

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND LIMITED REVIEW REPORT ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I IN SECTION THREE)

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES TOGETHER WITH
LIMITED REVIEW REPORT AT 31 MARCH 2021**



**Building a better
working world**

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(Convenience translation of the auditor’s report originally issued in Turkish, See Note I of Section three)

Review Report on Unconsolidated Interim Financial Information

To the Board of Directors of Türkiye İhracat Kredi Bankası A.Ş:

Introduction

We have reviewed the unconsolidated statement of financial position of Türkiye İhracat Kredi Bankası A.Ş. (“the Bank”) at March 31, 2021 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the three-month period then ended. The Bank Management is responsible for the preparation and fair presentation of these unconsolidated of interim financial information in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (“BRSA”) and circulars and interpretations published by Banking Regulation and Supervision Authority (together referred as BRSA Accounting and Financial Reporting Legislation) and Turkish Accounting Standard 34 “Interim Financial Reporting” principles for those matters not regulated by BRSA Legislation; together referred as “BRSA Accounting and Financial Reporting Legislation”. Our responsibility is to express a conclusion on these 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, “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 of Turkey 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 opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the unconsolidated financial position of Türkiye İhracat Kredi Bankası A.Ş. at March 31, 2021 and the results of its operations and its unconsolidated cash flows for the three-month period then ended in all material aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.



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Report on other regulatory requirements arising from legislation

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, are not consistent with the unconsolidated financial statements and disclosures in all material respects.

Additional paragraph for convenience translation to English

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

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



Yaşar Bıyas
Partner

10 May 2021
Istanbul, Turkey



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

THE UNCONSOLIDATED THREE-MONTH FINANCIAL REPORT OF TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. (“TÜRK EXIMBANK”) AS OF 31 MARCH 2021

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

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

- GENERAL INFORMATION
- UNCONSOLIDATED FINANCIAL STATEMENTS
- ACCOUNTING POLICIES
- INFORMATION RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- THE LIMITED REVIEW REPORT
- INTERIM ACTIVITY REPORT

The accompanying unconsolidated three months 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.

Şakir Ercan GÜL
Chairman of Board of
Directors

Ali GÜNEY
General Manager

Hüseyin ŞAHİN
Deputy General Manager
Responsible for Financial
Reporting

Taner YAVUZ
Head of Financial Affairs

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

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

Contact information of the personnel in charge for addressing questions about this financial report:
Name-Surname/Title: Taner YAVUZ/ Head of Financial Affairs
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TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 2021

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

INDEX	Page Number
SECTION ONE	
GENERAL INFORMATION	
I. Bank's date of foundation, initial status, history regarding the changes in this status	1
II. Explanation about the Bank's capital structure and shareholders who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters throughout the year (if any) and the group that the Bank.....	1
III. Explanation on the board of directors, members of the audit committee, president and executive vice presidents and their shareholding at the Bank, if applicable	1
IV. Information on the shareholders owning control shares.....	2
V. Brief information on the Bank's service type and fields of operation.....	2
VI. Short explanation about those entities subject to full consolidation or proportionate consolidation with the differences regarding the consolidation transactions performed in accordance with the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards, those deducted from the equities or not included in these three methods.....	2
VII. Existing or potential, actual or legal barriers for the immediate transfer of equities among the subsidiaries of the Bank or the repayment of debts.....	2
SECTION TWO	
UNCONSOLIDATED FINANCIAL STATEMENTS	
I. Balance sheet.....	3
II. Statement of off-balance sheet items.....	5
III. Statement of profit or loss.....	6
IV. Statement of profit or loss and other comprehensive income.....	7
V. Statement of changes in equity	8
VI. Statement of cash flows.....	10
SECTION THREE	
ACCOUNTING POLICIES	
I. Basis of presentation.....	11
II. Strategy for use of financial instruments and foreign currency transactions	11
III. Explanations on forward transactions, options and other derivative instruments	12
IV. Explanations on interest income and expenses.....	13
V. Explanations on fee and commission income and expenses.....	13
VI. Explanations on financial assets	13
VII. Explanations on impairment of financial assets.....	15
VIII. Explanations on offsetting financial instruments.....	17
IX. Explanations on sale and repurchase agreements and securities lending transactions.....	17
X. Explanations on assets held for sale and discontinued explanations on liabilities related with these assets	17
XI. Explanations on goodwill and other intangible assets.....	18
XII. Explanations on tangible assets.....	18
XIII. Explanations on investment property	18
XIV. Explanations on leases.....	19
XV. Explanations on provisions and contingent liabilities	20
XVI. Explanations on obligations related to employee rights.....	21
XVII. Explanations on taxation	21
XVIII. Additional explanations on borrowings.....	22
XIX. Explanations on issuance of share certificates.....	22
XX. Explanations on avalized drafts and acceptances	22
XXI. Explanations on government grants.....	22
XXII. Explanations on segment reporting.....	22
XXIII. Explanations on other issues.....	23
SECTION FOUR	
INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK	
I. Information about shareholders' equity items.....	24
II. Explanations on currency risk.....	34
III. Explanations on interest rate risk.....	40
IV. Explanations on position risk of equity securities	44
V. Explanations on liquidity risk and liquidity coverage ratio.....	45
VI. Explanations on leverage ratio.....	51
VII. Explanations on activities carried out on behalf and account of other parties.....	51
VIII. Information on risk management.....	52
SECTION FIVE	
INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS	
I. Explanations and notes related to assets.....	53
II. Explanations and notes on liabilities	64
III. Explanations and notes related to off-balance sheet accounts.....	69
IV. Explanations on notes related to statement of profit or loss	70
VII. Explanations and notes related to Bank's risk group.....	74
VIII. Explanations and notes related to events after balance sheet.....	74
SECTION SIX	
LIMITED REVIEW REPORT	
I. Explanations on the limited review report	74
II. Explanations and notes prepared by independent auditor.....	74
SECTION SEVEN	
INTERIM ACTIVITY REPORT	
I. Interim activity report including the evaluations of the chairman and the general manager of the Bank regarding the interim activities	75
II. Explanations on Türk Eximbank's Balance Sheet and Profit or Loss Statement Items	77

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

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

SECTION ONE

GENERAL INFORMATION

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

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

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

The Bank has implemented the registered capital system and the upper limit of registered capital of the Bank is TL 17.500.000. The total share capital of the Bank is TL 9.270.000 in the current period. The Bank's paid-in-capital committed by the Republic of Turkey Ministry of Treasury and Finance consists of 9.270.000 shares of TL 1 (full TL) nominal each.

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

	Name:	Academic Background:
Chairman of the Board of Directors(*):	Şakir Ercan GÜL ⁽¹⁾	Doctorate
Dep. Chairman of the Board of Directors:	Rıza Tuna TURAGAY	Graduate
Members of the Board of Directors:	Ali GÜNEY	Undergraduate
	Duygu GÜVEN ⁽²⁾	Graduate
	Fahriye Alev ARKAN	Undergraduate
	Nail OLPK	Graduate
	İsmail GÜLLE	Graduate
Audit Committee:	Duygu GÜVEN ⁽²⁾	Graduate
	Nail OLPK	Graduate
General Manager:	Ali GÜNEY	Undergraduate
Assistant General Managers:	Enis GÜLTEKİN	Graduate
	Hakan UZUN	Graduate
	Necdet KARADENİZ	Graduate
	M. Çağrı ALTINDAĞ	Undergraduate
	Erdem OKUR	Graduate
	Hüseyin ŞAHİN	Undergraduate

⁽¹⁾ As of March 11, 2021, he was appointed as a member of the board of directors and has been serving as the Chairman of the Board since 29 March 2021.

⁽²⁾ As of March 26, 2021, she was appointed as a member of the board of directors and has been serving as the Member of the Board and Member of the Audit Committee since 29 March 2021.

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

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

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

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

Ali GÜNEY is the General Manager, Necdet KARADENİZ is the Deputy General Manager in Charge of Allocation, M. Çağrı ALTINDAĞ is the Deputy General Manager in charge of Marketing, Hüseyin ŞAHİN is the Deputy General Manager in charge of Financial Affairs/Operations/Risk Monitoring, Hakan UZUN is the Deputy General Manager responsible from Treasury/Finance, Enis GÜLTEKİN is the Deputy General Manager responsible from Insurance/International Loans and Erdem OKUR is the Deputy 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 deputy general managers do not own shares of the Bank.

IV. Information on the shareholders or entities owning control shares

Name Surname/Commercial title	Share amount	Share percentage	Paid-in capital	Unpaid portion
Ministry of Treasury and Finance	9.270.000	100%	9.270.000	-

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.
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 31 MARCH 2021

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

ASSETS	Notes	Reviewed Current Period (31 March 2021)			Audited Prior Period (31 December 2020)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		2.253.743	10.306.295	12.560.038	3.084.507	10.048.023	13.132.530
1.1 Cash and Cash Equivalents		2.135.242	8.477.573	10.612.815	2.962.846	8.718.584	11.681.430
1.1.1. Cash and Balances with Central Bank	(1)	314	8.366.444	8.366.758	268	5.005.314	5.005.582
1.1.2. Banks	(4)	1.829.920	111.129	1.941.049	1.274.843	3.713.270	4.988.113
1.1.3. Money Market Placements		305.128	-	305.128	1.688.243	-	1.688.243
1.1.4. Expected Credit Losses (-)		120	-	120	508	-	508
1.2 Financial Assets at Fair Value through Profit/Loss		-	113.566	113.566	-	153.454	153.454
1.2.1. Government Securities		-	77.532	77.532	-	74.901	74.901
1.2.2. Equity Securities		-	-	-	-	-	-
1.2.3. Other Financial Assets		-	36.034	36.034	-	78.553	78.553
1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income	(6)	116.441	704.554	820.995	95.532	709.777	805.309
1.3.1. Government Securities		-	679.516	679.516	-	668.938	668.938
1.3.2. Equity Securities		116.441	-	116.441	95.532	-	95.532
1.3.3. Other Financial Assets		-	25.038	25.038	-	40.839	40.839
1.4 Derivative Financial Assets	(3)	2.060	1.010.602	1.012.662	26.129	466.208	492.337
1.4.1. Derivative Financial Assets Measured at Fair Value Through Profit or Loss		2.060	990.787	992.847	26.129	448.655	474.784
1.4.2. Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	19.815	19.815	-	17.553	17.553
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		18.333.630	204.234.338	222.567.968	18.568.676	170.324.308	188.892.984
2.1 Loans	(7)	16.148.250	196.830.549	212.978.799	16.358.694	162.676.342	179.035.036
2.2 Lease Receivables	(12)	-	-	-	-	-	-
2.3 Factoring Receivables	-	-	-	-	-	-	-
2.4 Financial Assets Measured at Amortised Cost	(8)	2.921.194	7.403.789	10.324.983	2.991.111	7.647.966	10.639.077
2.4.1. Government Securities		2.921.194	7.403.789	10.324.983	2.991.111	7.647.966	10.639.077
2.4.2. Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Losses (-)	-	735.814	-	735.814	781.129	-	781.129
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(14)	-	-	-	-	-	-
3.1. Asset Held for Resale		-	-	-	-	-	-
3.2. Assets of Discontinued Operations		-	-	-	-	-	-
IV. OWNERSHIP INVESTMENTS (Net)		-	-	-	-	-	-
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)		14.741	-	14.741	16.761	-	16.761
VI. INTANGIBLE ASSETS (Net)		11.492	-	11.492	10.187	-	10.187
6.1. Goodwill		-	-	-	-	-	-
6.2. Others		11.492	-	11.492	10.187	-	10.187
VII. INVESTMENT PROPERTY (Net)	(13)	2.086	-	2.086	2.111	-	2.111
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET		-	-	-	-	-	-
X. OTHER ASSETS		1.288.456	616.814	1.905.270	1.332.645	840.056	2.172.701
TOTAL ASSETS		21.904.148	215.157.447	237.061.595	23.014.887	181.212.387	204.227.274

