

Türkiye İhracat Kredi Bankası Anonim Şirketi

**Unconsolidated Interim Financial Statements
As at and for the Nine-Month Period Ended
30 September 2019
With Auditor's Review Report Thereon**

*(Convenience Translation of Unconsolidated Financial Statements
and Related Disclosures and Footnotes Originally Issued in Turkish)*

11 November 2019

*This report includes "Auditor's Review Report"
comprising 2 pages and; "Financial Statements and
Related Disclosures and Footnotes" comprising 88
pages.*



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**Convenience Translation of the Auditor's Review Report Originally Prepared
and Issued in Turkish to English**

AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Board of Directors of Türkiye İhracat Kredi Bankası Anonim Şirketi

Introduction

We have reviewed the accompanying unconsolidated balance sheet of Türkiye İhracat Kredi Bankası Anonim Şirketi ("the Bank") as at 30 September 2019 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in equity, unconsolidated statement of cash flows for the nine-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of the such interim financial information 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 Board and circulars and interpretations published by BRSA and requirements of Turkish Accounting Standard 34 "Interim Financial Reporting" principles for those matters not regulated by the aforementioned legislations. Our responsibility is to express a conclusion on this unconsolidated interim financial information based on our review.

Scope of Review

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



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial information does not present fairly, in all material respects, the financial position of Türkiye İhracat Kredi Bankası Anonim Şirketi as at 30 September 2019 and the results of its operations and its cash flows for the nine-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other legal and regulatory requirements

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in section seven is not consistent with the reviewed unconsolidated financial statements and disclosures in all material respects.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of KPMG International Cooperative

Orhan Akova, SMMM
Partner

11 November 2019
Istanbul, Turkey

Additional paragraph for convenience translation to English:

The accounting principles summarized in Note 1 to Section 3 may differ from the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.



Türkiye İhracat Kredi Bankası Anonim Şirketi Unconsolidated Interim Financial Statements As at and For Nine-Month Period Ended 30 September 2019

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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 ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO THE FINANCIAL POSITION OF THE BANK
- EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS AND FOOTNOTES
- AUDITOR’S REVIEW REPORT
- INTERIM ACTIVITY 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 reviewed.

Bülent AKSU
Chairman of
Board of Directors

Ali GÜNEY
General Manager

Hüseyin ŞAHİN
Deputy Vice President of
the Financial Reporting

Muhittin AKBAŞ
Head of Accounting and
Reporting Unit

Osman ÇELİK
Member of the Board of
Directors/ Member of the
Audit Committee

Nail OLPK
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: Muhittin AKBAŞ/ Head of Accounting and Reporting Unit

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TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2019

(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 10.000.000. The total share capital of the Bank is TL 7.160.000. The Bank's paid-in-capital committed by the Republic of Turkey Ministry of Treasury and Finance consists of 7.160.000.000 shares of TL 1 nominal each (full TL amount).

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:	Bülent AKSU ^(1,2)	Undergraduate
Dep. Chairman of the Board of Directors:	Rıza Tuna TURAGAY ^(1,3)	Graduate
Members of the Board of Directors:	Ali GÜNEY Osman ÇELİK Fahriye Alev ARKAN ⁽¹⁾ Nail OLPAK İsmail GÜLLE	Undergraduate Undergraduate Undergraduate Graduate Graduate
Members of the Audit Committee:	Osman ÇELİK ⁽⁴⁾ Nail OLPAK ⁽⁴⁾	Undergraduate Graduate
General Manager:	Ali GÜNEY ⁽⁷⁾	Graduate
Assistant General Managers: ⁽¹⁾	Enis GÜLTEKİN Ali Koray ERDEN Necdet KARADENİZ M.Ertan TANRIYAKUL Erdem OKUR ⁽⁵⁾ Hüseyin ŞAHİN ⁽⁶⁾	Graduate Graduate Graduate Undergraduate Graduate Undergraduate

⁽¹⁾ Have been appointed at the Ordinary General Assembly dated 10 May 2019 to replace other members for 3 years.

⁽²⁾ Has been appointed as Chairman of the Board of Directors with the decision of Board of Directors dated 13 May 2019.

⁽³⁾ Has been appointed as Deputy Chairman of the Board of Directors with the decision of Board of Directors dated 13 May 2019.

⁽⁴⁾ Have been appointed as Members of the Audit Committee with the decision of Board of Directors dated 13 May 2019.

⁽⁵⁾ Has been appointed as Assistant General Manager with the decision of Board of Directors dated 19 July 2019.

⁽⁶⁾ Has been appointed as Deputy Assistant General Manager with the decision of Board of Directors dated 19 July 2019.

⁽⁷⁾ Has been appointed as General Manager with the decision of Board of Directors dated 17 October 2019.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2019

(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 assistant general managers and their shareholding at the Bank, if applicable (Continued)

Ali GÜNEY is the General Manager, Necdet KARADENİZ is the Assistant General Manager in Charge of Allocation, Enis GÜLTEKİN is the Assistant General Manager responsible from Marketing, Hüseyin ŞAHİN is the Deputy Assistant General Manager in charge of Financial Affairs / Operations/Risk Monitoring, Mustafa Ertan TANRIYAKUL is the Assistant General Manager responsible from Treasury / Finance, Ali Koray ERDEN is the Assistant General Manager responsible from International Relations/Credit and Erdem OKUR is the Assistant General Manager responsible from Technology / Support.

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

IV. Information on the shareholders owning control shares

Name/Commercial title	Share amount	Share percentage	Paid-in capital	Unpaid portion
Ministry of Treasury and Finance	All	100%	7.160.000	-

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

There are not any transactions of the Bank subject to consolidation.

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.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

ASSETS	Notes	Reviewed Current Period (30 September 2019) ⁽¹⁾		Total
		TL	FC	
I. FINANCIAL ASSETS (Net)		767.658	14.547.075	15.314.733
1.1 Cash and Cash Equivalents		725.472	12.710.933	13.436.405
1.1.1. Cash and Balances with Central Bank	(1)	181	9.874.240	9.874.421
1.1.2. Banks	(4)	725.414	2.836.693	3.562.107
1.1.3. Money Market Placements		-	-	-
1.1.4. Expected Credit Losses (-)		123	-	123
1.2 Financial Assets at Fair Value through Profit/Loss		-	-	-
1.2.1. Government Securities		-	-	-
1.2.2. Equity Securities		-	-	-
1.2.3. Other Financial Assets		-	-	-
1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income	(6)	38.462	-	38.462
1.3.1. Government Securities		-	-	-
1.3.2. Equity Securities		38.462	-	38.462
1.3.3. Other Financial Assets		-	-	-
1.4 Derivative Financial Assets	(3)	3.724	1.836.142	1.839.866
1.4.1. Derivative Financial Assets Measured at Fair Value Through Profit or Loss		3.724	1.504.199	1.507.923
1.4.2. Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	331.943	331.943
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		10.475.610	130.275.700	140.751.310
2.1 Loans	(7)	7.881.071	129.152.643	137.033.714
2.2 Lease Receivables	(12)	-	-	-
2.3 Factoring Receivables		-	-	-
2.4 Financial Assets Measured at Amortised Cost	(8)	3.015.184	1.123.057	4.138.241
2.4.1. Government Securities		3.015.184	1.123.057	4.138.241
2.4.2. Other Financial Assets		-	-	-
2.5 Expected Credit Losses (-)		420.645	-	420.645
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)		-	-	-
4.1 Associates (Net)	(9)	-	-	-
4.1.1. Associates Consolidated Under Equity Accounting		-	-	-
4.1.2. Unconsolidated Associates		-	-	-
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)		22.672	-	22.672
VI. INTANGIBLE ASSETS (Net)		7.189	-	7.189
6.1. Goodwill		-	-	-
6.2. Others		7.189	-	7.189
VII. INVESTMENT PROPERTY (Net)	(13)	2.070	-	2.070
VIII. CURRENT TAX ASSET		-	-	-
IX. DEFERRED TAX ASSET		-	-	-
X. OTHER ASSETS		1.033.321	414.828	1.448.149
TOTAL ASSETS		12.308.520	145.237.603	157.546.123

⁽¹⁾ As at 1 January 2019, the Bank has started to apply the impairment provisions of TFRS 9 Financial Instruments. Since the prior period financial statements are presented in the financial statement format which is valid for TFRS 9 exempt banks as announced by BRSA, the prior period financial statements and the related notes have not been restated and have been presented separately.

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

ASSETS	Notes	Audited Prior Period (31 December 2018) ⁽¹⁾		TOTAL
		TL	FC	
I. FINANCIAL ASSETS (Net)		3.612.291	4.605.562	8.217.853
1.1 Cash and Cash Equivalents		342.040	3.893.433	4.235.473
1.1.1. Cash and Balances with Central Bank	(1)	320	-	320
1.1.2. Banks	(4)	119.071	3.893.433	4.012.504
1.1.3. Money Market Placements		222.649	-	222.649
1.2 Financial Assets at Fair Value through Profit/Loss		-	-	-
1.2.1. Government Securities		-	-	-
1.2.2. Equity Securities		-	-	-
1.2.3. Other Financial Assets		-	-	-
1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income	(6)	20.447	-	20.447
1.3.1. Government Securities		-	-	-
1.3.2. Equity Securities		20.447	-	20.447
1.3.3. Other Financial Assets		-	-	-
1.4 Financial Assets Measured at Amortised Cost	(8)	3.249.722	-	3.249.722
1.4.1. Government Securities		3.249.722	-	3.249.722
1.4.2. Other Financial Assets		-	-	-
1.5 Derivative Financial Assets	(3)	82	712.129	712.211
1.5.1. Derivative Financial Assets Measured at Fair Value Through Profit or Loss		82	567.969	568.051
1.5.2. Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	144.160	144.160
II. LOANS (Net)	(7)	6.401.551	123.095.699	129.497.250
2.1 Loans		6.292.910	123.095.699	129.388.609
2.1.1. Loans Measured at Amortised Cost		6.292.910	123.095.699	129.388.609
2.1.2. Loans Measured at Fair Value Through Profit or Loss		-	-	-
2.1.3. Loans Measured at Fair Value Through Other Comprehensive		-	-	-
2.2 Lease Receivables	(12)	-	-	-
2.2.1. Financial Lease Receivables		-	-	-
2.2.2. Operational Lease Receivables		-	-	-
2.2.3. Unearned Income (-)		-	-	-
2.3 Factoring Receivables		-	-	-
2.3.1. Factoring Receivables Measured at Amortised Cost		-	-	-
2.3.2. Factoring Receivables Measured at Fair Value Through Profit or Loss		-	-	-
2.3.3. Factoring Receivables Measured at Fair Value Through Other Comprehensive		-	-	-
2.4 Non Performing Receivables		342.508	-	342.508
2.5 Specific Provisions (-)		233.867	-	233.867
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)		-	-	-
4.1 Associates (Net)	(9)	-	-	-
4.1.1. Associates Consolidated Under Equity Accounting		-	-	-
4.1.2. Unconsolidated Associates		-	-	-
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)		5.807	-	5.807
VI. INTANGIBLE ASSETS (Net)		7.006	-	7.006
6.1. Goodwill		-	-	-
6.2. Others		7.006	-	7.006
VII. INVESTMENT PROPERTY (Net)	(13)	2.141	-	2.141
VIII. CURRENT TAX ASSET		-	-	-
IX. DEFERRED TAX ASSET		-	-	-
X. OTHER ASSETS		1.025.396	673.641	1.699.037
TOTAL ASSETS		11.054.192	128.374.902	139.429.094

⁽¹⁾ As at 1 January 2019, the Bank has started to apply the impairment provisions of TFRS 9 Financial Instruments. Since the prior period financial statements are presented in the financial statement format which is valid for TFRS 9 exempt banks as announced by BRSA, the prior period financial statements and the related notes have not been restated and have been presented separately.

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

LIABILITIES	Notes	Reviewed Current Period (30 September 2019) ^(*)		Total
		TL	FC	
I. DEPOSITS	(1)	-	-	-
II. FUNDS BORROWED	(3)	-	123.319.941	123.319.941
III. MONEY MARKET FUNDS		-	-	-
IV. SECURITIES ISSUED (Net)		257.157	17.610.290	17.867.447
4.1 Bills		-	-	-
4.2 Asset Backed Securities		-	-	-
4.3 Bonds		257.157	17.610.290	17.867.447
V. FUNDS		13	-	13
5.1 Borrower Funds		-	-	-
5.2 Other		13	-	13
VI. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT/LOSS		-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)	4.984	72.370	77.354
7.1 Derivative Financial Liabilities Measured at Fair Value through Profit/Loss		4.984	65.974	70.958
7.2 Derivative Financial Liabilities Measured at Fair Value through Other Comprehensive Income		-	6.396	6.396
VIII. FACTORING PAYABLES		-	-	-
IX. LEASE PAYABLES	(5)	9.304	8.615	17.919
X. PROVISIONS	(6)	236.927	-	236.927
10.1 Restructuring Provisions		-	-	-
10.2 Reserve for Employee Rights		72.864	-	72.864
10.3 Insurance Technical Provisions (Net)		-	-	-
10.4 Other Provisions		164.063	-	164.063
XI. CURRENT TAX LIABILITY	(7.1)	16.678	-	16.678
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		2.905.631	944.112	3.849.743
14.1 Borrowings		-	944.112	944.112
14.2 Other Debt Instruments		2.905.631	-	2.905.631
XV. OTHER LIABILITIES	(4)	50.771	3.412.975	3.463.746
XVI. SHAREHOLDERS' EQUITY	(8)	8.650.220	46.135	8.696.355
16.1 Paid-in Capital		7.160.000	-	7.160.000
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		(8.278)	-	(8.278)
16.4 Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss		27.025	46.135	73.160
16.5 Profit Reserves		422.232	-	422.232
16.5.1 Legal Reserves		422.618	-	422.618
16.5.2 Status Reserves		-	-	-
16.5.3 Extraordinary Reserves		4.614	-	4.614
16.5.4 Other Profit Reserves		-	-	-
16.6 Profit/Loss		1.044.241	-	1.044.241
16.6.1 Prior Periods' Profit/Loss		-	-	-
16.6.2 Current Period's Net Profit/Los		1.044.241	-	1.044.241
TOTAL LIABILITIES		12.131.685	145.414.438	157.546.123

(*) As at 1 January 2019, the Bank has started to apply the impairment provisions of TFRS 9 Financial Instruments. Since the prior period financial statements are presented in the financial statement format which is valid for TFRS 9 exempt banks as announced by BRSA, the prior period financial statements and the related notes have not been restated and have been presented separately.

