022.

The Bank's fully paid-up capital of TL 10,800,000, T.C. The increase of 3,000,000 to 13,800,000 TL to be paid in cash by the Ministry of Treasury and Finance, was approved by the Board of Directors on 29 December 2021, the capital increase was registered by the Istanbul Trade Registry Office and published in the Trade Registry Gazette dated 3 February 2022 and numbered 10509. The capital increase process has been completed.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION SIX
OTHER EXPLANATIONS

I. Summary information about the Bank's credit ratings from international credit rating agencies

The ratings given by international rating agencies are as follows as of 31 December 2021.

Moody's		Fitch Ratings		
Long Term (Foreign and Local Currency) Issuer Rating	B2	Long Term Foreign Currency Issuer Rating	B+	Negative
Foreign Currency Bond Rating	B2	Long Term Local Currency Credit Rating	BB-	Negative
Foreign Currency Bond Rating (Medium Term Issuance Program)	(P)B2	Short Term Foreign Currency Credit Rating	B	
Basic Credit Evaluation Note	b3	Short Term Local Currency Credit Rating	B	
Adjusted Basic Credit Rating	b3	State Support Note	4b+	
Long Term Counterparty (Foreign and Local Currency) Risk Rating	B2	National Long Term Credit Rating	AAA (tur)	Stable
Long Term Counterparty Risk Assessment	B2(cr)			
Short Term Issuer Notes (Foreign and Local Currency)	NP			
Other Short Term	(P)NP			
View	Negative			

Views of the Bank's credit ratings are shown as of the last updated dates. (Moody's: September 15, 2020, Fitch Ratings: December 10, 2021)

SECTION SEVEN

Independent Auditors' Report

I. Explanations on the independent auditors' report

1. Explanations on auditors' report

The unconsolidated financial statements for the period ended 31 December 2021 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited) and Independent Auditors' Report dated 25 February 2022 is presented before the unconsolidated financial statements.

II. Explanations and notes prepared by independent auditor

None.