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

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

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

LIABILITIES	Notes	Reviewed Current Period (31 March 2021)			Audited Prior Period (31 December 2020)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	-	-	-	-	-	-
II. FUNDS BORROWED	(3)	7.722.915	185.978.535	193.701.450	7.769.415	152.861.279	160.630.694
III. MONEY MARKET FUNDS		-	1.561.918	1.561.918	-	1.375.566	1.375.566
IV. SECURITIES ISSUED (Net)		257.629	21.204.932	21.462.561	263.004	22.690.256	22.953.260
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		257.629	21.204.932	21.462.561	263.004	22.690.256	22.953.260
V. FUNDS		13	-	13	13	-	13
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		13	-	13	13	-	13
VI. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT/LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)	159.501	373.978	533.479	11.443	779.685	791.128
7.1 Derivative Financial Liabilities Measured at Fair Value through Profit/Loss		159.501	66.574	226.075	11.443	110.787	122.230
7.2 Derivative Financial Liabilities Measured at Fair Value through Other Comprehensive Income		-	307.404	307.404	-	668.898	668.898
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	(5)	5.836	5.400	11.236	6.616	5.917	12.533
X. PROVISIONS	(6)	378.837	-	378.837	329.341	-	329.341
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Rights		93.981	-	93.981	98.827	-	98.827
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		284.856	-	284.856	230.514	-	230.514
XI. CURRENT TAX LIABILITY	(7.1)	18.881	-	18.881	17.700	-	17.700
XII. DEFERRED TAX LIABILITY	(7.2)	-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1 Asset Held for Sale		-	-	-	-	-	-
13.2 Related to discontinued operations		-	-	-	-	-	-
XIV. SUBORDINATED LOANS		2.907.569	1.596.455	4.504.024	2.998.128	1.465.448	4.463.576
14.1 Borrowings		-	1.596.455	1.596.455	-	1.465.448	1.465.448
14.2 Other Debt Instruments		2.907.569	-	2.907.569	2.998.128	-	2.998.128
XV. OTHER LIABILITIES	(4) (8)	104.624	2.762.087	2.866.711	129.541	2.110.465	2.240.006
XVI. SHAREHOLDERS' EQUITY		12.012.090	-	12.012.090	11.347.773	65.684	11.413.457
16.1 Paid-in Capital		9.270.000	-	9.270.000	9.270.000	-	9.270.000
16.2 Capital Reserves		-	-	-	-	-	-
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Other Comprehensive Income/Expense Items not to be Reclassified to Profit or Loss		(9.587)	-	(9.587)	(16.094)	-	(16.094)
16.4 Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss		104.522	10.395	114.917	83.612	65.684	149.296
16.5 Profit Reserves		2.003.748	-	2.003.748	498.867	-	498.867
16.5.1 Legal Reserves		569.768	-	569.768	494.199	-	494.199
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		1.433.980	-	1.433.980	4.668	-	4.668
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit/Loss		643.407	-	643.407	1.511.388	-	1.511.388
16.6.1 Prior Periods' Profit/Loss		-	-	-	-	-	-
16.6.2 Current Period's Net Profit/Los		643.407	-	643.407	1.511.388	-	1.511.388
TOTAL LIABILITIES		23.567.895	213.493.700	237.061.595	22.872.974	181.354.300	204.227.274

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

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

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

	Notes	Reviewed Current Period (31 March 2021)			Audited Prior Period (31 December 2020)		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		6.623.784	150.438.605	157.062.389	5.219.830	133.965.688	139.185.518
I. GUARANTEES AND SURETIES		366.888	12.786.148	13.153.036	137.621	11.853.257	11.990.878
1.1 Letters of guarantee	(1.2)	-	86.164	86.164	-	11.040	11.040
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		-	86.164	86.164	-	11.040	11.040
1.2 Bank Acceptances		-	-	-	-	-	-
1.2.1 Import Letter of Acceptance		-	-	-	-	-	-
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	-	-	-	-	-
1.3.1 Documentary Letters of Credit		-	-	-	-	-	-
1.3.2 Other Letters of Credit		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		366.888	12.699.984	13.066.872	137.621	11.842.217	11.979.838
1.9 Other sureties		-	-	-	-	-	-
II. COMMITMENTS		4.793.249	78.467.752	83.261.001	4.372.643	62.390.704	66.763.347
2.1 Irrevocable Commitments		58.181	167.729	225.910	-	1.147.391	1.147.391
2.1.1 Asset Purchase and Sale Commitments		16.656	124.913	141.569	-	18.109	18.109
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		-	-	-	-	-	-
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		-	-	-	-	-	-
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10 Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		41.525	42.816	84.341	-	1.129.282	1.129.282
2.2 Revocable Commitments		4.735.068	78.300.023	83.035.091	4.372.643	61.243.313	65.615.956
2.2.1 Revocable Loan Granting Commitments		4.735.068	78.300.023	83.035.091	4.372.643	61.243.313	65.615.956
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		1.463.647	59.184.705	60.648.352	709.566	59.721.727	60.431.293
3.1 Hedging Derivative Financial Instruments		-	52.493.780	52.493.780	-	54.957.237	54.957.237
3.1.1 Transactions for Fair Value Hedge		-	36.444.537	36.444.537	-	40.242.242	40.242.242
3.1.2 Transactions for Cash Flow Hedge		-	16.049.243	16.049.243	-	14.714.995	14.714.995
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		1.463.647	6.690.925	8.154.572	709.566	4.764.490	5.474.056
3.2.1 Forward Foreign Currency Buy/Sell Transactions		50.763	90.739	141.502	46.352	42.987	89.339
3.2.1.1 Forward Foreign Currency Transactions-Buy		25.404	45.377	70.781	21.814	22.800	44.614
3.2.2.2 Forward Foreign Currency Transactions-Sell		25.359	45.362	70.721	24.538	20.187	44.725
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		1.412.884	6.600.186	8.013.070	663.214	4.721.503	5.384.717
3.2.2.1 Foreign Currency Swap-Buy		1.412.884	2.513.462	3.926.346	172.345	2.475.233	2.647.578
3.2.2.2 Foreign Currency Swap-Sell		-	4.086.724	4.086.724	490.869	2.246.270	2.737.139
3.2.2.3 Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4 Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3 Foreign Currency, Interest rate and Securities Options		-	-	-	-	-	-
3.2.3.1 Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2 Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		20.981.392	368.006.959	388.988.351	21.385.750	312.775.010	334.160.760
IV. ITEMS HELD IN CUSTODY		-	-	-	-	-	-
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		-	-	-	-	-	-
4.3 Cheques Received for Collection		-	-	-	-	-	-
4.4 Commercial Notes Received for Collection		-	-	-	-	-	-
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		-	-	-	-	-	-
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		699.452	3.156.272	3.855.724	711.778	3.216.024	3.927.802
5.1 Marketable Securities		-	55.870	55.870	-	49.493	49.493
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Real Estates		680.162	2.952.295	3.632.457	692.488	2.999.818	3.692.306
5.6 Other Pledged Items		19.290	148.107	167.397	19.290	166.713	186.003
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		20.281.940	364.850.687	385.132.627	20.673.972	309.558.986	330.232.958
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		27.605.176	518.445.564	546.050.740	26.605.580	446.740.698	473.346.278

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

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

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

GELİR VE GİDER KALEMLERİ		Dipnot	Reviewed Current Period (31 March 2021)	Reviewed Prior Period (31 March 2020)
I.	INTEREST INCOME	(1)	1,454,999	1,224,492
1.1	Interest Income On Loans		1,166,877	1,089,021
1.2	Interest Income On Reserve Deposits		-	-
1.3	Interest Income On Banks		71,932	14,602
1.4	Interest Income On Money Market Transactions		54,908	223
1.5	Interest Income On Securities Portfolio		160,525	115,874
1.5.1	Financial Assets Measured At Fair Value Through Profit or Loss		60	-
1.5.2	Financial Assets Measured At Fair Value Reported in Other Comprehensive Income		17,605	-
1.5.3	Financial Assets Measured At Amortised Cost		142,860	115,874
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		757	4,772
II.	INTEREST EXPENSE	(2)	944,509	944,564
2.1	Interest On Deposits		-	-
2.2	Interest On Funds Borrowed		508,537	542,032
2.3	Interest On Money Market Transactions		8	87
2.4	Interest On Securities Issued		422,574	394,306
2.5	Financial Lease Interest Expenses		473	664
2.6	Other Interest Expenses		12,917	7,475
III.	NET INTEREST INCOME (I - II)		510,490	279,928
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		81,400	39,155
4.1	Fees and Commissions Received		176,603	105,942
4.1.1	Non-cash Loans		62	-
4.1.2	Other		176,541	105,942
4.2	Fees and Commissions Paid		(95,203)	(66,787)
4.2.1	Non-cash Loans		-	-
4.2.2	Other		(95,203)	(66,787)
V.	DIVIDEND INCOME		-	-
VI.	NET TRADING INCOME/LOSSES (Net)	(3)	155,287	333,237
6.1	Trading Account Income/Losses		1,943	-
6.2	Income/Losses From Derivative Financial Instruments		996,036	781,865
6.3	Foreign Exchange Gains/Losses		(842,692)	(448,628)
VII.	OTHER OPERATING INCOME	(4)	60,061	10,762
VIII.	TOTAL OPERATING PROFIT (III+IV-V+VI+VII+VIII)		807,238	663,082
IX.	EXPECTED CREDIT LOSSES (-)	(5)	43,245	18,751
X.	OTHER PROVISION EXPENSES (-)	(6)	12,114	50,424
XI.	PERSONNEL EXPENSES (-)		62,009	62,459
XII.	OTHER OPERATING EXPENSES (-)	(6)	46,463	34,448
XIII.	NET OPERATING PROFIT/LOSS (IX-X-XI)		643,407	497,000
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)		643,407	497,000
XVIII.	PROVISION FOR TAXES OF CONTINUED OPERATIONS (±)	(7)	-	-
18.1	Current Tax Charge		-	-
18.2	Deferred Tax Income Effect (+)		-	-
18.3	Deferred Tax Expense Effect (-)		-	-
XIX.	NET OPERATING PROFIT/LOSS AFTER TAXES (XVI±XVII)		643,407	497,000
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income From Assets Held For Sale		-	-
20.2	Income From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
20.3	Others		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses On Assets Held for Sale		-	-
21.2	Expenses On Sale of Associates, Subsidiaries and Joint-Ventures		-	-
21.3	Others		-	-
XXII.	PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXIII.	PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Charge		-	-
23.2	Deferred Tax Income Effect (+)		-	-
23.3	Deferred Tax Expense Effect (-)		-	-
XXIV.	NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXII)		-	-
XXV.	NET PROFIT / LOSS (XVII+XXII)		643,407	497,000
	Earnings per Share		0,06941	0,06941