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

LIABILITIES	Notes	Audited Prior Period (31 December 2018) ^(*)		TOTAL
		TL	FC	
I. DEPOSITS	(1)	-	-	-
II. FUNDS BORROWED	(3)	-	108.730.948	108.730.948
III. MONEY MARKET FUNDS		139.005	-	139.005
IV. SECURITIES ISSUED (Net)		-	17.178.988	17.178.988
4.1 Bills		-	-	-
4.2 Asset Backed Securities		-	-	-
4.3 Bonds		-	17.178.988	17.178.988
V. FUNDS		13	-	13
5.1 Borrower Funds		-	-	-
5.2 Other		13	-	13
VI. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT/LOSS		-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)	80	468.775	468.855
7.1 Derivative Financial Liabilities Measured at Fair Value through Profit/Loss		80	378.283	378.363
7.2 Derivative Financial Liabilities Measured at Fair Value through Other Comprehensive Income		-	90.492	90.492
VIII. FACTORING PAYABLES		-	-	-
IX. LEASE PAYABLES	(5)	-	-	-
9.1 Financial Lease Payables		-	-	-
9.2 Operational Lease Payables		-	-	-
9.3 Other		-	-	-
9.4 Deferred Financial Lease Expenses (-)		-	-	-
X. PROVISIONS	(6)	324.099	-	324.099
10.1 General Loan Loss Provision		130.214	-	130.214
10.2 Restructuring Provisions		-	-	-
10.3 Reserve for Employee Rights		75.397	-	75.397
10.4 Insurance Technical Provisions (Net)		-	-	-
10.5 Other Provisions		118.488	-	118.488
XI. CURRENT TAX LIABILITY	(7.1)	14.752	-	14.752
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		2.995.130	-	2.995.130
14.1 Borrowings		-	-	-
14.2 Other Debt Instruments		2.995.130	-	2.995.130
XV. OTHER LIABILITIES	(4)	31.028	1.892.225	1.923.253
XVI. SHAREHOLDERS' EQUITY	(8)	7.604.818	49.233	7.654.051
16.1 Paid-in Capital		6.350.000	-	6.350.000
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		(9)	-	(9)
16.4 Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss		11.282	49.233	60.515
16.5 Profit Reserves		401.743	-	401.743
16.5.1 Legal Reserves		379.260	-	379.260
16.5.2 Status Reserves		-	-	-
16.5.3 Extraordinary Reserves		22.483	-	22.483
16.5.4 Other Profit Reserves		-	-	-
16.6 Profit/Loss		841.802	-	841.802
16.6.1 Prior Periods' Profit/Loss		-	-	-
16.6.2 Current Period's Net Profit/Los		841.802	-	841.802
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		11.108.925	128.320.169	139.429.094

^(*) As at 1 January 2019, the Bank has started to apply the impairment provisions of TFRS 9 Financial Instruments. Since the prior period financial statements are presented in the financial statement format which is valid for TFRS 9 exempt banks as announced by BRSA, the prior period financial statements and the related notes have not been restated and have been presented separately.

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TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS AT 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

	Notes	Reviewed Current Period (30 September 2019)			Audited Prior Period (31 December 2018)		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		4.782.014	116.807.130	121.589.144	3.040.292	102.246.431	105.286.723
I. GUARANTEES AND SURETIES	(1.2)	-	9.654.405	9.654.405	-	9.083.093	9.083.093
1.1 Letters of guarantee		-	-	-	-	-	-
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		-	-	-	-	-	-
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		-	9.654.405	9.654.405	-	9.083.093	9.083.093
1.9 Other sureties		-	-	-	-	-	-
II. COMMITMENTS		4.288.823	43.758.765	48.047.588	2.993.521	35.553.809	38.547.330
2.1 Irrevocable Commitments		97.893	169.694	267.587	-	792	792
2.1.1 Asset Purchase and Sale Commitments		97.893	168.847	266.740	-	-	-
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		-	847	847	-	792	792
2.2 Revocable Commitments		4.190.930	43.589.071	47.780.001	2.993.521	35.553.017	38.546.538
2.2.1 Revocable Loan Granting Commitments		4.190.930	43.589.071	47.780.001	2.993.521	35.553.017	38.546.538
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		493.191	63.393.960	63.887.151	46.771	57.609.529	57.656.300
3.1 Hedging Derivative Financial Instruments		-	47.129.813	47.129.813	36.220	43.820.201	43.856.421
3.1.1 Transactions for Fair Value Hedge		-	32.991.080	32.991.080	-	33.685.723	33.685.723
3.1.2 Transactions for Cash Flow Hedge		-	14.138.733	14.138.733	36.220	10.134.478	10.170.698
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		493.191	16.264.147	16.757.338	10.551	13.789.328	13.799.879
3.2.1 Forward Foreign Currency Buy/Sell Transactions		803	684	1.487	1.891	1.690	3.581
3.2.1.1 Forward Foreign Currency Transactions-Buy		402	342	744	947	845	1.792
3.2.2.2 Forward Foreign Currency Transactions-Sell		401	342	743	944	845	1.789
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		489.688	16.260.923	16.750.611	-	13.779.200	13.779.200
3.2.2.1 Foreign Currency Swap-Buy		116.742	4.580.490	4.697.232	-	3.178.271	3.178.271
3.2.2.2 Foreign Currency Swap-Sell		372.946	4.309.561	4.682.507	-	3.297.385	3.297.385
3.2.2.3 Interest Rate Swap-Buy		-	3.685.436	3.685.436	-	3.651.772	3.651.772
3.2.2.4 Interest Rate Swap-Sell		-	3.685.436	3.685.436	-	3.651.772	3.651.772
3.2.3 Foreign Currency, Interest rate and Securities Options		2.700	2.540	5.240	8.660	8.438	17.098
3.2.3.1 Foreign Currency Options-Buy		1.350	1.270	2.620	4.330	4.219	8.549
3.2.3.2 Foreign Currency Options-Sell		1.350	1.270	2.620	4.330	4.219	8.549
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)		4.799.064	156.472.063	161.271.127	4.609.798	141.111.476	145.721.274
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		621.779	3.864.821	4.486.600	584.511	3.608.784	4.193.295
5.1 Marketable Securities		-	37.934	37.934	-	35.484	35.484
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Real Estates		593.509	3.720.881	4.314.390	556.241	3.518.192	4.074.433
5.6 Other Pledged Items		28.270	106.006	134.276	28.270	55.108	83.378
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		4.177.285	152.607.242	156.784.527	4.025.287	137.502.692	141.527.979
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		9.581.078	273.279.193	282.860.271	7.650.090	243.357.907	251.007.997

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

INCOME AND EXPENSE ITEMS		Notes	Current Period Reviewed 1 January- 30 September 2019 (*)	Current Period Reviewed (*) 1 July- 30 September 2019 (*)
I.	INTEREST INCOME	(1)	3.578.510	1.199.229
1.1	Interest Income On Loans		3.199.875	1.069.451
1.2	Interest Income On Reserve Deposits		-	-
1.3	Interest Income On Banks		120.143	40.827
1.4	Interest Income On Money Market Transactions		3.274	2.140
1.5	Interest Income On Securities Portfolio		252.818	85.888
1.5.1	Financial Assets Measured At Fair Value Through Profit or Loss		-	-
1.5.2	Financial Assets Measured At Fair Value Reported in Other Comprehensive Income		-	-
1.5.3	Financial Assets Measured At Amortised Cost		252.818	85.888
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		2.400	923
II.	INTEREST EXPENSE	(2)	2.815.393	914.258
2.1	Interest On Deposits		-	-
2.2	Interest On Funds Borrowed		1.697.602	570.448
2.3	Interest On Money Market Transactions		1.939	37
2.4	Interest On Securities Issued		1.091.402	335.298
2.5	Other Interest Expenses		2.322	746
2.6	Financial Lease Expenses		22.128	7.729
III.	NET INTEREST INCOME (I - II)		763.117	284.971
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		117.915	44.473
4.1	Fees and Commissions Received		299.261	106.139
4.1.1	Non-cash Loans		-	-
4.1.2	Other		299.261	106.139
4.2	Fees and Commissions Paid		(181.346)	(61.666)
4.2.1	Non-cash Loans		-	-
4.2.2	Other		(181.346)	(61.666)
V.	DIVIDEND INCOME		70	-
VI.	NET TRADING INCOME/LOSSES (Net)	(3)	-486.284	181.165
6.1	Trading Account Income/Losses		-	-
6.2	Income/Losses From Derivative Financial Instruments		1.403.399	1.033.643
6.3	Foreign Exchange Gains/Losses		(917.115)	(852.478)
VII.	OTHER OPERATING INCOME	(4)	3.811	1.587
VIII.	TOTAL OPERATING PROFIT (III+IV-V+VI+VII+VIII)		1.371.197	512.196
IX.	EXPECTED CREDIT LOSSES (-)	(5)	77.251	18.417
X.	OTHER PROVISIONS (-)	(6)	5.823	52
XI.	PERSONNEL EXPENSES (-)		164.305	55.604
XII.	OTHER OPERATING EXPENSES (-)	(6)	79.577	24.892
XIII.	NET OPERATING PROFIT/LOSS (IX-X-XI)		1.044.241	413.231
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)		1.044.241	413.231
XVIII.	PROVISION FOR TAXES OF CONTINUED OPERATIONS (±)		-	-
18.1	Current Tax Charge		-	-
18.2	Deferred Tax Income Effect (+)		-	-
18.3	Deferred Tax Expense Effect (-)		-	-
XIX.	NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)		1.044.241	413.231
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 Charge		-	-
23.3	Deferred Tax Income		-	-
XXIV.	NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXII)		-	-
XXV.	NET PROFIT/LOSS (XVII+XXII)		1.044.241	413.231
	Earnings per Share		0,16202	0,06265

(*) As at 1 January 2019, the Bank has started to apply the impairment provisions of TFRS 9 Financial Instruments. Since the prior period financial statements are presented in the financial statement format which is valid for TFRS 9 exempt banks as announced by BRSA, the prior period financial statements and the related notes have not been restated and have been presented separately.

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TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

INCOME AND EXPENSE ITEMS		Notes	Prior Period Reviewed 1 January- 30 September 2018 (*)	Prior Period Reviewed (*) 1 July- 30 September 2018 (*)
I.	INTEREST INCOME	(1)	2.451.001	1.060.574
1.1	Interest Income On Loans		2.261.466	1.005.741
1.2	Interest Income On Reserve Deposits		-	-
1.3	Interest Income On Banks		95.656	30.723
1.4	Interest Income On Money Market Transactions		64.160	10.385
1.5	Interest Income On Securities Portfolio		27.693	12.896
1.5.1	Financial Assets Measured At Fair Value Through Profit or Loss		47	-
1.5.2	Financial Assets Measured At Fair Value Reported in Other Comprehensive Income		-	-
1.5.3	Financial Assets Measured At Amortised Cost		27.646	12.896
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		2.026	829
II.	INTEREST EXPENSE	(2)	1.772.878	843.673
2.1	Interest on Deposits		-	-
2.2	Interest on Funds Borrowed		1.098.187	514.604
2.3	Interest on Money Market Transactions		674	348
2.4	Interest on Securities Issued		655.227	321.687
2.5	Other Interest Expenses		18.790	7.034
III.	NET INTEREST INCOME/EXPENSE (I - II)		678.123	216.901
IV.	NET FEES AND COMMISSIONS INCOME		(14.690)	(13.059)
4.1	Fees and Commissions Received		30.262	14.623
4.1.1	Non-Cash Loans		-	-
4.1.2	Other		30.262	14.623
4.2	Fees and Commissions Paid		(44.952)	(27.682)
4.2.1	Non-Cash Loans		-	-
4.2.2	Other		(44.952)	(27.682)
V.	PERSONNEL EXPENSES (-)		123.107	43.876
VI.	DIVIDEND INCOME		-	-
VII.	TRADING INCOME/LOSS (Net)	(3)	84.854	118.535
7.1	Trading Gains /Losses on Securities		(69)	-
7.2	Trading Gains /Losses on Derivative Financial Assets		983.060	262.076
7.3	Foreign Exchange Gains /Losses		(898.137)	(143.541)
VIII.	OTHER OPERATING INCOME	(4)	208.943	79.399
IX.	TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		834.123	357.900
X.	EXPECTED CREDIT LOSSES (-)	(5)	78.176	35.862
XI.	OTHER OPERATING EXPENSES (-)	(6)	177.380	64.155
XII.	NET OPERATING PROFIT/(LOSS) (VIII-IX-X)		578.567	257.883
XIII.	INCOME RESULTED FROM MERGERS		-	-
XIV.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XVI.	OPERATING PROFIT/LOSS BEFORE TAXES (XI+...+XIV)		578.567	257.883
XVII.	PROVISION FOR TAXES OF CONTINUED OPERATIONS (±)		-	-
17.1	Current Tax Charge		-	-
17.2	Deferred Tax Charge		-	-
XVIII.	NET OPERATING PROFIT/LOSS AFTER TAXES (XVI±XVII)		578.567	257.883
XIX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
19.1	Income From Assets Held For Sale		-	-
19.2	Income From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
19.3	Others		-	-
XX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
20.1	Expenses On Assets Held for Sale		-	-
20.2	Expenses On Sale of Associates, Subsidiaries and Joint-Ventures		-	-
20.3	Others		-	-
XXI.	PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXII.	PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)		-	-
22.1	Current Tax Charge		-	-
22.2	Deferred Tax Charge		-	-
XXIII.	NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXII)		-	-
XXIV.	NET PROFIT/LOSS (XVII+XXII)		578.567	257.883
	Earnings per share (Full TL)		0,10206	0,04181

(*) As at 1 January 2019, the Bank has started to apply the impairment provisions of TFRS 9 Financial Instruments. Since the prior period financial statements are presented in the financial statement format which is valid for TFRS 9 exempt banks as announced by BRSA, the prior period financial statements and the related notes have not been restated and have been presented separately.

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

	Notes	Reviewed Current Period (30 September 2019)	Reviewed Prior Period (30 September 2018)
I. CURRENT PERIOD PROFIT/LOSS		1.044.241	578.567
II. OTHER COMPREHENSIVE INCOME		12.645	21.434
2.1 Other Income/Expense Items not to be Recycled to Profit or Loss		-	-
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		-	-
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		12.645	21.434
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		15.743	(8.084)
2.2.3 Gains/losses from Cash Flow Hedges		(3.098)	29.518
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)		1.056.886	600.001

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

	Thousands							Total Equity
	1	2	3	4	5	6	7	
	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		Current Period's Net Profit/Loss			
STATEMENT OF CHANGES IN EQUITY								
Current Period's 30 September 2019								
I. Balance at Beginning of Period	6,350,000	-	1,762	-	11,292	49,233	7,664,087	
II. Correction made as per TAS 8	-	(1,771)	(8,269)	-	-	-	(8,269)	
2.1 Effect of Corrections	-	-	(8,269)	-	-	-	(8,269)	
2.2 Effect of Changes in Accounting Policies	-	(1,771)	(6,507)	-	11,292	49,233	7,664,782	
III. Adjusted Balances at Beginning of Period (+/-)	6,350,000	-	-	-	15,743	(3,098)	12,645	
IV. Other Comprehensive Income	-	-	-	-	-	-	-	
V. Capital Increase in Cash and Recycled Sources	810,000	-	-	-	-	-	810,000	
VI. Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-	-	-	-	-	-	
VII. Convertible Bonds	-	-	-	-	-	-	-	
VIII. Subordinated Liabilities	-	-	-	-	-	-	-	
IX. Others Changes	-	-	-	-	-	-	-	
XI. Profit Distribution	-	-	-	-	-	-	-	
11.1 Dividends	-	-	-	-	-	-	-	
11.2 Transfers to Reserves	-	-	-	-	-	-	-	
11.3 Other	-	-	-	-	-	-	-	
Balance at end of the period (III+V...+XI)	7,160,000	(1,771)	(6,507)	-	27,025	46,135	8,096,355	
1 Accumulated Revaluation Increase/Decrease of Fixed Assets	-	-	-	-	-	-	-	
2 Accumulated Revaluations, Voluntary Losses of Deferred Benefit Pension Plan	-	-	-	-	-	-	-	
3 Foreign Currency Translation Differences	-	-	-	-	-	-	-	
4 Foreign Currency Translation Differences	-	-	-	-	-	-	-	
5 Accumulated Revaluation and/or Reassessment 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 Reclassified Through Other Profit or Loss	-	-	-	-	-	-	-	

1 Accumulated Revaluation Increase/Decrease of Fixed Assets
2 Accumulated Revaluations, Voluntary Losses of Deferred Benefit Pension Plan
3 Foreign Currency Translation Differences
4 Foreign Currency Translation Differences
5 Accumulated Revaluation and/or Reassessment 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 Reclassified Through Other Profit or Loss

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

STATEMENT OF CHANGES IN EQUITY	Notes						Total Equity
	1	2	3	4	5	6	
	Other Comprehensive Income/Expense Items not to be Reclassified to Profit or Loss						
	Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss						
	Share Premium	Share Cancellation Profit	Other Capital Reserve	Profit Reserves	Prior Period's Profit/Loss	Current Period's Net Profit/Loss	
I.	4.800.000	-	-	387.531	568.475	-	5.774.003
II.	-	-	-	-	-	-	1.762
2.1	-	-	-	1.762	-	-	-
2.2	-	-	-	-	-	-	1.762
III.	4.800.000	-	-	-	-	-	5.775.845
IV.	-	-	-	-	(1.512)	-	21.454
V.	1.000.000	-	-	-	29.518	-	1.000.000
VI.	550.000	-	-	(550.000)	-	-	-
VII.	-	-	-	-	-	-	-
VIII.	-	-	-	-	-	-	-
IX.	-	-	-	-	-	-	-
X.	-	-	-	-	-	-	-
XI.	-	-	-	-	-	578.567	578.567
11.1	-	-	-	564.212	(664.475)	(4.263)	(4.263)
11.2	-	-	-	-	-	-	-
11.3	-	-	-	564.212	(564.212)	-	-
Other	-	-	-	-	-	-	-
	6.350.000	-	-	401.743	13.070	578.567	7.371.563
				1.762	(1.565)	20.006	

1 Accumulated Revaluation Increase/Decrease of Fixed Assets

2 Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan

3 Other (Share) of Investments Valued by Equity Method in Other Comprehensive Income Items Not Reclassified Through (Other Profit) or (Loss)

4 Foreign Currency Translation Differences

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

6 Other (Cash Flow Hedge) Gain/Loss, Share 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.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

	Notes	Reviewed Current Period 30 September 2019	Reviewed Prior Period 30 September 2018
A.			
CASH FLOWS FROM BANKING OPERATIONS			
I.1		2.867.071	1.474.851
Operating profit before changes in operating assets and liabilities			
1.1.1		3.323.072	2.203.396
1.1.2		(1.514.434)	(1.003.133)
1.1.3		70	-
1.1.4		254.516	26.186
1.1.5		1.407.210	175.443
1.1.6	(79.2)	229.980	16.244
1.1.7		(186.464)	(282.566)
1.1.8		(138.024)	(98.351)
1.1.9		(508.855)	437.632
1.2		9.461.478	(4.162.530)
Changes in operating assets and liabilities			
1.2.1		-	3.050
1.2.2		-	-
1.2.3		(5.251.016)	(9.810.184)
1.2.4		177.634	(556.686)
1.2.5		-	-
1.2.6		-	-
1.2.7		-	-
1.2.8		12.993.735	4.723.722
1.2.9		-	-
1.2.10		1.541.125	1.477.568
I.		12.328.549	(2.687.679)
Net cash flow from banking operations			
B.			
CASH FLOWS FROM INVESTING ACTIVITIES			
II.		(985.669)	(3.074.319)
Net cash flow from investing activities			
2.1		-	-
2.2		-	-
2.3		(2.081)	(2.285)
2.4		-	-
2.5		(2.273)	-
2.6		-	-
2.7	(8.4)	(1.160.368)	(3.198.105)
2.8	(8.4)	180.292	127.748
2.9		(1.239)	(1.677)
C.			
CASH FLOWS FROM FINANCING ACTIVITIES			
III.		(2.810.763)	4.472.033
Net cash flow from financing activities			
3.1		3.823.329	4.988.558
3.2		(6.671.683)	(512.262)
3.3		-	-
3.4		(6.313)	(4.263)
3.5		(6.096)	-
3.6		-	-
IV.		668.442	1.908.467
Effect of translation differences on cash and cash equivalents			
V.		9.200.559	618.502
Net increase/(decrease) in cash and cash equivalents			
VI.		4.233.933	3.546.284
Cash and cash equivalents at beginning of period			
VII.		13.434.492	4.164.786
Cash and cash equivalents at end of period			

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

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 unconsolidated 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 profit or loss.

As of 1 January 2019, the Bank has started to apply the impairment provision of TFRS 9 Financial Instruments (“TFRS 9”) and TFRS 16 Leases.

Information on the effect of the application of the impairment provisions of TFRS 9 Financial Instruments is explained in Note XXIV.

Information on the application of TFRS 16 Leases is explained in Note XIV.

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.

3. Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, and International Financial Reporting Standards (“IFRS”), may have significant influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

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 30 September 2019, the exchange rates used in translation of foreign currency denominated balances into Turkish Lira are TL 5,6447 for US Dollar, TL 6,1714 for Euro, TL 5,2326 for 100 JPY and TL 6,9435 for GBP.

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, foreign currency buy and sell option 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 instruments 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 instruments 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 of 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 hedges its cash flow risk arising from floating-rate liabilities in foreign currency and TL by cross-currency swaps. In this context, the fair value changes of the effective portion of the hedging instruments are accounted under the “hedge funds” account within equity. In the period in which the cash flows affect the statement of profit or loss for the hedged item, the hedging instrument relating to the profit/loss is extracted from equity and recognized in the statement of profit or loss.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

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

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.

IFRS 9 permits to defer application of IFRS 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 and expenses are recognized in profit or loss on an accrual basis.

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.

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 IFRS 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.

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 business model other than 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.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VI. Explanation on financial assets (Continued)

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

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 interest 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 as “Other Comprehensive Income or Expense to be Recycled to Profit or Loss” account.

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.

c.) Financial assets measured at amortised cost

A financial asset is measured at amortized cost if both conditions 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 government bonds and eurobonds issued by Republic of Turkey Ministry of Treasury and Finance are included in the Financial Assets Measured at Amortized Cost.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VI. Explanation on financial assets (Continued)

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 Regulation on the Procedures and Principles for the Classification of Loans and Provisions to be Set Aside for this Purpose” has entered into force from 1 January 2018, however, the Bank has taken additional time from the BRSA until 1 January 2019; from this date the Bank started to calculate expected credit loss according to TFRS 9 provisions.

In this context, as of 31 December 2018, the loan provision allocation method, which is allocated within the framework of BRSA's related legislation, has been amended by applying the expected credit loss model with the implementation of TFRS 9. 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.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on impairment of financial assets (Continued)

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

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.

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 a 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.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on impairment of financial assets (Continued)

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. The measurement of expected credit losses requires the estimation of both 1 year probabilities of default and lifetime probabilities of default. In the probability 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.

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 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 for lifetime 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.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

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.

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 30 September 2019 and 31 December 2018, 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 tangible assets are initially recognized at cost model in accordance with TAS 16 “Property, Plant and Equipment”. Subsequently acquired tangible assets are carried at cost less accumulated depreciation at the balance sheet date. Depreciation is calculated over the cost of tangible assets using the straight-line method over its estimated useful life. There has been no change in the depreciation method during the current period.

The depreciation rates are as follows;

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XII. Explanations on tangible assets (Continued)

The depreciation charge for items remaining in tangible assets for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in tangible assets. Gains and losses on the disposal of tangible assets are booked to the statement of profit or loss 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 expense accounts. Expenditures for the repair and renewal of tangible assets 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 tangible assets 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 tangible assets.

XIII. 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.

XIV. Explanations on leases

"IFRS 16 Leases" Standard has been published in the Official Gazette No. 30393 dated 16 April 2018, and is effective from 1 January 2019. This Standard specifies the principles of recognition of leases into the financial statements, measurement, presentation and ve explanation of leases. Purpose of the standard is to show the tenant and renters these procedures in a true manner and to provide appropriate information. As of 1 January 2019 the Bank has started to apply related standard.

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)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIV. Explanations on leases (Continued)

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

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. As of 1 January 2019, the weighted average of the incremental borrowing interest rates applied to TL and USD lease liabilities presented in the statement of financial position 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) Remeasures the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIV. Explanations on leases (Continued)

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.

	1 January 2019	30 September 2019
Right-of-use assets	20.254	16.435
Lease liabilities	19.611	17.919

XV. Explanations on provisions and contingent liabilities

Provisions and contingent liabilities except for the specific and general provisions 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 estimated.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVI. 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	15,50%	15,50%
Inflation	10,00%	10,00%
Salary increase rate	11,00%	11,00%

As of 30 September 2019, the calculated employment termination obligation amount is TL 25.976 (31 December 2018: TL 21.854). For the period ended 30 September 2019, the Bank also provided provision for vacation pay liability relating to prior periods amounting to TL 17.700 (31 December 2018: TL 15.998).

The Bank has allocated a provision amounting to TL 16.815 (31 December 2018: TL 24.869) based on the success premium to be paid in January 2020 for the second half of the year and a provision amounting to TL 12.373 (31 December 2018: TL 12.675) for the dividend payable to the employees in 2020 from the profit of 2019.

XVII. 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.

XVIII. 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 seven bonds.

- In September 2014, the Bank issued bonds amounting USD 500 million (TL 2.822.350). The bond is subject to annual fixed interest payment of 5,000% every six months and the total maturity is seven years.
- In February 2016, the Bank issued bonds amounting USD 500 million (TL 2.822.350) The bond is subject to annual fixed interest payment of 5,375% every six months and the total maturity is five years.
- In October 2016, the Bank issued bonds amounting USD 500 million (TL 2.822.350). The bond is subject to annual fixed interest payment of 5,375% every six months and the total maturity is seven years.
- In September 2017, the Bank issued a bond with a maturity of five years and a fixed rate of 4,250% amounting USD 500 million (TL 2.822.350).
- 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 2.822.350).
- 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 2.822.350).

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Additional explanations on borrowings (Continued)

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 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 925.710) with an early redeem option after fifth year of the date of issue.

In September 2019, the Bank has issued a bond with a maturity of three years and floating interest rates amounting to TL 256.247.

XIX. 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. Profit appropriation of the Bank is resolved at the General Assembly meeting. The Bank received approval from Banking Regulation and Supervision Agency for dividend distribution from profits of the period ended 2018 and the distribution was also approved by the resolution of the General Assembly meeting held on 10 May 2019.

XX. Explanations on avalized drafts and acceptances

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

XXI. Explanations on government grants

The Bank benefits from the Government Incentive provided by the Ministry of Trade as of 30 September 2019. In accordance with the decision of the Ministry of Economy Money-Credit and Coordination Board dated 2016/8, the interest expense of the 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".