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

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

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

	Notes	Reviewed Current Period (31 March 2021)	Reviewed Prior Period (31 March 2020)
I. CURRENT PERIOD PROFIT/LOSS		643.407	497.000
II. OTHER COMPREHENSIVE INCOME		(34.379)	12.553
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		(34.379)	12.553
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		(47.361)	(2.255)
2.2.3 Gains/losses from Cash Flow Hedges		12.982	14.808
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)		609.028	509.553

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

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

STATEMENT OF CHANGES IN EQUITY	Notes					Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity	
		Paid-in Capital	Share Premium	Share Cancellation Profit	Other Capital Reserve	1	2	3	4	5	6					
I. Current Period (31 March 2021)																
II. Balances at Beginning of Period		9.270.000	-	-	-	-	(9.587)	(6.507)	-	116.279	33.017	498.867	1.511.388	-	-	11.413.457
2.1 Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning of Period (I-II)		9.270.000	-	-	-	-	(9.587)	(6.507)	-	116.279	33.017	498.867	1.511.388	-	-	11.413.457
IV. Total Comprehensive Income		-	-	-	-	-	-	-	(47.361)	12.982	-	-	-	643.407	609.028	
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Subordinated Liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Gain or Loss related to Other Changes		-	-	-	-	-	-	6.507	-	-	-	(6.507)	-	-	-	
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	1.511.388	(1.511.388)	-	-	
11.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2. Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1.511.388	(1.511.388)	-	-	
11.3. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at end of the period		9.270.000	-	-	-	-	(9.587)	-	-	68.918	45.999	2.003.748	-	643.407	12.022.485	

1 Accumulated Revaluation Increase/Decrease of Fixed Assets

2 Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan

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

4 Foreign Currency Translation Differences

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

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

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

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

STATEMENT OF CHANGES IN EQUITY	Notes					Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity	
		Paid-in Capital	Share Premium	Share Cancellation Profit	Other Capital Reserve	1	2	3	4	5	6					
I. Prior Period (31 March 2020)																
Balances at Beginning of Period		7.160.000	-	-	-	-	(9.793)	(6.507)	-	28.658	48.999	427.232	1.431.635	-	-	9.080.224
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning of Period (I+II)		7.160.000	-	-	-	-	(9.793)	(6.507)	-	28.658	48.999	427.232	1.431.635	-	-	9.080.224
IV. Total Comprehensive Income		-	-	-	-	-	-	-	-	(2.255)	14.808	-	-	497.000	509.553	
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Subordinated Liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Gain or Loss related to Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2. Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.3. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at end of the period		7.160.000	-	-	-	-	(9.793)	(6.507)	-	26.403	63.807	427.232	1.431.635	497.000	9.589.777	

1 Accumulated Revaluation Increase/Decrease of Fixed Assets

2 Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan

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

4 Foreign Currency Translation Differences

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

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

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

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

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

	Notes	Reviewed Current Period (31 March 2021)	Reviewed Prior Period (31 March 2020)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating profit before changes in operating assets and liabilities	1.832.481	1.407.630
1.1.1	Interest received	1.450.943	1.179.538
1.1.2	Interest paid	(363.737)	(425.385)
1.1.3	Dividend received	-	-
1.1.4	Fees and commissions received	151.438	89.192
1.1.5	Other income	62.004	33.865
1.1.6	Collections from previously written-off loans and other receivables	11.467	27.853
1.1.7	Payments to personnel and service suppliers	(67.982)	(62.459)
1.1.8	Taxes paid	(58.873)	(55.417)
1.1.9	Other	647.221	620.443
1.2	Changes in operating assets and liabilities	(417.019)	2.020.337
1.2.1	Net (increase) decrease in financial assets measured at Fair Value Through Profit or Loss	44.969	(300.116)
1.2.2	Net (increase) decrease in due from banks	-	-
1.2.3	Net (increase) decrease in loans	(33.937.024)	(4.963.805)
1.2.4	Net (increase) decrease in other assets	(289.540)	(10.243)
1.2.5	Net increase (decrease) in bank deposit	-	-
1.2.6	Net increase (decrease) in other deposits	-	-
1.2.7	Net increase (decrease) in financial liabilities measured at Fair Value Through Profit or Loss	-	-
1.2.8	Net increase (decrease) in funds borrowed	32.938.580	6.450.650
1.2.9	Net increase (decrease) in matured payables	-	-
1.2.10	Net increase (decrease) in other liabilities	825.996	843.851
I.	Net cash flow from banking operations	1.415.462	3.427.967
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash flow from investing activities	901.453	(1.663.884)
2.1	Cash paid for purchase of associates, subsidiaries and joint ventures	-	-
2.2	Cash obtained from sale of associates, subsidiaries and joint ventures	-	-
2.3	Purchases of tangible asset	(170)	(886)
2.4	Sales of tangible assets	-	-
2.5	Cash paid for purchase of financial assets measured at Fair Value through Other Comprehensive Income	-	(2.066)
2.6	Cash obtained from sale of financial assets measured at Fair Value through Other Comprehensive Income	5.224	-
2.7	Cash paid for purchase of financial assets measured at amortised cost	(8.4)	(1.660.902)
2.8	Cash obtained from sale of financial assets measured at amortised cost	(8.4)	-
2.9	Others	(1.851)	(30)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash flow from financing activities	(4.145.846)	(550.202)
3.1	Cash obtained from funds borrowed and securities issued	-	-
3.2	Cash used for repayment of funds borrowed and securities issued	(4.143.644)	(548.071)
3.3	Equity instruments issued	-	-
3.4	Dividends paid	-	-
3.5	Payments for financial leases	(2.202)	(2.131)
3.6	Others	-	-
IV.	Effect of translation differences on cash and cash equivalents	770.462	1.036.647
V.	Net increase/(decrease) in cash and cash equivalents	(1.058.469)	2.250.528
VI.	Cash and cash equivalents at beginning of period	11.670.056	9.988.318
VII.	Cash and cash equivalents at end of period	10.611.587	12.238.846

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

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

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

SECTION THREE
ACCOUNTING POLICIES

I. Basis of presentation

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

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

Accounting policies applied and valuation methods used in the preparation of the unconsolidated financial statements are expressed in detail below.

Amounts in the financial statements and related explanations and disclosures are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.

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

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

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 XXIII below.

Coronavirus epidemic, which has recently emerged in China, spread to various countries around the world affects global economic conditions negatively, as well as causing malfunctions in operations, especially in countries exposed to the epidemic. As a result of the spread of COVID-19 throughout the world, various measures have been taken in Turkey as well as in the world and still continue to be taken in order to prevent the transmission of the virus. In addition to these measures, economic measures are also taken to minimize the economic impact of the virus outbreak on individuals and businesses in our country and worldwide. The necessary measures are evaluated by the bank management to keep the negative effects that may arise under control and to live at the minimum level.

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.

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

The Bank uses derivatives to balance its foreign currency asset/liability positions for managing its exposure to currency risk. Foreign currency denominated monetary assets and liabilities are translated with the exchange rates of the Bank prevailing at the balance sheet date. Gains and losses arising from such transactions are recognized in the statement of profit or loss under the account of “foreign exchange gains/losses”.

As of 31 March 2021, the exchange rates used in translation of foreign currency denominated balances into Turkish Lira are TL 8,3137 for US Dollar, TL 9,7511 for Euro, TL 7,5071 for 100 JPY and TL 11,423 for GBP.

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

III. Explanations on forward transactions, options and derivative instruments

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

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

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

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

a.1.) Derivative financial assets held for trading

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

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

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

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

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

b.1.) Derivative financial instruments held for hedging

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

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

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

b.1.) Derivative financial instruments held for hedging

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

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

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

IV. Explanations on interest income and expenses

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

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

V. Explanations on fee and commission income and expenses

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

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

VI. Explanations on financial assets

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

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VI. Explanation on financial assets (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VI. Explanation on financial assets (Continued)

c.) Financial assets measured at amortised cost

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

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

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

Purchase and sale transactions of these financial assets are recorded and derecognised according to the “delivery date”. The Bank’s financial assets measured at amortized cost portfolio includes government bonds, foreign currency bonds and T.C. Lease certificates which is issued domestic and abroad by the Ministry of Turkish Republic Treasury and Finance.

d.) Loans

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

VII. Explanations on impairment of financial assets

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

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

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

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

Calculation of Expected Credit Loss

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

There are two measurements according to the general approach:

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

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

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).

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on impairment of financial assets (Continued)
Significant increase in credit risk (Stage 2)

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

Based on the decision of BRSA numbered 8948 dated 17 March 2020, 90 days delay for the classification of non-performing loans in the scope of the fourth and fifth articles of Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans can be applied for 180 days until 31 December 2020 for loans that classified in stage 1 and stage 2 within the board of decision as of 17 March 2020 due to disruptions in economic and commercial activities resulting from the COVID-19. In addition, in the decision of the BRSA dated 27 March 2020 and numbered 8970, it was decided to apply the 30-day delay period for the classification of loans in the stage 2 can used 90 days until 31 December 2020 due to the COVID-19 outbreak, and continue to calculate Expected credit losses in accordance with TFRS 9. The Bank applies these decisions of the board. The relevant issue will be valid until 30 June 2021, according to the decision of the BRSA dated 8 December 2020 and numbered 9312. In this context, receivables that cannot be collected for up to 180 days can be classified in the Second Group.

Non-performing loans (Stage 3 / Specific provision)

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

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

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

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

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

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

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

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on impairment of financial assets (Continued)

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

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

VIII. Explanations on offsetting financial instruments

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

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

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

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

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

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

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XI. Explanations on goodwill and other intangible assets

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

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

Implemented yearly amortization rates as follows;

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

XII. Explanations on tangible assets

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

Implemented yearly amortization rates as follows;

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

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

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

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.

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIV. Explanations on leases

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

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

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

Right-of use asset

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

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

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

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

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

Lease liability

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIV. Explanations on leases (Continued)

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

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

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

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

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

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

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

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

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

XV. Explanations on provisions and contingent liabilities

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

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

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

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

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

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	12,50%	12,50%
Inflation	8,75%	8,75%
Salary increase rate	8,75%	8,75%

As of 31 March 2021, the calculated employment termination obligation amount is TL 28.132 (31 December 2020: TL 26.332). For the period ended 31 March 2021, the Bank also allocated provisions for vacation pay liabilities relating to prior periods amounting to TL 16.064 (31 December 2020 TL 15.995).

The Bank has allocated a provision amounting to TL 23.205 (31 December 2020: TL 35.000) based on the success premium to be paid in July 2022 for the first half of the year and a provision amounting to TL 5.080 (31 December 2020: TL 21.500) for the dividend payable to the employees in 2022 from the profit of 2021.

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.

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

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 five foreign currency bonds.

- In September 2014, the Bank issued bonds amounting USD 500 million (4.156.850 TL). The bond is subject to annual fixed interest payment of 5,000% every six months and the total maturity is seven years.
- In October 2016, the Bank issued a bond with a maturity of seven years and a fixed rate of 5,375% amounting to USD 500 million (4.156.850 TL).
- In September 2017, the Bank issued a bond with a maturity of five years and a fixed rate of 4,250% amounting to USD 500 million (4.156.850 TL).
- In May 2018, the Bank issued a bond with a maturity of six years and a fixed rate of 6,125% amounting to USD 500 million (4.156.850 TL).
- In January 2019, the Bank issued a bond with a maturity of five years and a fixed rate of 8,250% amounting to USD 500 million (4.156.850 TL).

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

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

In April 2019, the Bank issued Tier II capital amounting EUR 150 million (TL 1.462.665) 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. The dividend distribution in the Bank is made by the decision of the General Assembly. Dividend distribution for 2020 was carried out in 2021 by the decision of the General Assembly.

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

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.

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

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

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

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

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

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. Information about shareholders' equity items

Equity amount and capital adequacy standard ratio are calculated within the framework of "Regulation Regarding Equities of Banks" and "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy" and in addition to these, it is calculated according to the regulations of the BRSA dated December 8, 2020 and numbered 9312.

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

Equity amount and capital adequacy standard ratio are calculated within the framework of "Regulation Regarding Equities of Banks" and "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy". As of 31 March 2021, the shareholders' equity of the Bank is TL 16.826.157 (31 December 2020: TL 16.144.583) and the capital adequacy standard ratio is 19,59% (31 December 2020: 20,02%).

	Current Period Amount	Amount as per the regulation before 1/1/2014^(*)
COMMON EQUITY TIER I CAPITAL	12.010.861	
Paid-in Capital to be Entitled for Compensation after All Creditors	9.270.000	
Share Premium	-	
Reserves	2.003.748	
Other Comprehensive Income according to Turkish Accounting Standards ("TAS")	150.520	
Profit	643.407	
Net Current Period Profit	643.407	
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	12.067.675	
Deductions from Common Equity Tier I Capital	56.814	
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 (-)	35.604	
Leasehold Improvements on Operational Leases (-)	131	
Goodwill Netted with Deferred Tax Liabilities	-	
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	11.492	
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	9.587	
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-	
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	
Total of Net Long Positions of the Investments in Core Capital Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	

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

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

SECTION FOUR (Continued)

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

I. Information about shareholders' equity items (Continued)

	Current Period Amount	Amount as per the regulation before 1/1/2014 ^(*)
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital	-	
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-	
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	
Exceeding Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-	
Mortgage Servicing Rights not deducted (-)	-	
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-	
Other items to be Defined by the BRSA (-)	-	
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-	
Total Deductions from Common Equity Tier I Capital	56.814	
Total Common Equity Tier I Capital	12.010.861	
ADDITIONAL TIER I CAPITAL	1.462.665	
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	1.462.665	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	
Additional Tier I Capital before Deductions	1.462.665	
Deductions from Additional Tier 1 Capital	-	
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-	
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier 1 Capital (-)	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier 1 Capital of Unconsolidated Banks and Financial Institutions where the Bank owns more than 10% of the Issued Share Capital (-)	-	
Other items to be defined by the BRSA (-)	-	
Items to be Deducted from Tier 1 Capital during the Transition Period	-	

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

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

SECTION FOUR (Continued)

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

I. Information about shareholders' equity items (Continued)

	Current Period Amount	Amount as per the regulation before 1/1/2014 ^(*)
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	-	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions from Additional Tier I Capital	-	
Total Additional Tier I Capital	1.462.665	
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	13.473.526	
TIER II CAPITAL	3.352.631	
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)	450.872	
Total Deductions from Tier II Capital	3.352.631	
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	3.352.631	
Total Equity (Total Tier I and Tier II Capital)	16.826.157	
The sum of Tier I Capital and Tier II Capital (Total Capital)	16.826.157	
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	-	
Net Book Values of Movables and Immovable's Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-	
Other items to be Defined by the BRSA (-)	-	
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	

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

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

SECTION FOUR (Continued)

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

I. Information about shareholders' equity items (Continued)

	Current Period Amount	Amount as per the regulation before 1/1/2014^(*)
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
CAPITAL	16.826.157	
Total Capital (Total of Tier I Capital and Tier II Capital)	16.826.157	
Total Risk Weighted Assets	85.887.010	
CAPITAL ADEQUACY RATIOS		
Common Equity Tier I Capital Ratio (%)	13,98	
Tier I Capital Ratio (%)	15,69	
Capital Adequacy Ratio (%)	19,59	
BUFFERS		
Bank-specific total Common Equity Tier I Capital Ratio	2,50	
Capital conservation buffer requirement (%)	2,50	
Bank systematic countercyclical buffer requirement (%)	-	
Systemically important bank buffer requirement (%)	-	
Additional Common Equity Tier I Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	9,48	
Amounts Lower Than Excesses as per Deduction Rules	116.441	
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	116.441	
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)	450.872	
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	450.872	
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	
Debt Instruments Covered by Temporary Article 4 (effective between 1 January 2018-1 January 2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	

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

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

SECTION FOUR (Continued)

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

I. Information about shareholders' equity items (Continued)

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

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

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

SECTION FOUR (Continued)

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

I. Information about shareholders' equity items (Continued)

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

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

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

SECTION FOUR (Continued)

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

I. Information about shareholders' equity items (Continued)

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

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

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

SECTION FOUR (Continued)

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

I. Information about shareholders' equity items (Continued)

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

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

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

SECTION FOUR (Continued)

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

I. Information about shareholders' equity items (Continued)

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

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

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

SECTION FOUR (Continued)

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

I. Information about shareholders' equity items (Continued)

Information about the instruments to be included in the capital adequacy calculation:	
Issuer	Türkiye İhracat Kredi Bankası A.Ş.
Instrument code (CUSIP, ISIN etc.)	-
Legislation to which the instrument is subject to	BRSA Legislation
Estimated status in equity calculation	
Since 1 January 2015, being subjected to consideration by reducing it by 10%	No
Eligible at unconsolidated / consolidated	Consolidated and unconsolidated basis is taken into account.
Type of instrument	Loan that can be Included in Additional Tier I Capital Calculation
Amount considered in equity calculation (As of the latest reporting date - Million TL)	1.463
Nominal value of the instrument (Million TL)	1.463
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	24 April 2019
Whether the issuer has the right of reimbursement due to BRSA approval	Has an early redemption option at the end of the fifth year
Reimbursement option date, contingent repayment options and refundable amount	The Bank will be able to use the early redemption option based on BRSA approval, five years after the date of issue.
Subsequent reimbursement option dates	-
Interest/dividend payments	
Fixed or variable interest/dividend payments	Fixed Coupon
Interest rate and index value for interest rate	4,61% (Compound)
Whether there are any restrictions that stop the payment of dividends	None.
Fully optional, partially optional or mandatory	None.
Whether there is an element that will encourage repayment, such as increase in the interest rate	None.
Being cumulative or noncumulative	None.
The ability to be converted into shares	
Triggering events / events that can cause a conversion if converted to a stock	None.
Full or partial conversion if convertible	None.
If convertible, conversion rate	None.
If convertible, mandatory convertible or optionally convertible	None.
Convertible instrument types if converted to stock	None.
Issuer of the debt instrument to be converted if it can be converted into a stock	None.
Value reduction feature	
Trigger events / events that will cause a reduction if it has a value reduction feature	Capital adequacy ratio or Consolidated Capital adequacy rate to fall below 5,125 percent
Total or partial value reduction if value reduction is available	Totally or partially
Temporary or permanent if it has a value reduction feature	Temporary
Value increment if the value can be temporarily reduced	None
In which order in terms of the right to take in the case of liquidation (Instrument just above this instrument)	After borrowings before additional Tier-1 capital
Whether subject to requirements of Articles 7 and 8 of the Regulation on Equity of Banks	It has the requirements of article 7 of the Regulation.
Define if subject to requirements of Articles 7 and 8 of the Regulation on Equity of Banks	It has the requirements of article 7 of the Regulation.