XXII. 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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XXIII. 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.

XXIV. Reclassifications

The following table shows the classification and adjustments for the application of the impairment provisions of TFRS 9 Financial Instruments of 1 January 2019.

ASSETS	31 December 2018	TFRS 9 CLASSIFICATION EFFECT	TFRS 9 MEASUREMENT EFFECT	1 January 2019
Specific Provisions	233.867	(233.867)	-	-
Expected Credit Losses	-	364.081	8.604	372.685
LIABILITIES	31 December 2018	TFRS 9 CLASSIFICATION EFFECT	TFRS 9 MEASUREMENT EFFECT	1 January 2019
General Provisions	130.214	(130.214)	-	-
Other Provisions	118.488	-	(335)	118.153
Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss	-	-	(8.269)	(8.269)

Equity effects of transition to TFRS 9 impairment application

As of 1 January 2019, remeasurement of provisions TL 8.269 resulting from reversal of the impairment provisions previously recognized in TFRS 9 is reclassified to "Other Capital Reserves" under shareholders' equity.

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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 Regarding Equities of Banks" and "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy".

As of 30 September 2019, the shareholders' equity of the Bank is TL 12.684.670 (31 December 2018: TL 10.679.018) and the capital adequacy standard ratio is 19,02% (31 December 2018: 18,66%).

	Current Period	Amount as per the regulation before 1/1/2014
COMMON EQUITY TIER I CAPITAL	8.689.166	
Paid-in Capital to be Entitled for Compensation after All Creditors	7.160.000	
Share Premium	-	
Reserves	427.232	
Other Comprehensive Income according to Turkish Accounting Standards ("TAS")	73.160	
Profit	1.044.241	
Net Current Period Profit	1.044.241	
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	8.704.633	
Deductions From Common Equity Tier I Capital	15.467	
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 (-)	6.507	
Leasehold Improvements on Operational Leases (-)	-	
Goodwill Netted with Deferred Tax Liabilities	-	
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	7.189	
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	1.771	
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 (-)	-	

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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 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	15.467	
Total Common Equity Tier I Capital	8.689.166	
ADDITIONAL TIER I CAPITAL	925.710	
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	925.710	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	
Additional Tier I Capital before Deductions	925.710	
Deductions from Additional Tier I 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 I Capital (-)	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank owns more than 10% of the Issued Share Capital (-)	-	
Other items to be defined by the BRSA (-)	-	
Items to be Deducted from Tier I Capital during the Transition Period	-	
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 1 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 (-)	-	

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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 as per the regulation before 1/1/2014
Total Deductions from Additional Tier I Capital	-	
Total Additional Tier I Capital	925.710	
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	9.614.876	
TIER II CAPITAL	3.069.794	
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)	168.035	
Total Deductions from Tier II Capital	3.069.794	
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	3.069.794	
Total Equity (Total Tier I and Tier II Capital)	12.684.670	
The sum of Tier I Capital and Tier II Capital (Total Capital)	12.684.670	
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. (-)	-	
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. (-)	-	

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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 as per the regulation before 1/1/2014
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	-	
Total Capital (Total of Tier I Capital and Tier II Capital)	12.684.670	
Total Risk Weighted Assets (**)	12.684.670	
CAPITAL ADEQUACY RATIOS	66.675.616	
Common Equity Tier I Capital Ratio (%)		
Tier I Capital Ratio (%)	13,03	
Capital Adequacy Ratio (%)	14,42	
BUFFERS	19,02	
Bank-specific total Common Equity Tier I Capital Ratio		
Capital conservation buffer requirement (%)	2,50	
Bank systematic countercyclical buffer requirement (%)	2,50	
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	8,53	
Amounts Lower Than Excesses as per Deduction Rules	38.462	
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	38.462	
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)		
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	168.035	
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	168.035	
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	-	

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SECTION FOUR (Continued)

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

I. Information about shareholders' equity items (Continued)

	Prior Period	Amount as per the regulation before 1/1/2014
TIER CAPITAL	7.647.045	
Paid in Capital to be Entitled for compensation after all Creditors	6.350.000	
Share Premium	-	
Legal Reserves	401.743	
Other Comprehensive Income according to TAS	62.277	
Profit	841.802	
Net Current Period Profit	841.802	
Prior Years' Profit	-	
Bonus shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-	
Tier 1 Capital before Deductions	7.655.822	
Deductions from Tier 1 Capital	8.777	
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)	7.006	
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	1.771	
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	-	

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SECTION FOUR (Continued)

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

I. Information about shareholders' equity items (Continued)

	Prior Period	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	-	
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 I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	-	
Total regulatory adjustments to Tier I capital	8.777	
Tier Capital	7.647.045	
ADDITIONAL CORE CAPITAL		
Preferred Stock not Included in Tier I Capital and the related Share Premiums	-	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Temporary Article 4)	-	
Additional Core Capital before Deductions	-	
Deductions from Core 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	-	
Components to continue to be deducted from Core Capital during transition period	-	

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SECTION FOUR (Continued)

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

I. Information about shareholders' equity items (Continued)

	Prior Period	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 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 Core Capital	-	
Total Additional Core Capital	-	
Total Core Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	7.647.045	
SUPPLEMENTARY CAPITAL	3.031.973	
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)	130.214	
Tier II Capital Before	3.031.973	
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	3.031.973	
Total Capital (The sum of Tier I Capital and Tier II Capital)	10.679.018	
The sum of Tier I Capital and Tier II Capital (Total Capital)	10.679.018	
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	-	
Components to continue to be deducted from Total Core Capital and Supplementary Capital during 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. (-)	-	

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SECTION FOUR (Continued)

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

I. Information about shareholders' equity items (Continued)

	Prior Period	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 (-)	-	
TOTAL CAPITAL	10.679.018	
Total capital	10.679.018	
Total risk weighted items	57.219.464	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	13,36	
Tier I Capital Adequacy Ratio (%)	13,36	
Capital Adequacy Standard Ratio (%)	18,66	
BUFFERS		
Total buffer requirement	1.875	
Capital conservation buffer requirement (%)	1,875	
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 (%)	8,86	
Amounts Lower than Excesses as per Deduction Rules	20.447	
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	20.447	
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)	130.214	
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	130.214	
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 positions of direct or indirect investments made in Additional Tier I and Tier 2 Capital items of banks and financial institutions outside the scope of consolidation where the Banks 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 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulations on the Equity of Banks	-	

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (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.)	TRSEXIM92818
Legislation to which the instrument is subject to	BRSA ve CMB Legislation
Estimated Status in Equity Calculation	
Transitional Basel III rules	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.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (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	
Transitional Basel III rules	No
Eligible at unconsolidated / consolidated	Consolidated and unconsolidated basis is taken into account.
Type of instrument	Tier II Capital
Amount considered in equity calculation (As of the latest reporting date - Million TL)	925,7
Nominal value of the instrument (Million TL)	925,7
Account number in trial balance	34700010
Date of issue of the instrument	24 April 2019
The maturity structure of the instrument (Demand / Forward)	Demand
Starting maturity of the instrument	-
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	Decrease of the ratio of core capital adequacy ratio or consolidated core capital ratio below 5,125 percent.
Total or partial value reduction if value reduction is available	Total or partial
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 and tier-II capital
Whether subject to requirements of Articles 7 and 8 of the Regulation on Equity of Banks	It does not have 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.

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SECTION FOUR (Continued)

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

II. Explanations on currency risk

1. If the 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 swaps, forwards and options. 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	493.191	9.765.548	48.605	6.442.941	7.053	16.757.338
Forward Transactions	803	684	-	-	-	1.487
Forward Foreign Exchange Purchase Transactions	402	342	-	-	-	744
Forward Foreign Exchange Sell Transactions	401	342	-	-	-	743
Swap Transactions	489.688	9.762.324	48.605	6.442.941	7.053	16.750.611
Swap Money Purchase Transactions FC - TL	116.742	366.906				483.648
Swap Money Purchase Transactions FC-FC	-	4.213.584				4.213.584
Swap Money Sale Transactions FC-TL	372.946	112.894				485.840
Swap Money Sale Transactions FC-FC	-		48.605	4.141.009	7.053	4.196.667
Swap Interest Purchase Transactions FC-FC	-	2.534.470		1.150.966		3.685.436
Swap Interest Sale Transactions FC-FC	-	2.534.470		1.150.966		3.685.436
Option Transactions	2.700	2.540	-	-	-	5.240
Money Purchase of Options	1.350	1.270	-	-	-	2.620
Money Sale of Options	1.350	1.270	-	-	-	2.620
HEDGING DERIVATIVE FINANCIAL ASSETS	-	29.767.345	-	17.362.468	-	47.129.813
Forward Transactions	-	-	-	-	-	-
Forward Foreign Exchange Purchase Transactions	-	-	-	-	-	-
Forward Foreign Exchange Sell Transactions	-	-	-	-	-	-
Swap Transactions	-	29.767.345	-	17.362.468	-	47.129.813
Swap Money Purchase Transactions	-	18.477.945	-	-	-	18.477.945
Swap Money Sale Transactions	-	-	-	17.362.468	-	17.362.468
Swap Interest Purchase Transactions	-	5.644.700	-	-	-	5.644.700
Swap Interest Sale Transactions	-	5.644.700	-	-	-	5.644.700
TOTAL	493.191	39.532.893	48.605	23.805.409	7.053	63.887.151

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SECTION FOUR (Continued)

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

II. 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 continues to apply hedge accounting in accordance with TAS 39 in this context.

The Bank uses “Fair Value Hedge Accounting” starting from 1 January 2013.

Financial derivatives which are used as hedging instruments in fair value hedge accounting are cross currency and interest rate swaps and forward transactions.

	30 September 2019		
	Principal ⁽¹⁾	Asset	Liability
Derivative Financial Instruments			
Cross currency swap and interest rate swaps	32.991.080	1.486.599	39.893
Total	32.991.080	1.486.599	39.893

⁽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 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 4,250% per six months, is subjected o 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 5,000% per six months, is subjected o hedge accounting by cross currency swap transactions in April 2018.
- In addition, 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 o hedge accounting by cross currency swap transactions in May 2018.
- The bond with the amount of USD 500 million, issued in January 2019 with a maturity of five years and a fixed interest payment rate of 8,250% per six months, is subjected to hedge accounting by cross currency swap transactions in January 2019.

Changes in fair value of USD debt security, issued in February 2016 and in October 2016 amounting to USD 500 million with 5 years and 7 years maturities, respectively, 5% and 5,375% fixed interest rate, 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:

30 September 2019		Hedged risk	Net fair value of hedged items		Amount of hedge funds
Hedging instrument	Hedged items		Asset	Liability	
Interest rate swaps	Issued securities denominated in USD with fixed interest rate	Fixed interest rate risk	-	37.450	-
Cross Currency Swap Transactions	Issued securities denominated in USD with fixed interest rate	Currency and interest rate risk	1.486.599	2.443	-

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SECTION FOUR (Continued)

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

II. 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 underlying hedge does not conform to the accounting requirements (out of 80%-125% effectiveness range) or 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 “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 uses “Cash Flow Hedge” accounting.

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

	30 September 2019		
	Principal ⁽¹⁾	Asset	Liability
Derivative Financial Instruments			
Cross Currency Swap Transactions	14.138.733	331.943	6.396
Total	14.138.733	331.943	6.396

⁽¹⁾ Sum of purchase and sale.

The method for cash flow hedge presented above is explained in the accounting policy in Section Three, Note III. The impact of cash flow hedge accounting is summarized below:

30 September 2019		Hedged Risk	Fair value of hedging instrument		Amount at hedging account
Hedging Instrument	Hedged Asset and Liability		Asset	Liability	
Cross Currency Swap Transactions	Floating interest rate US Dollar loans	Currency and Interest Rate Risks	331.943	6.396	46.135

SECTION FOUR (Continued)

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

II. 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 underlying hedge does not conform to the cash flow hedge accounting requirements (out of 80%-125% effectiveness range) or 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 or loss.

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 year. As of 30 September 2019, the Net Foreign Currency Position/Shareholders' Equity ratio is 0,41 per cent (31 December 2018: 0,12 per cent). 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 large scale 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.