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

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

SECTION FOUR (Continued)

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

II. Explanations on currency risk

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

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

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

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

	TL	USD	GBP	EURO	JPY	Total
TRADING DERIVATIVE FINANCIAL INSTRUMENTS	1.463.647	4.100.726	53.117	2.536.254	828	8.154.572
Forward Transactions	50.763	70.261	-	20.478	-	141.502
Forward Foreign Exchange Purchase Transactions	25.404	35.138	-	10.239	-	70.781
Forward Foreign Exchange Sell Transactions	25.359	35.123	-	10.239	-	70.721
Swap Transactions	1.412.884	4.030.465	53.117	2.515.776	828	8.013.070
Swap Money Purchase Transactions FC - TL	1.412.884	-	-	-	-	1.412.884
Swap Money Purchase Transactions FC-FC	-	2.037.149	13.136	463.177	-	2.513.462
Swap Money Sale Transactions FC-TL	-	1.529.721	-	-	-	1.529.721
Swap Money Sale Transactions FC-FC	-	463.595	39.981	2.052.599	828	2.557.003
Swap Interest Purchase Transactions FC-FC	-	-	-	-	-	-
Swap Interest Sale Transactions FC-FC	-	-	-	-	-	-
Option Purchase Transactions	-	-	-	-	-	-
Money Purchase of Options	-	-	-	-	-	-
Money Sale of Options	-	-	-	-	-	-
HEDGING DERIVATIVE FINANCIAL INSTRUMENTS	-	30.296.129	-	22.197.651	-	52.493.780
Forward Transactions	-	-	-	-	-	-
Forward Foreign Exchange Purchase Transactions	-	-	-	-	-	-
Forward Foreign Exchange Sell Transactions	-	-	-	-	-	-
Swap Transactions	-	30.296.129	-	22.197.651	-	52.493.780
Swap Money Purchase Transactions	-	21.982.429	-	-	-	21.982.429
Swap Money Sale Transactions	-	-	-	22.197.651	-	22.197.651
Swap Interest Purchase Transactions	-	4.156.850	-	-	-	4.156.850
Swap Interest Sale Transactions	-	4.156.850	-	-	-	4.156.850
TOTAL	1.463.647	34.396.855	53.117	24.733.905	828	60.648.352

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

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

SECTION FOUR (Continued)

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

II. Explanations on currency risk (Continued)

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

Fair value hedge accounting

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

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

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

	31 March 2021		
	Principal ⁽¹⁾	Asset	Liability
Derivative Financial Instruments			
Swaps	36.444.537	978.648	9.154
Total	36.444.537	978.648	9.154

⁽¹⁾ Sum of purchase and sale.

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

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

Also, changes in fair value of USD debt securities, issued in October 2016 amounting to USD 500 million, with 7 years maturity 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:

31 March 2021		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	150.124	-	-
Cross Currency Swap Transactions	Fixed interest rate US dollar debt securities	Currency and interest rate risk	828.524	9.154	-

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

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

SECTION FOUR (Continued)

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

II. Explanations on currency risk (Continued)

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

Fair value hedge accounting (Continued)

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

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

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

Cash flow hedge accounting

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

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

	31 March 2021		
	Principal ⁽¹⁾	Asset	Liability
Derivative Financial Instruments			
Cross Currency Swap Interest Transactions	16.049.243	19.815	307.404
Total	16.049.243	19.815	307.404

⁽¹⁾ Sum of purchase and sale.

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

The impact of cash flow hedge accounting is summarized below:

31 March 2021					
Hedging Instrument	Hedged Asset and Liability	Hedged Risk	Fair value of hedging instrument		Amount at hedging account
			Asset	Liability	
Cross Currency Swap Transactions	Fixed interest rate US Dollar debt securities	Currency and Interest Rate Risk	19.815	307.404	45.999

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

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

SECTION FOUR (Continued)

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

II. Explanations on currency risk (Continued)

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

Cash flow accounting (Continued)

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

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

3. Policy on foreign currency risk management

The Bank has followed a balanced policy of assets and liabilities with respect to currency risk during the period. As of 31 March 2021, the Net Foreign Currency Position/Shareholders' Equity ratio is 0,01 percent and as of 31 December 2020 the ratio is 0,68 percent. Foreign currency position is followed daily by the type of foreign currency. The Bank monitors the changes in the market conditions and their effect over the activities and positions of the Bank and make decisions in line with the strategies of the Bank.

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

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

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

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

SECTION FOUR (Continued)

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

II. Explanations on 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	25 March 2021	26 March 2021	29 March 2021	30 March 2021	31 March 2021
USD	7,90490	7,95580	8,07720	8,30320	8,31370
AUD	5,99820	6,06310	6,17100	6,33450	6,32590
DKK	1,25502	1,26100	1,28025	1,31042	1,31135
SEK	0,91737	0,92039	0,93150	0,95076	0,95355
CHF	8,43730	8,45640	8,61200	8,81260	8,82280
100 JPY	7,24660	7,27660	7,36620	7,53200	7,50710
CAD	6,28720	6,32470	6,40490	6,58880	6,59660
NOK	0,92000	0,92429	0,94048	0,97019	0,97406
GBP	10,81230	10,95040	11,14330	11,42110	11,42300
SAR	2,10775	2,12126	2,15363	2,21389	2,21669
EUR	9,33170	9,37590	9,51980	9,74300	9,75110
KWD	26,14050	26,30890	26,71920	27,45770	27,49240
XDR	11,25260	11,30760	11,47040	11,79220	11,77970
BGN	4,77030	4,79180	4,85350	4,97610	4,98480
100 IRR	0,01882	0,01894	0,01923	0,01977	0,01979
RON	1,90866	1,91877	1,94650	1,98281	1,97988
RUB	0,10373	0,10504	0,10658	0,10961	0,10983
CNH	1,20946	1,21568	1,23198	1,26311	1,26731

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 March 2021
USD	7,66132
AUD	5,90219
DKK	1,22599
SEK	0,89668
CHF	8,24085
100 JPY	7,04650
CAD	6,08892
NOK	0,89769
GBP	10,61700
SAR	2,04256
EUR	9,11624
KWD	25,32700
XDR	10,94200
BGN	4,65568
100 IRR	0,01824
RON	1,86466
RUB	0,10287
CNH	1,17669

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

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

SECTION FOUR (Continued)

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

II. Explanations on currency risk (Continued)

7. Information related to Bank's Currency Risk

Current Period	EURO	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased)	8.366.444	-	-	8.366.444
Banks	17.690	70.077	23.362	111.129
Financial Assets at Fair Value Through Profit or Loss	-	113.566	-	113.566
Interbank Money Market Placements	-	-	-	0
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	704.554	-	704.554
Loans	116.710.899	79.682.445	437.205	196.830.549
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	0
Financial Assets Measured at Amortised Cost	4.554.653	2.849.136	-	7.403.789
Derivative Financial Assets for Hedging Purposes (*)	-	150.124	-	150.124
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (*)	89.468	525.917	1.007	616.392
Total Assets	129.739.154	84.095.819	461.574	214.296.547
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds from Interbank Money Market	-	1.561.918	0	1.561.918
Funds Borrowed from Other Financial Institutions (**)	104.844.943	82.308.932	421.115	187.574.990
Marketable Securities Issued (***)	-	20.602.420	-	20.602.420
Miscellaneous Payables	866.915	1.155.250	11.256	2.033.421
Derivative Financial Liabilities for Hedging Purposes (*)	-	-	-	-
Other Liabilities	194.479	502.499	1.484	698.462
Total Liabilities	105.906.337	106.131.019	433.855	212.471.211
Net Balance Sheet Position	23.832.817	(22.035.200)	27.719	1.825.336
Net Off Balance Sheet Position	(23.787.073)	22.026.277	(27.673)	(1.788.469)
Derivative Assets	473.416	28.211.566	13.136	28.698.118
Derivative Liabilities	24.260.489	6.185.289	40.809	30.486.587
Non-Cash Loans (****)	5.880.516	6.472.378	433.254	12.786.148
Prior Period				
Total Assets	115.875.631	64.685.060	352.786	180.913.477
Total Liabilities	93.072.533	86.540.859	321.218	179.934.610
Net On Balance Sheet Position	22.803.098	(21.855.799)	31.568	978.867
Net Off Balance Sheet Position	(22.736.820)	21.860.401	(31.798)	(908.217)
Derivative Assets	-	29.392.582	14.173	29.406.755
Derivative Liabilities	22.736.820	7.532.181	45.971	30.314.972
Non-Cash Loans	2.599.154	9.085.749	168.354	11.853.257

(*) In accordance with the provisions of the "Regulation on Calculation and Application of Foreign Currency Net General Position / Equity Standard Ratio on a Consolidated and Unconsolidated Basis by Banks Foreign Currency Income Accruals of Derivative Financial Instrument, and hedge accounting records for these accruals and Foreign Currency Expense Accruals of Derivative Financial Instrument and hedge accounting records for these accruals and Prepaid Expenses were not taken into account in the currency risk calculation.

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

(***) In the Marketable Securities Issued, 602.512 TL accounted under hedge accounting is not included.

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

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

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

SECTION FOUR (Continued)

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

II. Explanation on currency risk (Continued)

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

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

	Current Period		Prior Period	
	Gain/(Loss) Effect	Effect on Equity ⁽¹⁾	Gain/(Loss) Effect	Effect on Equity ⁽¹⁾
USD	2.668	(892)	10.568	10.568
EUR	4.574	4.574	(11.759)	(11.759)
Other foreign currency	5	5	(375)	(375)
Total	7.247	3.687	(1.566)	(1.566)

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

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

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

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

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

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

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

SECTION FOUR (Continued)

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

III. Explanation on 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	-	-	-	-	-	8.366.758	8.366.758
Banks	1.853.220	-	-	-	-	87.829	1.941.049
Financial Assets Measured at Fair Value Through Profit/Loss	-	-	-	113.566	-	-	113.566
Money Market Placements	233.634	69.425	2.069	-	-	-	305.128
Financial Assets Measured at Fair Value Reported in Other Comprehensive Income	-	25.038	-	479.186	200.330	116.441	820.995
Loans	19.889.350	41.612.712	121.968.959	28.998.791	-	508.987	212.978.799
Financial Assets Measured at Amortised Cost	1.536	-	3.874.419	4.790.039	1.658.989	-	10.324.983
Other Assets	161.272	221.273	630.117	-	-	1.197.655	2.210.317
Total Assets	22.139.012	41.928.448	126.475.564	34.381.582	1.859.319	10.277.670	237.061.595
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Funds	420.585	1.141.333	-	-	-	-	1.561.918
Miscellaneous Payables	-	15.423	15.422	13.131	-	2.083.883	2.127.859
Securities Issued	-	-	4.272.298	17.190.263	-	-	21.462.561
Other Funds	12.370.617	56.230.469	94.485.330	30.615.034	-	-	193.701.450
Other Liabilities ⁽¹⁾	89.559	412.654	60.438	1.601.275	2.903.696	13.140.185	18.207.807
Total Liabilities	12.880.761	57.799.879	98.833.488	49.419.703	2.903.696	15.224.068	237.061.595
On Balance Sheet Long Position	9.258.251	-	27.642.076	-	-	-	36.900.327
On Balance Sheet Short Position	-	(15.871.431)	-	(15.038.121)	(1.044.377)	(4.946.398)	(36.900.327)
Off-balance Sheet Long Position	6.127.593	10.480.206	13.528.606	-	-	-	30.136.405
Off-balance Sheet Short Position	(6.183.461)	(10.865.205)	(13.463.281)	-	-	-	(30.511.947)
Total Position	9.202.383	(16.256.430)	27.707.401	(15.038.121)	(1.044.377)	(4.946.398)	(375.542)

⁽¹⁾ In other liabilities line the "non-interest bearing" column amounting TL 13.340.185 TL includes equity amounting to TL 12.022.485 and provisions amounting to TL 378.837.