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SECTION FOUR (Continued)

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

II. 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	24/09/2019	25/09/2019	26/09/2019	27/09/2019	30/09/2019
USD	5,68220	5,69720	5,67510	5,67230	5,64470
AUD	3,85250	3,86210	3,83470	3,83280	3,81190
DKK	0,83612	0,83933	0,83207	0,82944	0,82677
SEK	0,58380	0,58741	0,58219	0,57994	0,57577
CHF	5,73610	5,77630	5,71340	5,71060	5,68740
100JPY	5,28060	5,30930	5,26850	5,25780	5,23260
CAD	4,28420	4,29490	4,28310	4,27520	4,26630
NOK	0,62808	0,63088	0,62744	0,62354	0,62170
GBP	7,05450	7,08670	7,00480	6,96390	6,94350
SAR	1,51477	1,51856	1,51284	1,51193	1,50445
EUR	6,24250	6,26410	6,20970	6,19070	6,17140
KWD	18,69760	18,74700	18,65580	18,64050	18,54980
XDR	7,77150	7,79430	7,76410	7,74100	7,70110
BGN	3,19150	3,20320	3,17510	3,16570	3,15560
100 IRR	0,01353	0,01356	0,01351	0,01351	0,01344
RON	1,31396	1,31758	1,30763	1,30347	1,29775
RUB	0,08923	0,08870	0,08827	0,08804	0,08731
CNH	0,79965	0,79954	0,79578	0,79628	0,79168

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 September 2019
USD	5,70921
AUD	3,88653
DKK	0,84226
SEK	0,58742
CHF	5,76332
100JPY	5,31371
CAD	4,30919
NOK	0,63331
GBP	7,04234
SAR	1,52200
EUR	6,28468
KWD	18,77600
XDR	7,81251
BGN	3,21366
IRR	0,01359
RON	1,32575
RUB	0,08792
CNH	0,80212

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SECTION FOUR (Continued)

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

II. 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)	9.874.240	-	-	9.874.240
Banks	299.777	2.516.235	20.681	2.836.693
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-
Loans	80.647.796	48.285.414	219.433	129.152.643
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	944.112	178.945	-	1.123.057
Derivative Financial Assets for Hedging Purposes (*)	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets(**)	27.208	383.199	4.813	415.220
Total Assets	91.793.133	51.363.793	244.927	143.401.853
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds From Interbank Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions(***)	69.475.900	54.610.513	177.640	124.264.053
Marketable Securities Issued(****)	-	17.080.234	-	17.080.234
Miscellaneous Payables	671.666	2.153.855	12.146	2.837.667
Derivative Financial Liabilities for Hedging Purposes (*)	-	37.450	-	37.450
Other Liabilities	167.705	437.184	3.887	608.776
Total Liabilities	70.315.271	74.319.236	193.673	144.828.180
Net Balance Sheet Position	21.477.862	(22.955.443)	51.254	(1.426.327)
Net off Balance Sheet Position	(21.503.477)	22.945.541	(55.658)	1.386.406
Derivative Assets	1.150.966	31.239.217	-	32.390.183
Derivative Liabilities	22.654.443	8.293.676	55.658	31.003.777
Non-Cash Loans(*****)	180.929	9.473.476	-	9.654.405
Prior Period				
Total Assets	74.419.641	53.687.962	266.938	128.374.541
Total Liabilities	60.234.171	67.755.773	201.101	128.191.045
Net on Balance Sheet Position	14.185.470	(14.067.811)	65.837	183.496
Net off Balance Sheet Position	(14.174.523)	14.568.901	(57.441)	336.937
Derivative Assets	2.236.732	25.597.528	1.138.973	28.973.233
Derivative Liabilities	16.411.255	11.028.627	1.196.414	28.636.296
Non-Cash Loans	183.708	8.899.385	-	9.083.093

(*) In accordance with the principles of the "Regulation on Measurement and Practices of Banks' Net Overall FC Position / Shareholders' Equity Ratio on a Consolidated and Unconsolidated Basis", Foreign Currency Income Accruals of Derivative Financial Instruments are not included.

(**) The portion that does not generate an income accrual of TL 392 in Derivative Financial Assets at Fair Value Through Profit and Loss is included in Other Assets.

(***) Subordinated loans are included here.

(****) TL 530 056 which is accounted under hedge accounting is not included in Marketable Securities Issued.

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

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SECTION FOUR (Continued)

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

II. Explanation on currency risk (Continued)

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

The effect of the Bank's currency positions as of 30 September 2019 and 30 September 2018 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	(990)	(990)	41.432	41.432
EUR	(2.562)	(2.562)	1.082	1.082
Other foreign currency	(440)	(440)	72	72
Total	(3.992)	(3.992)	42.586	42.586

⁽¹⁾ Effect on equity also includes effect on net profit.

As of 30 September 2019 and 30 September 2018, 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.

III. 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, the Bank's exposure to possible variations in market interest rates are determined.

The Bank determines maturity mismatches of assets and liabilities by analyzing the weighted average days to maturity of TL and foreign currency-denominated (for each currency and their USD equivalent) assets and liabilities.

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.

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SECTION FOUR (Continued)

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

III. 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	-	-	-	-	-	9 874.421	9 874.421
Banks	3.395.863	-	-	-	-	166.244	3.562.107
Financial Assets Measured at Fair Value Through Profit/Loss	-	-	-	-	-	-	-
Money Market Placement	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value Reported in Other Comprehensive Income	-	-	-	-	-	38.462	38.462
Loans	17.833.996	33.518.985	84.674.534	1.001.655	4.544	-	137.033.714
Financial Assets Measured at Amortised Cost	-	96.467	-	1.061.860	2.979.914	-	4.138.241
Other Assets	20.967	751.960	1.040.912	12.572	13.455	1.059.312	2.899.178
Total Assets	21.250.826	34.367.412	85.715.446	2.076.087	2.997.913	11.138.439	157.546.123
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Funds	-	-	-	-	-	-	-
Miscellaneous Payables	-	8.589	10.746	10.746	-	2.849.497	2.879.578
Securities Issued	2.882.514	3.106.191	11.621.890	256.852	-	-	17.867.447
Other Funds	20.194.800	34.909.551	68.215.590	-	-	-	123.319.941
Other Liabilities ⁽¹⁾	40.284	21.892	30.570	961.125	2.907.823	9.517.463	13.479.157
Total Liabilities	23.117.598	38.046.223	79.878.796	1.228.723	2.907.823	12.366.960	157.546.123
On Balance Sheet Long Position	-	-	5.836.650	847.364	90.090	-	6.774.104
On Balance Sheet Short Position	(1.866.772)	(3.678.811)	-	-	-	(1.228.521)	(6.774.104)
Off-balance Sheet Long Position	8.251.315	8.276.372	15.980.990	-	-	-	32.508.677
Off-balance Sheet Short Position	(8.236.588)	(7.835.741)	(15.306.145)	-	-	-	(31.378.474)
Total Position	(1.852.045)	(3.238.180)	6.511.495	847.364	90.090	(1.228.521)	1.130.203

⁽¹⁾ In other liabilities line the "non-interest bearing" column amounting TL 9.517.463 includes equity amounting to TL 8.696.355 and provisions amounting to TL 236.927.

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SECTION FOUR (Continued)

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

III. 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	-	-	-	-	-	320	320
Banks	3.882.248	-	-	-	-	130.256	4.012.504
Financial Assets Measured at Fair Value Through Profit/Loss	-	-	-	-	-	-	-
Money Market Placements	222.649	-	-	-	-	-	222.649
Available-for-sale Financial Assets	-	-	-	-	-	20.447	20.447
Loans ⁽¹⁾	14.195.757	30.493.833	84.049.195	636.570	13.254	108.641	129.497.250
Held-to-maturity Investments	26.718	-	252.162	10.347	2.960.495	-	3.249.722
Other Assets	251	318.343	378.346	2.687	12.584	1.713.991	2.426.202
Total Assets	18.327.623	30.812.176	84.679.703	649.604	2.986.333	1.973.655	139.429.094
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Funds	139.005	-	-	-	-	-	139.005
Miscellaneous Payables	-	-	17.361	-	-	1.379.859	1.397.220
Securities Issued	-	7.931.922	9.247.066	-	-	-	17.178.988
Other Funds	11.674.315	22.165.056	74.891.577	-	-	-	108.730.948
Other Liabilities ⁽²⁾	17.602	3.108.978	348.366	672	3.119	8.504.196	11.982.933
Total Liabilities	11.830.922	33.205.956	84.504.370	672	3.119	9.884.055	139.429.094
On Balance Sheet Long Position	6.496.701	-	175.333	648.932	2.983.214	-	10.304.180
On Balance Sheet Short Position	-	(2.393.780)	-	-	-	(7.910.400)	(10.304.180)
Off-balance Sheet Long Position	1.194.080	10.347.899	16.213.251	1.223.281	-	-	28.978.511
Off-balance Sheet Short Position	(1.194.435)	(10.102.397)	(16.157.676)	(1.223.281)	-	-	(28.677.789)
Total Pozisyon	6.496.346	(2.148.278)	230.908	648.932	2.983.214	(7.910.400)	300.722

⁽¹⁾ "Non-interest bearing" column of loans is composed of non-performing loans amounting TL 108.641.

⁽²⁾ In other liabilities line the "non-interest bearing" column amounting TL 8.504.196, includes equity amounting to TL 7.654.051 and provisions amounting to TL 324.099.

⁽³⁾ In other liabilities line the "1-3 months" column amounting TL 3.108.978 includes subordinated debt instrument amounting to TL 2.995.130 as the main item.

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SECTION FOUR (Continued)

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

III. Explanation on interest rate risk (Continued)

2. Average interest rates for monetary financial instruments

As of 30 September 2019, 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	-	-	-	-	-
Banks	2,48	2,35	-	-	20,82
Financial Assets Measured at Fair Value Through Profit/Loss	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	24,02
Financial Assets Measured at FVOCI	-	-	-	-	-
Loans	1,44	3,62	2,01	1,38	14,08
Financial Assets Measured at Amortised Cost	5,06	6,24	-	-	10,37
Liabilities					
Bank Deposits	-	-	-	-	-
Other Deposits	-	-	-	-	-
Money Market Funds	-	-	-	-	21,91
Miscellaneous Payables	-	-	-	-	-
Securities Issued	-	3,31	-	-	-
Other Funds	0,43	1,38	-	-	12,35

As of 31 December 2018, 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	0,03	1,84	-	-	17,96
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	16,21
Available-for-sale Financial Assets	-	-	-	-	-
Loans	1,46	2,97	1,15	1,54	8,29
Held-to-maturity Investments	-	-	-	-	11,41
Liabilities					
Bank Deposits	-	-	-	-	-
Other Deposits	-	-	-	-	-
Due to Money Markets	-	-	-	-	18,60
Miscellaneous Payables	-	-	-	-	-
Securities Issued	-	5,35	-	-	-
Other Funds	0,52	2,77	1,18	1,71	12,54

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SECTION FOUR (Continued)

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

IV. 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 Garanti Faktoring A.Ş shares and shares are traded on the stock exchange. The end of the March is valued with the stock market value and the fair value difference is monitored in the account of the 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. On 25 January 2019, the Bank also participated in the capital of the Ulusal Derecelendirme Anonim Şirketi with TL 2.273.

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	15.743	18.170	-	-	-	-
4	Total	15.743	18.170	-	-	-	-

SECTION FOUR (Continued)

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

IV. 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 38.462 are 100% risk weighted (31 December 2018: Stock investments amounting to TL 20.447 are 100% risk weighted).

V. 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.

d) The Bank's main sources of funds denominated in USD and EUR and TL denominated loans are financed with equity and liabilities side in USD and EUR denominated loans to avoid to foreign currency risk in its credit is granted.

e) 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, to eliminate the risk of sudden absence of deposits and draws 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.

f) 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. The results of stress tests are reported to top management and considered on internal bank decisions.

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SECTION FOUR (Continued)

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

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

g) 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 are 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)
1 September 2019	832,63	29 September 2019	526,79	1 September 2019	718,14	14 July 2019	396,56

Prior Period							
Week Info	TL+FC (Max)	Week Info	TL+FC (Min)	Week Info	FC (Max)	Week Info	FC (Min)
25 November 2018	253,33	14 October 2018	117,63	21 October 2018	64,37	14 October 2018 9 December 2018 16 December 2018 23 December 2018 30 December 2018	0,00

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 Agency.

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.

Also since the Bank has a mission and only operates in export financing, Türk Eximbank is trying to utilize all its assets so as not to keep them idle. Otherwise, Türk Eximbank has the resources to keep the weekly liquidity coverage ratio above the limits specified in the related regulation regarding the liquidity coverage ratio in total and foreign currency basis. However, the alternative cost of this application will show itself as a reduction of support for the export and real sector.

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SECTION FOUR (Continued)

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

V. 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)		11.572.229	9.086.738
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	11.005.501	10.877.843	5.120.893
9	Secured wholesale funding			
10	Other cash outflows of which:	-	-	-
11	Outflows related to derivative exposures and other collateral requirements	1.418.927	1.417.554	1.418.927
12	Outflows related to restructured financial instruments	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	365.700	194.562	146.280
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	9.615.125	9.615.125	480.756
16	Total Cash Outflows		7.166.856	6.969.370
Cash Inflows				
17	Secured receivables	-	-	-
18	Unsecured receivables	14.878.476	13.648.990	9.073.467
19	Other cash inflows	13.337	12.296	13.337
20	Total Cash Inflows	14.891.813	13.661.286	9.086.804
21	Total HQLA		11.572.229	9.086.738
22	Total Net Cash Outflows		1.792.351	1.742.934
23	Liquidity Coverage Ratio (%)		645,65	521,35

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

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SECTION FOUR (Continued)

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

V. 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)		2.867.716	453.355
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	10.737.211	10.662.945	4.780.246	4.705.980
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	237.302	236.004	94.920	94.401
14	Other revocable off-balance sheet commitments and contractual obligations			
15	Other irrevocable or conditionally revocable off-balance sheet obligations			
16	9.272.627	9.272.627	463.631	463.631
16	Total Cash Outflows		5.458.433	5.378.645
Cash Inflows				
17	Secured receivables			
18	Unsecured receivables			
19	Other cash inflows			
20	17.375.185	15.894.294	11.960.977	10.643.961
19	13.014	8.079	13.013	8.079
20	17.388.199	15.902.373	11.973.990	10.652.040
21	Total HQLA		2.867.716	453.355
22	Total Net Cash Outflows		1.366.397	1.347.050
23	Liquidity Coverage Ratio (%)		209,78	33,66

*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:

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

SECTION FOUR (Continued)

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

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

2. Liquidity Coverage Ratio (Continued)

e) Total amount of funds borrowed from a single counterparty or a risk group is closely and instantaneously monitored, taking liquidity concentration limits into account. 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.

f) 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.

g) 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.

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SECTION FOUR (Continued)

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

V. 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	9.874.421	-	-	-	-	-	-	9.874.421
Banks	166.244	3.395.863	-	-	-	-	-	3.562.107
Financial Assets Measured at Fair Value through Profit or Loss	-	-	-	-	-	-	-	-
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income	38.462	-	-	-	-	-	-	38.462
Loans ⁽⁵⁾	-	12.324.050	23.025.257	75.959.414	21.397.725	4.327.268	-	137.033.714
Financial Assets Measured at Amortised Cost	-	-	96.467	-	1.061.860	2.979.914	-	4.138.241
Other Assets	-	20.932	38	107.500	1.577.271	134.125	1.059.312	2.899.178
Total Assets	10.079.127	15.740.845	23.121.762	76.066.914	24.036.856	7.441.307	1.059.312	157.546.123
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Other Funds	-	12.926.388	21.315.438	67.902.940	13.898.789	7.276.386	-	123.319.941
Money Market Funds	-	-	-	-	-	-	-	-
Securities Issued	-	7.291	7.039	41.146	17.811.971	-	-	17.867.447
Miscellaneous Payables	-	-	8.589	10.746	10.746	-	2.849.497	2.879.578
Other Liabilities ⁽²⁾⁽³⁾⁽⁴⁾	-	22.890	937	29.417	998.574	2.909.876	9.517.463	13.479.157
Total Liabilities	-	12.956.569	21.332.003	67.984.249	32.720.080	10.186.262	12.366.960	157.546.123
Liquidity Gap	10.079.127	2.784.276	1.789.759	8.082.665	(8.683.224)	(2.744.955)	(11.307.648)	-
Net Off-Balance Sheet Position	-	14.726	-	92.774	954.874	67.829	-	1.130.203
Derivative Financial Assets	-	4.697.976	2.620	4.814.376	18.909.745	4.083.960	-	32.508.677
Derivative Financial Liabilities	-	4.683.250	2.620	4.721.602	17.954.871	4.016.131	-	31.378.474
Non-Cash Loans	-	-	-	-	-	-	9.654.405	9.654.405
Prior Period								
Total Assets	151.023	12.223.773	20.503.952	73.696.129	22.572.840	8.458.745	1.822.632	139.429.094
Total Liabilities	-	8.042.337	16.387.021	65.935.418	25.244.499	13.935.764	9.884.055	139.429.094
Liquidity Gap	151.023	4.181.436	4.116.931	7.760.711	(2.671.659)	(5.477.019)	(8.061.423)	-
Net Off-Balance Sheet Position	-	(355)	-	(5.933)	316.019	(9.009)	-	300.722
Derivative Financial Assets	-	1.069.998	68.788	7.215.113	14.062.780	6.561.832	-	28.978.511
Derivative Financial Liabilities	-	1.070.353	68.788	7.221.046	13.746.761	6.570.841	-	28.677.789
Non-Cash Loans	-	-	-	-	-	-	9.083.093	9.083.093

- (1) Assets such as tangible assets 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 line the amount of TL 9.517.463 at the "unallocated" column, includes the shareholders' equity amounting to TL 8.696.355 and provisions amounting to TL 236.927.
- (4) In other liabilities over 5 year line, the amount of TL 2.909.876 includes subordinated debt instrument amounting to TL 2.905.631.

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SECTION FOUR (Continued)

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

VI. Explanations on leverage ratio

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

Leverage ratio decreased compared to prior period. Reason of the decrease is the increase of assets of the Bank. The increase in the Tier 1 capital resulted from the issuance of a subordinated debt instrument.

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

Bank has unconsolidated financial reports, there is no financial reporting on the consortium since there are no partnerships or 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)	156.022.981	135.696.541
Assets amounts deducted in determining Basel III Tier 1 capital	(8.427)	(8.597)
Total on balance sheet exposures	156.014.554	135.687.944
Derivative exposures and credit derivatives		
Replacement cost associated with derivative financial instruments and credit derivatives	37.588	4.437
The potential amount of credit risk with derivative financial instruments and credit derivatives	1.562.278	1.560.093
The total amount of risk on derivative financial instruments and credit derivatives	1.599.866	1.564.530
Investment securities or commodity collateral financing transactions		
The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items)	-	72
Risk amount of exchange brokerage operations	-	-
Total risks related with securities or commodity financing transactions	-	72
Off-Balance Sheet Items		
Gross notional amount of off-balance sheet items	56.233.417	48.909.511
Adjustments for conversion to credit equivalent amounts	(41.760.858)	(35.866.731)
The total risk of off-balance sheet items	14.472.559	13.042.780
Capital and Total Exposures		
Tier 1 Capital	9.463.149	7.546.481
Total Exposures	172.086.979	150.295.326
Leverage Ratio		
Leverage Ratio	5,50%	5,02%

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

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SECTION FOUR (Continued)

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

VII. Information on Risk Management

Risk weighted amounts are calculated in the framework of statutes of the Communiqué Regarding Credit Risk Mitigation Techniques published in Official Gazette no: 29111 and dated 6 September 2014 and “Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy” published in Official Gazette no: 29511 and dated 23 October 2015, standard approach is used for credit and market risk and basic indicator approach for operational risk. The difference between current and prior period is due to the increase in the balance sheet.

1. 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)	64.036.420	54.834.343	5.122.914
2 Of which standardized approach (SA)	64.036.420	54.834.343	5.122.914
3 Of which internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	768.056	821.105	61.444
5 Of which standardized approach for counterparty credit risk (SA-CCR)	768.056	821.105	61.444
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	113.575	116.788	9.086
17 Of which standardized approach (SA)	113.575	116.788	9.086
18 Of which internal model approaches (IMM)	-	-	-
19 Operational Risk	1.757.565	1.447.228	140.605
20 Of which Basic Indicator Approach	1.757.565	1.447.228	140.605
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)	66.675.616	57.219.464	5.334.049

2. Internal ratings based (IRB) approach change in risk weighted amounts table

None.

3. Risk weighted assets under Internal Model Method

None.

4. Internal ratings based (IRB) approach change in market risk weighted assets table

None.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and notes related to assets

1. Cash equivalents and the account of the CBRT

	Current Period	
	TL	FC
Cash/Foreign currency	11	-
CBRT	170	9.874.240
Other	-	-
Total	181	9.874.240

	Prior Period	
	TL	FC
Cash/Foreign currency	29	-
CBRT	291	-
Other	-	-
Total	320	-

Information related to the account of the CBRT

	Current Period	
	TL	FC
Unrestricted Demand Deposits	170	9.874.240
Unrestricted Time Deposits	-	-
Restricted Time Deposits	-	-
Total	170	9.874.240

	Prior Period	
	TL	FC
Unrestricted Demand Deposits	291	-
Unrestricted Time Deposits	-	-
Restricted Time Deposits	-	-
Total	291	-

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

None.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Explanations and notes related to assets (Continued)

3. Derivative financial assets

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

3.1.1. Table of positive differences for derivative financial assets held for trading

	Current Period	
	TL	FC
Forward Transactions	58	-
Swap Transactions	3.666	17.562
Futures Transactions	-	-
Options	-	38
Other	-	-
Total	3.724	17.600

	Prior Period	
	TL	FC
Forward Transactions	82	-
Swap Transactions	-	337
Futures Transactions	-	-
Options	-	24
Other	-	-
Total	82	361

3.1.2. Table of positive differences for derivative financial instruments held for risk management

Derivative financial instruments held for risk management	Current Period	
	TL	FC
Fair value hedges	-	1.486.599
Cash flow hedges	-	-
Net foreign investment hedges	-	-
Total	-	1.486.599

Derivative financial instruments held for risk management	Prior Period	
	TL	FC
Fair value hedges	-	567.608
Cash flow hedges	-	-
Net foreign investment hedges	-	-
Total	-	567.608

3.2. Derivative financial Assets Measured at Fair Value through Other Comprehensive Income

3.2.1. Derivative financial assets held for trading

None.

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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	
	TL	FC
Fair value hedges	-	-
Cash flow hedges	-	331.943
Net foreign investment hedges	-	-
Total	-	331.943

Derivative Financial Instruments Held for Risk Management	Prior Period	
	TL	FC
Fair value hedges	-	-
Cash flow hedges	-	144.160
Net foreign investment hedges	-	-
Total	-	144.160

4. Information on banks and foreign bank accounts

	Current Period	
	TL	FC
Banks		
Domestic banks	725.414	838.508
Foreign banks	-	1.998.185
Foreign head offices and branches	-	-
Total	725.414	2.836.693

	Prior Period	
	TL	FC
Banks		
Domestic banks	119.071	184.170
Foreign banks	-	3.709.263
Foreign head offices and branches	-	-
Total	119.071	3.893.433

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

None.

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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

i) Financial assets measured at fair value through other comprehensive income

	Current Period
Debt Securities	
Quoted to Stock Exchange	-
Not Quoted	-
Share Certificates	
Quoted to Stock Exchange	-
Not Quoted	38.462
Impairment Provision (-)	-
Total	38.462

ii) Available for sale financial assets

	Prior Period
Debt Securities	
Quoted to Stock Exchange	-
Not Quoted	-
Share Certificates	
Quoted to Stock Exchange	-
Not Quoted	20.447
Impairment Provision (-)	-
Total	20.447

As of 30 September 2019 and 31 December 2018, financial assets measured at fair value through other comprehensive income of the Bank consist of Garanti Faktoring AŞ and Kredi Garanti Fonu AŞ with the shareholding percentages of 9,78% and 1,49%, respectively. On 25 January 2019, the Bank also participated in the capital of the Ulusal Derecelendirme Anonim Şirketi with TL 2.273.

In addition, Borsa İstanbul A.Ş. (BIST) in the financial assets that reflect the fair value difference in other comprehensive income.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Explanations and notes related to assets (Continued)

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	
	Cash	Non-Cash
Direct Lendings to Shareholders	-	-
Corporates	-	-
Individuals	-	-
Indirect Lendings to Shareholders	-	-
Loans to Employees	12.267	-
Total	12.267	-

	Prior Period	
	Cash	Non-Cash
Direct Lendings to Shareholders	-	-
Corporates	-	-
Individuals	-	-
Indirect Lendings to Shareholders	-	-
Loans to Employees	15.407	-
Total	15.407	-

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

	Standard Loans and Other Receivables	Loans Under Close Monitoring		
		Loans and Other Receivables	Restructured	
			The ones whose payment plans have changed	Other
Cash Loans				
Non-specialized Loans	133.447.506	593.163	1.820.899	-
Working capital loans	-	-	-	-
Export Loans	107.825.671	439.898	1.540.130	-
Import Loans	-	-	-	-
Loans Granted to Financial Sector	12.011.610	-	-	-
Consumer Loans	12.267	-	-	-
Credit Cards	-	-	-	-
Other	13.597.958	153.265	280.769	-
Specialized Loans	495.846	3.151	257.924	-
Other Receivables	-	-	-	-
Total	133.943.352	596.314	2.078.823	-

	Standard Loans	Loans Under Close Monitoring
12-month expected credit losses	36.917	-
Significant increase in credit risk	-	4.718

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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)**
- 7.3. 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	-	1.369.075
Extended for 3, 4 or 5 Times	-	667.938
Extended for More than 5 Times	-	41.810

The Time Extended via the Amendment on Payment Plan	Standard Loans	Loans Under Close Monitoring
0-6 Months	-	982.104
6 - 12 months	-	186.610
1-2 Years	-	910.109
2-5 Years	-	-
5 Years and More	-	-

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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. 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 30 September 2019, the Bank granted personnel loans amounting to TL 12.267.

	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	64	12.203	12.267
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	64	12.203	12.267
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	64	12.203	12.267

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

- I. Explanations and notes related to assets (Continued)**
- 7. Information related to loans (Continued)**
- 7.5. Information on commercial installment loans and corporate credit cards**
None.
- 7.6. Distribution of domestic and foreign loans**

	Current Period^(*)
Domestic Loans	131.434.859
Foreign Loans	5.183.630
Total	136.618.489

(*) Non-performing loans are not included.

	Prior Period
Domestic Loans	124.782.526
Foreign Loans	4.606.083
Total	129.388.609

- 7.7. Loans granted to investments in associates and subsidiaries**
None.
- 7.8. Specific provisions accounted for loans**

	Current Period
Loans with Limited Collectability	4.251
Loans Doubtful Collectability	12.771
Uncollectible Loans	361.422
Total	378.444

	Prior Period
Loans and Receivables with Limited Collectability	1.715
Loans and Receivables with Doubtful Collectability	248
Uncollectible Loans and Receivables	231.904
Total	233.867

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.9. Information on non-performing loans (Net)

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

	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			
Gross Amounts Before Provisions	-	4.570	942
Restructured loans	-	4.570	942
Prior Period			
Gross Amounts Before Provisions	958	-	-
Restructured loans	958	-	-

7.9.2 Information on the movement of total non-performing loans

	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
Balance at the Beginning of the Period	8.575	1.242	332.691
Additions During the Period	270.173	-	31.835
Transfers from Non-performing Loans Accounts	-	36.030	1.242
Transfers to Other Non-Performing Loans Accounts	(36.030)	(1.242)	-
Collections During the Period	(226.352)	-	(3.628)
Write-offs	-	-	(718)
Sold	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Balance at the End of the Period ⁽¹⁾	16.366	36.030	361.422
Provisions	(4.251)	(12.771)	(361.422)
Net Balance Sheet Amount	12.115	23.259	-

⁽¹⁾ Non performing loans rediscounts amounting to TL 1.407 are not included.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

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

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

	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			
Balance at the End of the Period	15.531	33.711	341.732
Provisions	(4.037)	(8.287)	(341.732)
Net Balance Sheet Amount	11.494	25.424	-
Prior Period			
Balance at the End of the Period	8.575	1.242	198.658
Provisions	(1.715)	(248)	(69.770)
Net Balance Sheet Amount	6.860	994	128.888

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

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

7.9.4. 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)	16.366	36.030	361.130
Specific Provision Amount	(4.251)	(12.771)	(361.130)
Loans Granted to Real Persons and Corporate Entities (Net)	12.115	23.259	-
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)	70.257	82.192	141.490
Specific Provision Amount	(14.052)	(75.343)	(102.042)
Loans Granted to Real Persons and Corporate Entities (Net)	56.205	6.849	39.448
Banks (Gross)	-	-	292
Specific Provision Amount	-	-	(292)
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount	-	-	-
Other Loans and Receivables (Net)	-	-	-