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

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

SECTION FOUR (Continued)

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

III. Explanation on interest rate risk (Continued)

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

(Periods remaining to reprising dates)

Prior Period	Up to 1 month	1-3 Months	3 -12 Months	1-5 Years	Over 5 Year	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	-	-	-	-	5.005.582	5.005.582
Banks	4.893.649	-	-	-	-	94.464	4.988.113
Financial Assets Measured at Fair Value Through Profit/Loss	-	-	-	78.554	74.900	-	153.454
Money Market Placements	1.688.243	-	-	-	-	-	1.688.243
Financial Assets Measured at Fair Value Reported in Other Comprehensive Income	2.755	37.156	40.839	309.081	322.700	92.778	805.309
Loans	14.162.007	36.703.998	95.808.083	31.870.924	-	490.024	179.035.036
Financial Assets Measured at Amortised Cost	-	909.292	2.791.413	2.762.505	4.175.867	-	10.639.077
Other Assets ⁽²⁾	60.687	157.054	274.596	-	-	1.420.123	1.912.460
Total Assets	20.807.341	37.807.500	98.914.931	35.021.064	4.573.467	7.102.971	204.227.274
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Funds	-	-	1.375.566	-	-	-	1.375.566
Miscellaneous Payables	-	-	30.844	-	-	1.531.421	1.562.265
Securities Issued	-	3.990.064	3.625.951	15.337.245	-	-	22.953.260
Other Funds	9.959.343	14.344.634	105.608.589	30.718.128	-	-	160.630.694
Other Liabilities ⁽¹⁾	98.350	349.865	381.194	1.517.630	2.937.898	12.420.552	17.705.489
Total Liabilities	10.057.693	18.684.563	111.022.144	47.573.003	2.937.898	13.951.973	204.227.274
On Balance Sheet Long Position	10.749.648	19.122.937	-	-	1.635.569	-	31.508.154
On Balance Sheet Short Position	-	-	(12.107.213)	(12.551.939)	-	(6.849.002)	(31.508.154)
Off-balance Sheet Long Position	5.966.114	14.648.464	8.986.339	-	-	-	29.600.917
Off-balance Sheet Short Position	(6.307.891)	(15.106.395)	(9.416.090)	-	-	-	(30.830.376)
Total Position	10.407.871	18.665.006	(12.536.964)	(12.551.939)	1.635.569	(6.849.002)	(1.229.459)

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

⁽²⁾ In other assets line the "non-interest bearing" column amounting TL 1.420.123 includes expected loss provisions amounting to TL (809.542).

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

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

SECTION FOUR (Continued)

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

III. Explanation on interest rate risk (Continued)

2. Average interest rates for monetary financial instruments

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

	EUR	USD	GBP	JPY	TL
Current Period					
Assets					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	-	-	-	-
Banks	0,66	-	-	-	18,76
Financial Assets Measured at Fair Value Through Profit/Loss	-	6,20	-	-	-
Interbank Money Market Placements	-	-	-	-	19,03
Financial Assets Measured at FVOCI	-	6,36	-	-	-
Loans	1,46	1,56	1,13	-	9,92
Financial Assets Measured at Amortised Cost	0,99	4,91	-	-	9,81
Liabilities					
Bank Deposits	-	-	-	-	-
Other Deposits	-	-	-	-	-
Money Market Funds	-	2,67	-	-	-
Miscellaneous Payables	-	-	-	-	-
Securities Issued	-	5,89	-	-	14,50
Other Funds	0,49	0,73	0,07	-	12,54

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

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

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

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

SECTION FOUR (Continued)

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

IV. Explanations on position risk of equity securities

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

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

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

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

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

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

None.

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

None.

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

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

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

	Portfolio	Realized gains/losses during the period	Revaluation value increases		Unrealized gains/losses		
			Total	Included in supplementary capital	Total	Included in the core capital	Included in supplementary capital
1	Private equity investments	-	-	-	-	-	-
2	Shares quoted to the stock market	-	-	-	-	-	-
3	Other shares	20.909	95.666	-	-	-	-
4	Total	20.909	95.666	-	-	-	-

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

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

SECTION FOUR (Continued)

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

IV. 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 116.441 thousand are 100% risk weighted (31 December 2020: Stock investments amounting to TL 95.532 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.

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

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

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

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

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

SECTION FOUR (Continued)

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

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

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

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

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

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

Current Period							
Week Info	TL+FC (Max)	Week Info	TL+FC (Min)	Week Info	FC (Max)	Week Info	FC (Min)
3 January 2021	1.249,03	7 February 2021	512,43	14 March 2021	1.033,84	17 January 2021	208,66

Prior Period							
Week Info	TL+FC (Max)	Week Info	TL+FC (Min)	Week Info	FC (Max)	Week Info	FC (Min)
27 December 2020	1.732,40	1 November 2020	327,70	27 December 2020	1.507,69	1 November 2020	250,89

According to the Banking Regulation and Supervision Agency’s 7123 numbered and 12 December 2016 dated decision, unless otherwise stated, the consolidated and non-consolidated total money and foreign money liquidation rates shall be considered zero for development and investment banks. The aforementioned rates are still being reported to the BRSA. On the other hand, in March, when the COVID epidemic started to spread, it was decided by the BRSA that banks would be exempted from their obligations to meet the legal ratios of Liquidity Adequacy Ratios and Liquidity Coverage Ratio until the end of the 2020 within the scope of strengthening the capital and liquidity conditions of the banking system. However, these flexibilities were re-evaluated by the BRSA in December 2020 and were removed to be effective from the beginning of 2021.

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

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

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

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

SECTION FOUR (Continued)

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

V. Explanations on 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)			14.552.726	12.275.542
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:	9.846.639	9.723.457	5.982.540	5.859.358
6	Operational deposits	-	-	-	-
7	Non-operational deposits	-	-	-	-
8	Unsecured funding	9.846.639	9.723.457	5.982.540	5.859.358
9	Secured wholesale funding				
10	Other cash outflows of which:	1.521.471	1.452.221	711.396	676.791
11	Outflows related to derivative exposures and other collateral requirements	171.348	159.840	171.347	159.839
12	Outflows related to restructured financial instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	1.350.123	1.292.381	540.049	516.952
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	11.410.782	11.410.783	570.539	570.539
16	TOTAL CASH OUTFLOWS			7.264.475	7.106.688
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	13.108.405	9.021.086	8.974.587	5.118.533
19	Other cash inflows	7.072	1.324	7.072	1.323
20	TOTAL CASH INFLOWS	13.115.477	9.022.410	8.981.659	5.119.856
				<i>Upper limit applied value</i>	
21	TOTAL HQLA			14.552.726	12.275.542
22	TOTAL NET CASH OUTFLOWS			1.844.542	3.046.649
23	LIQUIDITY COVERAGE RATIO (%)			788,96	402,92

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

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

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

SECTION FOUR (Continued)

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

V. Explanations on 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	FC
HIGH-QUALITY LIQUID ASSETS				
1	Total high-quality liquid assets (HQLA)		14.255.329	11.789.874
CASH OUTFLOWS				
2	Retail deposits and deposits from small business customers, of which:		-	-
3	Stable deposits		-	-
4	Less stable deposits		-	-
5	Unsecured wholesale funding, of which:		7.680.006	7.680.006
6	Operational deposits		-	-
7	Non-operational deposits		-	-
8	Unsecured funding		7.680.006	7.680.006
9	Secured wholesale funding		-	-
10	Other cash outflows of which:		1.010.548	1.002.352
11	Outflows related to derivative exposures and other collateral requirements		514.177	512.208
12	Outflows related to restructured financial instruments		-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets		496.371	490.144
14	Other revocable off-balance sheet commitments and contractual obligations		-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations		544.817	544.817
16	TOTAL CASH OUTFLOWS		9.235.371	9.227.175
CASH INFLOWS				
17	Secured receivables		-	-
18	Unsecured receivables		11.910.832	8.512.980
19	Other cash inflows		26.197	2.609
20	TOTAL CASH INFLOWS		11.937.029	8.515.589
21	TOTAL HQLA		14.255.329	11.789.874
22	TOTAL NET CASH OUTFLOWS		2.325.107	2.497.747
23	LIQUIDITY COVERAGE RATIO (%)		613,10	472,02

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

Explanations on liquidity coverage ratio:

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

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

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

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

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

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

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

SECTION FOUR (Continued)

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

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

2. Liquidity Coverage Ratio (Continued)

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

None.

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

None.

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

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

SECTION FOUR (Continued)

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

V. Explanations on 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	8.366.758	-	-	-	-	-	-	8.366.758
Banks	87.829	1.853.220	-	-	-	-	-	1.941.049
Financial Assets Measured at Fair Value through Profit or Loss	-	-	-	-	113.566	-	-	113.566
Money Market Placements	-	233.634	69.425	2.069	-	-	-	305.128
Financial Assets Measured at Fair Value Through Other Comprehensive Income	116.441	-	25.038	-	479.186	200.330	-	820.995
Loans	-	10.187.541	26.159.033	96.503.651	60.921.891	18.702.096	504.587	212.978.799
Financial Assets Measured at Amortised Cost	-	1.536	-	3.874.419	4.790.039	1.658.989	-	10.324.983
Other Assets	-	563	1.350	230.269	760.663	19.817	1.197.655	2.210.317
Total Assets	8.571.028	12.276.494	26.254.846	100.610.408	67.065.345	20.581.232	1.702.242	237.061.595
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Other Funds	-	10.225.834	31.986.127	92.455.749	50.198.792	8.834.948	-	193.701.450
Money Market Funds	-	2.397	778.758	418.672	362.091	-	-	1.561.918
Securities Issued	-	-	-	4.014.669	17.447.892	-	-	21.462.561
Miscellaneous Payables	-	-	15.423	15.422	13.131	-	2.083.883	2.127.859
Other Liabilities ^(2,3,4)	-	89.559	147.396	93.267	1.652.576	3.084.824	13.140.185	18.207.807
Total Liabilities	-	10.317.790	32.927.704	96.997.779	69.674.482	11.919.772	15.224.068	237.061.595
Liquidity Gap	8.571.028	1.958.704	(6.672.858)	3.612.629	(2.609.137)	8.661.460	(13.521.826)	-
Net Off Balance Sheet Position	-	(65.866)	(105.197)	75.058	(62.185)	(217.352)	-	(375.542)
Derivative Financial Assets	-	1.555.058	1.608.286	7.900.428	14.773.250	4.299.383	-	30.136.405
Derivative Financial Liabilities	-	1.620.924	1.713.483	7.825.370	14.835.435	4.516.735	-	30.511.947
Non-Cash Loans	-	-	6.235	79.929	-	-	13.066.872	13.153.036
Prior Period								
Total Assets	5.100.046	15.355.499	20.673.347	90.503.428	61.121.321	9.470.708	2.002.925	204.227.274
Total Liabilities	-	5.905.862	10.132.305	94.132.062	68.561.910	11.543.162	13.951.973	204.227.274
Liquidity Gap	5.100.046	9.449.637	10.541.042	(3.628.634)	(7.440.589)	(2.072.454)	(11.949.048)	-
Net Off-Balance Sheet Position	-	12.037	(130)	(644.873)	(135.436)	(461.057)	-	(1.229.459)
Derivative Financial Assets	-	1.554.658	3.703.793	15.097.635	4.798.441	4.446.390	-	29.600.917
Derivative Financial Liabilities	-	1.542.621	3.703.923	15.742.508	4.933.877	4.907.447	-	30.830.376
Non-Cash Loans	-	-	-	-	-	-	11.990.878	11.990.878

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

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

(3) In other liabilities, the amount of TL 13.140.185 at the "unallocated" column, includes the shareholders' equity amounting to TL 12.022.485, unearned revenue amounting to TL 676.280, provisions amounting to TL 378.837 and other liabilities amounting to TL 62.583.

(4) In other liabilities "over 5 years" line, the amount of TL 3.437.074 includes subordinated debt instrument amounting to TL 2.903.696.

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

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

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. Explanations on leverage ratio

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

The leverage ratio increased compared to the prior period. The reason for this is that the denominator of the rate has a more stable image, especially in the first two months, since the exchange rate remains relatively calm. Accordingly, the bank's core capital has grown faster than the related risks that are subject to leverage ratio.

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

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

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)	218.950.442	212.888.487
Assets amounts deducted in determining Basel III Tier 1 capital	(20.762)	(18.917)
Total on balance sheet exposures	218.929.680	212.869.570
Derivative exposures and credit derivatives		
Replacement cost associated with derivative financial instruments and credit derivatives	2.491	2.860
The potential amount of credit risk with derivative financial instruments and credit derivatives	1.008.201	1.055.994
The total amount of risk on derivative financial instruments and credit derivatives	1.010.692	1.058.854
Investment securities or commodity collateral financing transactions		
The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items)	638.617	392.506
Risk amount of exchange brokerage operations		
Total risks related with securities or commodity financing transactions	638.617	392.506
Off -Balance Sheet Items		
Gross notional amount of off-balance sheet items	87.499.058	83.053.365
Adjustments for conversion to credit equivalent amounts	(67.093.476)	(62.319.590)
The total risk of off-balance sheet items	20.405.582	20.733.775
Capital and Total Exposures		
Tier 1 capital	13.121.513	12.182.779
Total exposures	240.984.571	235.054.705
Leverage Ratio		
Leverage ratio	%5,44	%5,18

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

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

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

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

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

SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VIII. Information on risk management

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)	81.296.682	76.735.319	6.503.735
2	Of which standardized approach (SA)	81.296.682	76.735.319	6.503.735
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	767.314	857.708	61.385
5	Of which standardized approach for counterparty credit risk (SA-CCR)	767.314	857.708	61.385
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	430.850	525.675	34.468
17	Of which standardized approach (SA)	430.850	525.675	34.468
18	Of which internal model approaches (IMM)	-	-	-
19	Operational Risk	3.392.164	2.537.427	271.373
20	Of which Basic Indicator Approach	3.392.164	2.537.427	271.373
21	Of which Standardized approach (SA)	-	-	-
22	Of which Advanced measurement approach	-	-	-
23	The amounts below the thresholds for deduction from capital (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	85.887.010	80.656.129	6.870.961

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

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

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and notes related to assets

1. Cash equivalents and the account of CBRT

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Foreign currency	10	-	10	-
CBRT	304	8.366.444	258	5.005.314
Other	-	-	-	-
Total	314	8.366.444	268	5.005.314

Account of CBRT

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	304	8.366.444	258	5.005.314
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	-	-	-
Total	304	8.366.444	258	5.005.314

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

Financial Assets at Fair Value through Profit/Loss	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Subject to Repo Transaction	-	77.532	-	74.901
Financial Assets Given / Blocked as Collateral	-	-	-	-
Total	-	77.532	-	74.901

3. Derivative financial assets

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

3.1.1. Derivative financial assets held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	1.552	15	761	-
Swap Transactions	508	12.124	25.368	95
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	2.060	12.139	26.129	95

3.1.2. Derivative financial instruments held for risk management

Derivative financial instruments held for risk management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedges	-	978.648	-	448.560
Cash flow hedges	-	-	-	-
Net foreign investment hedges	-	-	-	-
Total	-	978.648	-	448.560

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

3.2.1. Derivative financial assets held for trading

None.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

3. Derivative financial assets (Continued)

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

3.2.2. Derivative financial instruments held for risk management

Derivative Financial Instruments Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	19.815	-	17.553
Net Foreign Investment Hedges	-	-	-	-
Total	-	19.815	-	17.553

4. Information on banks and foreign bank accounts

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	1.829.920	6.854	1.274.843	3.428.548
Foreign banks	-	104.275	-	284.722
Foreign head offices and branches	-	-	-	-
Total	1.829.920	111.129	1.274.843	3.713.270

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

Financial Assets Measured at Fair Value through Other Comprehensive Income	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Subject to Repo Transaction	-	461.713	-	439.424
Financial Assets Given / Blocked as Collateral	-	-	-	-
Total	-	461.713	-	439.424

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

	Current Period	Prior Period
Debt Securities		
Quoted to Stock Exchange	726.588	709.824
Not Quoted	-	-
Share Certificates		
Quoted to Stock Exchange	-	-
Not Quoted	116.441	95.532
Impairment Provision (-)	22.034	47
Total	820.995	805.309

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

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

As of January 17, 2020, the Bank has participated in JCR Avrasya Rating A.Ş. with a 2.86% share.

All of the debt securities in the financial assets portfolio of the Bank whose fair value difference is reflected to other comprehensive income consists of government bonds.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans

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

	Current Period		Prior Period	
	Cash	Non-Cash Loans	Cash	Non-Cash Loans
Direct Lendings to Shareholders	-	-	-	-
Corporates	-	-	-	-
Individuals	-	-	-	-
Indirect Lendings to Shareholders	-	-	-	-
Loans to Employees	12.415	-	13.324	-
Total	12.415	-	13.324	-

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

	Standard Loans	Loans Under Close Monitoring		
		Loans not Subject to Restructuring	The ones whose payment plans have changed	Refinancing
Cash Loans				
Non-specialized Loans	206.953.168	1.740.246	1.784.015	-
Working capital loans	21.633.419	418.809	971.129	-
Export loans	151.062.315	1.174.549	458.625	-
Import loans	-	-	-	-
Loans granted to financial sector	13.807.019	-	-	-
Consumer loans	12.415	-	-	-
Credit cards	-	-	-	-
Other	20.438.000	146.888	354.261	-
Specialized loans	1.529.725	281.679	180.979	-
Other receivables	-	-	-	-
Total	208.482.893	2.021.925	1.964.994	-

	Standard Loans	Loans Under Close Monitoring
12 months expected credit loss ^(*)	75.798	-
Increase in credit risk	-	149.551

^(*)Expected loss provisions of financial assets measured at amortized cost are not included.

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	3.271	965.334
Extended for 3, 4 or 5 Times	316	1.967.001
Extended for More than 5 Times	64	258.132

The Time Extended via the Amendment on Payment Plan	Standard Loans	Loans Under Close Monitoring
0-6 Months	3.051	593.548
6-12 months	225	577.674
1-2 Years	182	967.550
2-5 Years	193	594.249
5 Years and More	-	457.446

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

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

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

As of 31 March 2021, the Bank has personnel loans amounting to TL 12.415.

	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-TL	223	12.192	12.415
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	223	12.192	12.415
Personel Loans - FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personel Loans-FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personel Credit Cards -TL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personel Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Deposit Accounts– TL (Real Persons)	-	-	-
Deposit Accounts– FC (Real Persons)	-	-	-
Total	223	12.192	12.415

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.5. Information on commercial installment loans and corporate credit cards

None.

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

	Current Period^(*)	Prior Period^(*)
Domestic Loans	205.843.660	172.335.361
Foreign Loans	6.626.152	6.209.649
Total	212.469.812	178.545.010

^(*)Rediscount amounts for non-performing loans and non-performing loans are not included.

7.7. Loans granted to investments in associates and subsidiaries

None.

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

	Current Period	Prior Period
Loans with Limited Collectability	8.679	11.566
Loans Doubtful Collectability	8.694	4.538
Uncollectible Loans	491.614	473.718
Total	508.987	489.822

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 Loans and Other Receivables with Limited Collectability	IV. Group Loans and Other Receivables with Doubtful Collectability	V. Group Uncollectible Loans and Other Receivables
Current Period			
Gross Amounts Before Provisions	-	6.364	1.265
Restructured Loans	-	6.364	1.265
Prior Period			
Gross Amounts Before Provisions	-	-	1.265
Restructured Loans	-	-	1.265

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

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

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	11.770	4.538	473.718
Additions During the Period	5.346	241	24.841
Transfers from Non-performing Loans Accounts	-	4.576	-
Transfers to Other Non-Performing Loans Accounts	(4.576)	-	-
Collections During the Period	(3.861)	(661)	(6.945)
Write-offs	-	-	-
Sold	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Balance at the End of the Period	8.679	8.694	491.614
Provisions	(8.679)	(8.694)	(491.614)
Net Balance Sheet Amount	-	-	-

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

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

	III. Group Loans and Other Receivables with Limited Collectability	IV. Group Loans and Other Receivables with Doubtful Collectability	V. Group Uncollectible Loans and Other Receivables
Current Period			
Balance at the End of the Period	8.608	8.694	471.867
Provisions	(8.608)	(8.694)	(471.867)
Net Balance Sheet Amount	-	-	-
Prior Period			
Balance at the End of the Period	11.700	4.538	453.486
Provisions	(11.496)	(4.358)	(453.486)
Net Balance Sheet Amount	204	-	-

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

	III. Group Loans and Other Receivables with Limited Collectability	IV. Group Loans and Other Receivables with Doubtful Collectability	V. Group Uncollectible Loans and Other Receivables
Current Period (Net)			
Loans Granted to Real Persons and Corporate Entities (Gross)	8.679	8.694	491.322
Specific Provision Amount	(8.679)	(8.694)	(491.322)
Loans Granted to Real Persons and Corporate Entities (Net)	-	-	-
Banks (Gross)	-	-	292
Specific Provision Amount	-	-	(292)
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Specific Provision Amount	-	-	-
Other Loans (Net)	-	-	-
Prior Period (Net)			
Loans Granted to Real Persons and Corporate Entities (Gross)	99.434	27.978	377.051
Specific Provision Amount	(40.202)	(5.737)	(377.072)
Loans Granted to Real Persons and Corporate Entities (Net)	59.232	22.241	(21)
Banks (Gross)	-	-	292
Specific Provision Amount	-	-	(292)
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount	-	-	-
Other Loans and Receivables (Net)	-	-	-

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

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

None.