7.9.5. Information on interest accruals, valuation differences and related provisions calculated for non-performing loans by the banks that allocate the expected loan loss according to TFRS 9

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	1.205	167	35
Interest accruals and valuation differences	1.205	167	35
Provision (-)	-	-	-
Prior Period (Net)	-	-	-
Interest accruals and valuation differences	-	-	-
Provision (-)	-	-	-

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

8. Explanations on financial assets at amortized cost

As of 30 September 2019, all of the marketable securities of the Bank classified under trading and financial assets at amortized cost categories are treasury bills and eurobonds issued by Republic of Turkey 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 amortised cost

Financial assets measured at amortised cost subject to repo transactions:

	Current Period	
	TL	FC
Government bonds and similar marketable securities	-	-
Total	-	-

	Prior Period	
	TL	FC
Government bonds and similar marketable securities	175.098	-
Total	175.098	-

Financial assets measured at amortised cost given as collateral/blocked:

	Current Period	
	TL	FC
Government bonds and similar marketable securities	587.215	-
Total	587.215	-

	Prior Period	
	TL	FC
Government bonds and similar marketable securities	427.154	-
Total	427.154	-

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

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

8. Explanations on financial assets at amortized cost (Continued)

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

	Current Period	
	TL	FC
Government Bonds	3.015.184	1.123.057
Treasury Bills	-	-
Other Public Debt Securities	-	-
Total	3.015.184	1.123.057

	Prior Period	
	TL	FC
Government Bonds	3.249.722	-
Treasury Bills	-	-
Other Public Debt Securities	-	-
Total	3.249.722	-

8.3 Information on financial assets at amortized cost securities

	Current Period	
	TL	FC
Debt Securities	3.015.184	1.123.057
Quoted to Stock Exchange	3.015.184	1.123.057
Not Quoted	-	-
Impairment Provision (-)	-	-
Total	3.015.184	1.123.057

	Prior Period	
	TL	FC
Debt Securities	3.249.722	-
Quoted to Stock Exchange	3.249.722	-
Not Quoted	-	-
Impairment Provision (-)	-	-
Total	3.249.722	-

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Explanations and notes related to assets (Continued)

8. Explanations on financial assets at amortized cost (Continued)

8.4 The movement of financial assets measured at amortised cost investment securities

i) Financial assets measured at amortised cost

	Current Period
Balance at the beginning of the period	3.249.722
Foreign exchange differences on monetary assets	(50.431)
Purchases during the year	1.160.368
Disposals through sales and redemptions ⁽¹⁾	(180.292)
Impairment provision ⁽²⁾	(41.126)
Balance at the end of the period	4.138.241

⁽¹⁾ There is not any disposal through sales. The amount shown at the disposals through sales and redemptions line represents only the redemption amount of securities.

⁽²⁾ Consists of change in interest accruals.

	Prior Period
Balance at the beginning of the period	180.461
Foreign exchange differences on monetary assets	-
Purchases during the year	3.198.105
Disposals through sales and redemptions ⁽¹⁾	(220.654)
Impairment provision ⁽²⁾	91.810
Balance at the end of the period	3.249.722

⁽¹⁾ There is not any disposal through sales. The amount shown at the disposals through sales and redemptions line represents only the redemption amount of securities.

⁽²⁾ Consists of change in interest accruals.

9. Following information investments in associates account (net)

None.

10. Information on subsidiaries (net)

There is not any subsidiary.

11. Information related to the jointly controlled partnerships

None.

12. Information on lease receivables (net)

None.

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SECTION FIVE (Continued) EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

13. Information on investment properties

The former Istanbul service building, which is 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
Cost	4.566
Depreciation Expense	(2.496)
Net Value at the end of the Period	2.070

	Prior Period
Cost	4.566
Depreciation Expense	(2.425)
Net Value at the end of the Period	2.141

14. Information on property and equipment held for sale purpose and related to discontinued operations and liabilities related with these assets

None.

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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 at fair value through profit or loss

2.1. Explanations on fair value hedged derivative financial liabilities

2.1.1. Information on Trading Derivative Financial Liabilities

Trading Derivative Financial Liabilities	Current Period	
	TL	FC
Forward Transactions	57	-
Swap Agreements	4.927	26.051
Futures Transactions	-	-
Options	-	30
Other	-	-
Total	4.984	26.081

Trading Derivative Financial Liabilities	Prior Period	
	TL	FC
Forward Transactions	80	-
Swap Agreements	-	129.120
Futures Transactions	-	-
Options	-	4
Other	-	-
Total	80	129.124

2.1.2. Information on derivative financial liabilities for hedging purposes

Derivative Financial Liabilities for Hedge	Current Period	
	TL	FC
Fair Value Hedge	-	39.893
Cash Flow Hedge	-	-
Net Investment in Foreign Operations Hedge	-	-
Total	-	39.893

Derivative Financial Liabilities for Hedge	Prior Period	
	TL	FC
Fair Value Hedge	-	249.159
Cash Flow Hedge	-	-
Net Investment in Foreign Operations Hedge	-	-
Total	-	249.159

2.2. Information on derivative financial liabilities measured at fair value through other comprehensive income

2.2.1. Information on derivative financial liabilities for hedging purposes

Derivative Financial Liabilities for Hedge	Current Period	
	TL	FC
Fair Value Hedge	-	-
Cash Flow Hedge	-	6.396
Net Investment in Foreign Operations Hedge	-	-
Total	-	6.396

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

2.2.1. Information on derivative financial liabilities for hedging purposes (Continued)

Derivative Financial Liabilities for Hedge	Prior Period	
	TL	FC
Fair Value Hedge	-	-
Cash Flow Hedge	-	90.492
Net Investment in Foreign Operations Hedge	-	-
Total	-	90.492

3. Information on banks and other financial institutions

3.1 General information on banks and other financial institutions

	Current Period	
	TL	FC
Borrowings from CBRT	-	83.404.172
From Domestic Banks and Institutions	-	5.735.406
From Foreign Banks, Institutions and Funds	-	34.180.363
Total	-	123.319.941

	Prior Period	
	TL	FC
Borrowings from CBRT	-	75.478.111
From Domestic Banks and Institutions	-	4.874.825
From Foreign Banks, Institutions and Funds	-	28.378.012
Total	-	108.730.948

3.2 Information on maturity structure of borrowings

	Current Period	
	TL	FC
Short-Term	-	94.848.185
Medium and Long-Term ^(*)	-	29.415.868
Total	-	124.264.053

^(*) Medium and long-term borrowings include subordinated loans amounting to TL 925.710 (31 December 2018: None) and interest accruals relating to these loans amounting to TL 18.402 (31 December 2018: None).

	Prior Period ^(*)	
	TL	FC
Short-Term	-	84.110.998
Medium and Long-Term	-	24.619.950
Total	-	108.730.948

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

4. 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	
	TL	FC
Country Loans- Risk Premiums	-	505.828
Securities issued positive price differences	-	-
Loan Transactions	2.493	62.350
Insurance Transactions	4.101	487
Political Risk Loss Account	-	-
Unearned Income	4	6.642
Total	6.598	575.307

	Prior Period	
	TL	FC
Country Loans- Risk Premiums	-	489.006
Securities issued positive price differences	-	4.744
Loan Transactions	862	20.750
Insurance Transactions	3.538	-
Political Risk Loss Account	-	1.650
Total	4.400	516.150

5. Information on lease liabilities (net)

As of 30 September 2019, the Bank's all lease operations consist of operating lease transactions.

	Current Period
Lease obligation under the contract	22.417
Deferred interest expense	(4.498)
Total	17.919

6. Information on provisions

6.1 Provisions for non-cash loans that are not indemnified or converted into cash or expected losses for non-cash loans

	Current Period
Expected losses for non-cash loans	125.338

	Prior Period
General reserves for possible losses	97.090

As of 30 September 2019, the Bank recognized provision amounting to TL 125.338 (31 December 2018: TL 97.090) considering probable compensation payments in relation to the insured export receivables.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

6. Information on provisions (Continued)

6.2. Information on other provisions exceeding 10% of total provisions

Other provisions amounting to TL 164.063 (31 December 2018: TL 118.488), consist of insurance reserve expense amounting to TL 125.338 (31 December 2018: TL 97.090) and other provisions amounting to TL 38.725 (31 December 2018: TL 21.398).

7. Explanations on tax liability

7.1 Explanations on current tax liability

7.1.1. Information on provision for taxes

None.

7.1.2. Information on taxes payable

	Current Period
Corporate Taxes Payable ⁽¹⁾	-
Taxation on Revenue From Securities	-
Property Tax	-
Banking Insurance Transaction Tax	4.550
Foreign Exchange Transaction Tax	-
Value Added Tax Payable	278
Other	2.317
Total	7.145

⁽¹⁾ As stated at Section 3 Note XVII, the Bank is exempt from corporate tax.

	Prior Period
Corporate Taxes Payable ⁽¹⁾	-
Taxation on Revenue From Securities	38
Property Tax	-
Banking Insurance Transaction Tax	6.682
Foreign Exchange Transaction Tax	-
Value Added Tax Payable	319
Other	2.140
Total	9.179

⁽¹⁾ As stated at Section 3 Note XVII, the Bank is exempt from corporate tax.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

7. Explanations on tax liability (Continued)

7.1 Explanations on current tax liability (Continued)

7.1.3. Information on premium payables

	Current Period
Social Security Premiums – Employee	3.456
Social Security Premiums – Employer	5.298
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	269
Unemployment Insurance - Employer	510
Other	-
Total	9.533

	Prior Period
Social Security Premiums – Employee	1.965
Social Security Premiums – Employer	3.157
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	150
Unemployment Insurance - Employer	301
Other	-
Total	5.573

7.2. Information on deferred tax liability

None.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

II. Explanations and notes on liabilities (Continued)

8. Information on shareholders' equity

8.1. Presentation of paid-in capital

	Current Period	Prior Period
Common Stock	7.160.000	6.350.000
Preferred Stock	-	-

8.2. 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	Ceiling
Registered Capital System	7.160.000	10.000.000

The Bank has decided to use the capital stock system that is registered in the Bank in 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.

8.2.1. Information on share capital increase from revaluation funds during the current period

Date of Increase	Amount of Increase	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
29 August 2019	810.000	-	810.000	-

8.2.2. Capital increases from capital reserves in current period

None.

8.2.3. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period

None.

8.3. 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. On the other hand, the proportion of doubtful receivables to the total loans is considered as low and an impairment provision is provided in full for all doubtful receivables. 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.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

II. Explanations and notes on liabilities (Continued)

8. Information on shareholders' equity (Continued)

8.4. 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.

8.5. Information on marketable securities value increase fund

	Current Period	
	TL	FC
From Investments in Associates, Subsidiaries and Joint Ventures	-	-
Valuation Difference	27.025	-
Foreign Currency Differences	-	-
Total	27.025	-

	Prior Period	
	TL	FC
From Investments in Associates, Subsidiaries and Joint Ventures	-	-
Valuation Difference	11.282	-
Foreign Currency Differences	-	-
Total	11.282	-

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and notes related to off-balance sheet accounts

1. Explanations on off-balance sheet commitments

1.1 Type and amount of irrevocable commitments

As of 30 September 2019, the Bank has irrevocable commitments amounting to TL 267.587 (31 December 2018: TL 792).

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
Letters of Guarantee	-
Endorsements	-
Guarantees and bails given for export	-
Guarantees given for Export Loan Insurance	9.654.405
Total	9.654.405

	Prior Period
Letters of Guarantee	-
Endorsements	-
Guarantees and bails given for export	-
Guarantees given for Export Loan Insurance	9.083.093
Total	9.083.093

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

None.

1.3 Total amount of non-cash loans

	Current Period
Non-cash loans given against cash loans	
With original maturity of 1 year or less than 1 year	-
With original maturity of more than 1 year	-
Other non-cash loans	9.654.405
Total	9.654.405

	Prior Period
Non-cash loans given against cash loans	
With original maturity of 1 year or less than 1 year	-
With original maturity of more than 1 year	-
Other non-cash loans	9.083.093
Total	9.083.093

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

IV. Explanations on notes related to income statement

1. Within the scope of interest income

1.1. Information on interest income on loans

	Current Period	
	TL	FC
Interest income on Loans		
Short-term Loans	650.641	1.392.254
Medium and Long-term Loans	22.454	1.133.112
Interest on Loans Under Follow-up	1.414	-
Premiums Received from Resource Utilization Support Fund	-	-
Total	674.509	2.525.366

	Prior Period	
	TL	FC
Interest income on Loans		
Short-term Loans	326.213	906.263
Medium and Long-term Loans	70.853	957.788
Interest on Loans Under Follow-up	89	260
Premiums Received from Resource Utilization Support Fund	-	-
Total	397.155	1.864.311

1.2. Information on interest income from banks

	Current Period	
	TL	FC
CBRT	6.386	1.408
Domestic Banks	66.549	16.762
From Foreign Banks	25	29.013
From Headquarters and Branches Abroad	-	-
Total	72.960	47.183

	Prior Period	
	TL	FC
CBRT	-	369
Domestic Banks	55.484	11.018
From Foreign Banks	106	28.679
From Headquarters and Branches Abroad	-	-
Total	55.590	40.066

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations on notes related to income statement (Continued)

1. Within the scope of interest income (Continued)

1.3 Interest income from securities portfolio

	Current Period	
	TL	FC
Financial Assets Measured at Fair Value through Profit or Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Financial Assets Measured at Amortised Cost	233.332	19.486
Total	233.332	19.486

	Prior Period	
	TL	FC
Financial Assets Measured at Fair Value through Profit or Loss	47	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Financial Assets Measured at Amortised Cost	27.646	-
Total	27.693	-

1.4 Information on interest income received from associates and subsidiaries

There is not any interest income from associates and subsidiaries.

2. Within the scope of interest expense

2.1 Information on interest expense on borrowings

	Current Period	
	TL	FC
Banks		
CBRT	-	699.868
Domestic Banks	45	196.218
Foreign Banks	-	783.069
Headquarters and Branches Abroad	-	-
Other Institutions	-	18.402
Total	45	1.697.557

	Prior Period	
	TL	FC
Banks		
CBRT	13	476.856
Domestic Banks	181	74.470
Foreign Banks	-	530.574
Headquarters and Branches Abroad	-	-
Other Institutions	-	16.093
Total	194	1.097.993

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and notes related to income statement (Continued)

2.2. Information on interest expense given to associates and subsidiaries

There is not any interest expense given to associates and subsidiaries.

2.3. Interest paid to marketable securities issued

	Current Period	
	TL	FC
Interests paid to marketable securities issued	274.438	816.964

	Prior Period	
	TL	FC
Interests paid to marketable securities issued	2.904	652.323

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 is not any participation account.

3. Information on trading income/loss (Net)

	Current Period
Gain	39.608.610
Trading Gains on Securities	-
Trading Gains on Derivative Financial Transactions	2.574.656
Foreign Exchange Gains	37.033.954
Loss (-)	39.122.326
Trading Losses on Securities	-
Trading Losses from Derivative Financial Transactions	1.171.257
Foreign Exchange Loss	37.951.069

	Prior Period
Gain	75.627.100
Trading Gains on Securities	1
Trading Gains on Derivative Financial Transactions	2.197.967
Foreign Exchange Gains	73.429.132
Loss (-)	75.542.246
Trading Losses on Securities	70
Trading Losses from Derivative Financial Transactions	1.214.907
Foreign Exchange Loss	74.327.269

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and notes related to income statement (Continued)

4. Information on other operating income

	Current Period
Premium Income from Export Credit Insurance ^(*)	-
Income from Reinsurance Companies ^(*)	-
Other	3.811
Total	3.811

^(*) Income from related transactions are recorded under fees and commissions income accounts in the current period.

	Prior Period
Premium Income from Export Credit Insurance	161.928
Income from Reinsurance Companies	38.007
Other	9.008
Total	208.943

5. Loan Provisions

	Current Period
Expected Credit Loss	77.251
12 month expected credit loss (Stage 1)	31.060
Significant increase in credit risk (Stage 2)	3.102
Non-performing loans (Stage 3)	43.089
Marketable Securities Impairment Expense	-
Financial Assets Measured at Fair Value through Profit or Loss	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-
Investments in Associates	-
Subsidiaries	-
Joint Ventures	-
Other	-
Total	77.251

	Prior Period
Special Provisions	37.624
Loans and Other Receivables with Limited Collectability	4.632
Loans and Other Receivables with Doubtful Collectability	-
Uncollectible Loans and Receivables	32.992
General Provision Expenses	-
Marketable Securities Impairment Expense	-
Financial Assets Measured at Fair Value through Profit or Loss	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-
Investments in Associates	-
Subsidiaries	-
Joint Ventures	-
Other	40.552
Total	78.176

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

IV. Explanations and notes related to income statement (Continued)

6. Information related to other operating expenses

	Current Period
Reserve for Employee Termination Benefits ^(*)	4.122
Bank Social Aid Provision Fund Deficit Provision	-
Vacation Pay Liability, net	1.701
Impairment Expenses of Tangible Fixed Assets	-
Depreciation Expenses of Tangible Fixed Assets	6.311
Impairment Expenses of Intangible Fixed Assets	-
Impairment Expenses of Goodwill	-
Amortization Expenses of Intangible Assets	1.056
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	13.803
<i>Operational Lease Expenses</i>	1
<i>Maintenance Expenses</i>	497
<i>Advertisement Expenses</i>	9
<i>Other Expenses</i>	13.296
Loss on Sale of Assets	-
Other ^(**)	58.407
Total	85.400

^(*) The amount of severance indemnity and vacation provision shown in other provisions, which are not in other operating expenses, are also included in this table.

^(**) Other operating expenses include tax expenses, share of BRSA and KOSGEB dues amounting to TL 39.035.

	Prior Period
Reserve for Employee Termination Benefits	3.103
Bank Social Aid Provision Fund Deficit Provision	-
Vacation Pay Liability, net	1.943
Impairment Expenses of Tangible Fixed Assets	-
Depreciation Expenses of Tangible Fixed Assets	2.017
Impairment Expenses of Intangible Fixed Assets	-
Impairment Expenses of Goodwill	-
Amortization Expenses of Intangible Assets	945
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	29.275
<i>Operational Lease Expenses</i>	5.389
<i>Maintenance Expenses</i>	493
<i>Advertisement Expenses</i>	57
<i>Other Expenses</i>	23.336
Loss on Sale of Assets	-
Other ^(*)	140.097
Total	177.380

^(*) Other operating expenses include the premium amount of TL 93.263 paid to reinsurance companies within the scope of short-term export credit insurance.

SECTION FIVE (Continued)

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

- IV. Explanations and notes related to income statement (Continued)**
- 7. Explanation on tax provisions for continuing and discontinued operations**
None.
- 8. Explanation on net income/loss for the period**
- 8.1. 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**
Not needed.
- 8.2. 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.
- 8.3. 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**
None.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

V. Explanations and notes related to Bank's risk group

In accordance with the 5th paragraph 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.

VI. Explanations and notes related to events after balance sheet

In 2 October 2019, capital contribution amount of Ulusal Derecelendirme A.Ş was reimbursed and fair value difference was deducted from financial asset item reflected to other comprehensive income.

SECTION SIX

Auditor's Review Report

I. Disclosure on auditor's review report

The unconsolidated financial statements of the Bank as of 30 September 2019 have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member firm of KPMG International Cooperative) and the review report dated 11 November 2019 is presented before the accompanying unconsolidated financial statements.

II. Disclosure and footnotes prepared by independent auditors

None.

SECTION SEVEN

INTERIM ACTIVITY REPORT

I. Interim period activity report included chairman of the board of directors and general manager's assessments for the interim activities

Eximbank contributed to 25,8%^(*) of exports in January - September 2019

Türk Eximbank has strengthened its support for exports in January - September 2019 period. Thanks to the steps taken;

- In the first nine months of 2019, cash loans and insurance support amounted to USD 32,5 billion. Thus, the total financial support provided was 25,8%.
- Credit balance increased by 2,8% year-on-year in September 2018 and reached TL 137 billion in September 2019 from TL 133,3 billion.
- As of August 2019, Türk Eximbank has provided TL 53,2 of export credits for each TL 100 in the banking system.
- The Bank has collected a borrowing amount of USD 2.5 billion in total, comprising of a 5-year eurobond issuance of USD 500 million (in January), of the funding of USD 350 million provided from ICBC Turkey (in February), of an Islamic syndicated loan of USD 380.5 million provided under the coordination of Islamic Trade Finance Corporation (ITFC), which is the trade finance arm of the Islamic Development Bank (in March), of the funding amounting to USD 797.3 million in total provided from 3 different syndicated/subordinated loans in April, of the borrowings amounting to USD 100 million provided from Intesa Sanpaolo in May and of the borrowings amounting to EUR 180 million provided from ING and Societe Generale which is guaranteed by ICIEC in the first half of the year, including the borrowing obtained from The Council of Europe Development Bank (CEB) amounting to EUR 75 million and funding from bilateral loans amounting to USD 177,4 million in July. As a result of these activities, the total foreign exchange debt stock excluding CBRT was realized as USD 10.1 billion. In addition to this, funding of TL 256,2 million from Turkish Exporters Assembly (TİM) was provided from domestic sales to qualified investors in September.

Within the scope of International Loans, a total of USD 117,3 million was provided.

In the first 9 months of 2019, the Service Network has expanded and new products have been put into practice.

- In line with the expansion of the service network, in January 2019, Iskenderun Contact Office opened and started to provide services. In addition, with the opening of new branches in Istanbul Odakule, Çorlu and Manisa in February, in Maltepe in June, and OSB Contact Office in İstanbul-Anatolian side, a total of 16 branches and 14 contact offices were opened as of September 2019.
- In February, the Leasing Companies Loan Program and in April the Financial Institutions Buyer Credit Insurance Program were implemented. In addition, it was decided to issue Working Capital Guarantee Program, Overseas Letter of Guarantee Program and Letter of Credit Confirmation Insurance Program.
- In order to increase their role in the export sector, two new financing opportunities were developed for women entrepreneurs and young entrepreneurs in exportation. Additionally, IVME Funding Package was announced and implemented in September and Economy Value Loans are made available in August.
- In order to enable exporters and contractors to be supported in different ways in the international markets, an agreement was signed in February between the Bank and African Trade Insurance Agency (ATI) for common support with insurance and reinsurance services on joint projects and for share of informations in Africa. Another agreement in this purpose was signed in June between the Bank and Serbian Export Credit and Insurance Agency (AOFI) on information sharing in order to increase the trade volume between the two countries. By these agreements, the Bank continued its international cooperation activities which are considered specially important.

^(*) Calculated with the exportations data provided by Ministry of Trade.

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SECTION SEVEN (Continued)

INTERIM ACTIVITY REPORT (Continued)

I. Interim period activity report included chairman of the board of directors and general manager's assessments for the interim activities (Continued)

- "Türk Eximbank Sustainability Management System" which was initiated in 2018 in order to ensure compliance with the requirements of international financing sources, to provide access to financing under more favorable terms and to carry out all activities within the Bank in accordance with the sustainability principles, was entered into service with the decision no. 98 and dated September 6, 2019 of our Board of Directors. With the aforementioned decision, Sustainability Committee and Sustainability Sub-Committee were established; the General Manager of the Bank was appointed as the Head of the Sustainability Committee, and the Head of Marketing Department was appointed as the Head of the Sustainability Committee Coordinator and the Head of the Sustainability Sub-Committee. Türk Eximbank Sustainability Policies were also approved.

II. Information on Türk Eximbank's Balance Sheet and Statement of Profit or Loss

The balance sheet of Türk EximBank as of 30 September 2019 is TL 157.5 billion (USD 27.9 billion).

87% of the assets of Türk Eximbank consist of loans, 9% is liquid assets and 3% is financial assets measured at amortised cost, 1% is derivative financial assets and other assets.

The amount of loans provided by the Bank is amounting to TL 137 billion. Loans increased by 6% compared to the previous year. 70% of total loans consists of short term loans amounting to TL 96.1 billion, 30% of total loans consists of medium and long term loans amounting to TL 40,4 billion. Through effective risk assessment methods, Türk Eximbank makes an intensive effort to ensure timely and accurate collection of its receivables. Despite the fact that a significant portion of the Bank's resources are provided to the export sector as loans, the ratio of overdue receivables to total loans is 0,3% which is below the sector average.

6% (TL 8.7 billion) of the the total liabilities of Türk Eximbank amounting to TL 157.5 billion is shareholders' equity, 92% (TL 145.1 billion) is external funds and 2% (TL 3.7 billion) is provisions and other liabilities.

82% (TL 7,2 billion) of the shareholders' equity amounting to TL 8.7 billion belongs to paid in capital, 5% (TL 427 million) belongs to capital and profit reserves, and 12% (TL 1,044 million) is net profit of the year.

External funds amounting to TL 145 billion used for funding of assets comprise of loans from the Central Bank of the Republic of Turkey amounting to TL 83.404 million, loans from domestic and foreign banks amounting to TL 39.916 million, securities issued amounting to TL 17.867 million, and subordinated debt instruments amounting to TL 3.850 million.

Türk Eximbank started to implement the registered capital system by the decision made at the Extraordinary General Assembly meeting held on 12 January 2017 and raised the capital ceiling to TL 10 billion. The paid-in capital of the Bank is TL 7,2 billion as of 30 September 2019.

"The Regulation on the Procedures and Principles for the Classification of Loans and Provisions" has entered into force starting from 1 January 2018; however, the Bank has received approval from BRSA for additional time until 1 January 2019; from this date The Bank started to calculate expected credit loss in accordance with TFRS 9 rules.

In this context, as of 31 December 2018, the loan provision allocation method, which is allocated within the framework of BRSA's related legislation, has been amended by applying the expected credit impairment model with the implementation of TFRS 9. The total amount of provision calculated in this context is TL 546 million.

The Bank has complied with TFRS 16 Standard relating to leasing transactions which was issued by POA and is effective from 1 January 2019.

As Türk Eximbank's balance sheet is concentrated on loans, its effects can also be seen on income. The total interest income of the Bank is TL 3.579 million and 89% (TL 3.200 million) of which is the interest earned from the loans. On the other hand, the Bank's interest expense amounted to TL 2.815 million, 39% (TL 1.091 million) of which consists of the interest paid for securities issued; 60% (TL 1.698 million) of which consists of the interest paid for borrowings from domestic and international markets, 1% (TL 22 thousand) of which consists of the other interest expenses. As a result, net interest income of the Bank is TL 763 million.

The Bank's net profit for the interim period ended 30 September 2019 has amounted to TL 1,044 million. Accordingly, the Bank's return on assets is 0,94%; and the return on equity is 19,30%.

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SECTION SEVEN (Continued)

INTERIM ACTIVITY REPORT (Continued)

II. Information on Türk Eximbank's Balance Sheet and Statement of Profit or Loss (Continued)

The financial statements have been prepared in accordance with Article 37 of the Banking Act No. 5411, the regulation on Principles and Procedures Regarding Accounting Applications and Maintenance of Documents for Banks (published in issue no. 26333 of the Official Gazette dated 1 November 2006), Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations related to accounting and financial reporting published by the Banking Regulation and Supervision Agency (BRSA) and explanations made by BRSA. The Bank's financial statements have been reviewed by the independent audit company KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("A member firm of KPMG International Cooperative") in line with Turkish Auditing Standards and unmodified conclusion is expressed in the the review report.

The Bank conducts its operations in line with articles of association and relevant legislation. We hereby present the summary report of reviewed financial statements as of 30 September 2019.

Ali Güney
General Manager

Bülent Aksu
Chairman of the Board