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

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

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

7.9.7. Explanations on the write-off policy

Where sound indicators exist that would suggest that the collection of the Bank's foreign compensation receivables is almost impossible or that the costs to be incurred for the collection of the receivable amount would be higher than the amount of the receivable, the receivable amount is written-off from the assets upon the decision of the Executive Committee.

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

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

8. Explanations on financial assets measured at amortized cost

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

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

i) Financial assets measured at amortized cost

Financial assets measured at amortized cost subject to repo transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds and Similar Securities	-	1.710.891	-	1.519.521
Total	-	1.710.891	-	1.519.521

Financial assets measured at amortized cost given as collateral/blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds and Similar Securities	1.093.557	-	559.151	454.646
Total	1.093.557	-	559.151	454.646

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	2.921.194	6.550.786	2.991.111	6.885.677
Treasury Bonds	-	-	-	-
Other Public Borrowing Bonds	-	853.003	-	762.289
Total	2.921.194	7.403.789	2.991.111	7.647.966

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

8.3 Information on financial assets measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	2.921.194	7.403.789	2.991.111	7.647.966
Traded on the Stock Exchange	2.921.194	7.403.789	2.991.111	7.647.966
Not Traded on the Stock Exchange	-	-	-	-
Impairment Provision (-)	-	-	-	-
Total	2.921.194	7.403.789	2.991.111	7.647.966

8.4 The movement of financial assets measured at amortised cost

i) Financial assets measured at amortised cost

	Current Period	Prior Period
Balance at the beginning of the period	10.639.077	7.090.482
Foreign exchange differences on monetary assets	633.087	1.715.963
Purchases during the year	1.500	1.724.460
Disposals through sales and redemptions ⁽¹⁾	899.750	-
Increase/Decrease in value impairment provision ⁽²⁾	(48.931)	108.172
Balance at the end of the period	10.324.983	10.639.077

⁽¹⁾ All of the amounts shown in the line that are disposed of through sale and redemption consist of assets with redemption; There are no assets sold through sales in the current period.

⁽²⁾ Includes changes in interest accruals, TL 1.477 amounting of expected loss provision not included.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Explanations and notes related to assets (Continued)

9. Following information investments in associates account (net)

There is no any associates.

10. Information on subsidiaries (net)

There is no any subsidiary.

11. Information related to the jointly controlled partnerships

None.

12. Information on lease receivables (net)

None.

13. Information on investment properties

The former Istanbul service building, which had been included in the tangible fixed assets of the Bank, has been leased to the Prime Ministry Investment Support and Promotion Agency and classified as investment property in accordance with TAS 40.

	Current Period	Prior Period
Cost	4.727	4.727
Depreciation Expense	(2.641)	(2.616)
Net Value at the end of the Period	2.086	2.111

14. Information on deferred tax asset

As stated at Section 3 Note XVII, the Bank is exempt from corporate tax, and accordingly, no deferred tax asset or liability is recognized in the accompanying financial statements.

15. Explanations on assets held for sale and explanations related to discontinued operations

None.

16. If the other assets' items in the balance sheet exceed 10% of the total of the balance sheet, excluding the off-balance sheet commitments, the sub-accounts constituting at least 20% of these accounts

None.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities

1. Information on deposits/funds received

The Bank does not accept deposits.

2. Derivative financial liabilities

2.1. Explanations on derivative financial liabilities at fair value through profit or loss

2.1.1. Information on trading derivative financial liabilities

Trading Derivative Financial Liabilities	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	1.508	-	825	-
Swap Agreements	157.993	57.420	10.618	103.486
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	159.501	57.420	11.443	103.486

2.1.2. Information on derivative financial liabilities for hedging purposes

Derivative Financial Liabilities for Hedge	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	9.154	-	7.301
Cash Flow Hedge	-	-	-	-
Net Investment in Foreign Operations Hedge	-	-	-	-
Total	-	9.154	-	7.301

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

2.2.1. Information on derivative financial liabilities for hedging purposes

Derivative Financial Liabilities for Hedge	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	-	307.404	-	668.898
Net Investment in Foreign Operations Hedge	-	-	-	-
Total	-	307.404	-	668.898

3. Information on banks and other financial institutions

3.1. General information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	7.722.915	134.332.355	7.769.415	107.738.177
From Domestic Banks and Institutions	-	6.995.656	-	5.835.364
From Foreign Banks, Institutions and Funds	-	44.650.524	-	39.287.738
Total	7.722.915	185.978.535	7.769.415	152.861.279

3.2. Information on maturity structure of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	7.722.915	150.405.682	7.769.415	120.795.983
Medium and Long-Term ^(*)	-	37.169.308	-	33.530.744
Total	7.722.915	187.574.990	7.769.415	154.326.727

^(*) Medium and long-term loans include subordinated loans amounting to TL 1.462.665 TL (31 December 2020: 1.357.680 TL) and interest accruals of these loans amounting to 133.790 TL (31 December 2020: 107.768 TL)

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

4. Information regarding securities issued

As of 31 March 2021, the liabilities of the Bank resulting from bond issuances is presented as follows:

Information regarding securities issued	Current Period	Prior Period
Securities Issued	20,491,175	21,853,312
Discount on Issuance of Securities (-)	30,329	30,528
Bond Interest Accrual	1,001,715	1,130,476
Total	21,462,561	22,953,260

5. If the other liabilities items in the balance sheet exceed 10% of the total of the balance sheet, the sub-accounts constituting at least 20% of these (names and amounts)

At least 20% of other liabilities item on Balance Sheet, together with the amounts not to exceed 10% of the total balance sheet is provided below.

	Current Period		Prior Period	
	TL	FC	TL	FC
Country Loans- Risk Premiums	-	639,605	-	597,657
Loan Transactions	2,328	49,701	7,338	48,128
Insurance Transactions	6,998	2,417	5,790	3,548
Payables to Public Institutions	-	-	-	2,641
Unearned Revenue	-	36,943	-	12,617
Total	9,326	728,666	13,128	664,591

6. Information on lease payables (net)

As of 31 March 2021, all lease transactions of the Bank consist of operating lease transactions.

	Current Period	Prior Period
Lease obligation under the contract	12,604	14,306
Deferred interest expense	(1,368)	(1,773)
Total	11,236	12,533

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities items (Continued)

7. Information on provisions

7.1. Expected credit losses for non-cash loans that are not indemnified or converted into cash or expected credit losses for non-cash loans

	Current Period	Prior Period
Expected credit losses (insurance and non-cash loans)	203.451	162.152

As of 31 March 2021, the Bank has a provision amounting to 197.448 TL (31 December 2020: 160.393 TL) for the possible future claims due to the export receivables it insures and TL 6.003 TL (31 December 2020: 1.759) for letter of guarantees.

7.2. Other provisions, If other provisions exceed 10% of total provisions, the names and amounts of the sub-accounts causing the overdraft

Other provisions consist of 284.856 TL (31 December 2020: 230.514 TL), sub-accounts consist of non-cash insurance provisions of TL 203.451 TL (31 December 2020: 162.152 TL), lawsuits and court provisions consist of 17.362 TL (31 December 2020: 14.035 TL) and other provisions amounting to 64.043 TL (31 December 2020: 54.327 TL).

8. Explanations on tax liability

8.1 Explanations on current tax liability

8.1.1. Information on provision for taxes

None.

8.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate Taxes Payable ⁽¹⁾	-	-
Taxation on Revenue from Securities	67	-
Property Tax	-	-
Banking Insurance Transaction Tax	6.524	5.267
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	544	763
Other	2101	3.721
Total	9.236	9.751

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

8.1.3. Information on premium payables

	Current Period	Prior Period
Social Security Premiums – Employee	3.496	2.864
Social Security Premiums – Employer	5.361	4.432
Bank Social Aid Pension Fund Premiums – Employee	-	-
Bank Social Aid Pension Fund Premiums – Employer	-	-
Pension Fund Membership Fee and Provisions - Employee	-	-
Pension Fund Membership Fee and Provisions - Employer	-	-
Unemployment Insurance – Employee	272	227
Unemployment Insurance - Employer	516	426
Other	-	-
Total	9.645	7.949

8.2. Information on deferred tax liability

None.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

II. Explanations and notes on liabilities (Continued)

9. Information on subordinated debt instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in the additional capital calculation	-	1.596.455	-	1.465.448
Subordinated Loans	-	1.596.455	-	1.465.448
Subordinated Debt Instruments	-	-	-	-
Debt instruments to be included in the contribution capital calculation	2.907.569	-	2.998.128	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	2.907.569	-	2.998.128	-
Total	2.907.569	1.596.455	2.998.128	1.465.448

10. Information on shareholders' equity

10.1. Presentation of paid-in capital

	Current Period	Prior Period
Common Stock	9.270.000	9.270.000
Preferred Stock	-	-

10.2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling

Capital System	Paid-in Capital	Capital Ceiling
Registered Capital System	9.270.000	17.500.000

At the Extraordinary General Assembly meeting held on March 26, 2021, it was decided to increase the registered capital ceiling of the Bank to 17.5000.000 TL. The relevant decision has been registered with the trade registry and announced in the Turkish Trade Registry Gazette dated April 14, 2021 and numbered 10309.

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

None

10.2.2. Information on the portion added from capital reserves to paid-in capital

There is no portion added from capital reserves to the paid-in capital in the current period.

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

None.

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

10. Information on shareholders' equity (Continued)

10.3. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and the anticipations regarding the uncertainty of these indicators on the shareholders' equity

The credit, interest and the foreign currency risk policies of the Bank were determined to minimize the losses that may result from these risks. The Bank aims to obtain a reasonable positive return on equity in real terms in relation with its banking transactions and to protect its equity from the effects of inflation. Accordingly, the Bank does not expect losses that may materially affect its equity. In addition, the free capital of the Bank is high and is getting steadily stronger.

10.4. Information on privileges given to shares representing the capital

The common shares of the Bank are owned by the Republic of Turkey Ministry of Treasury and Finance.

10.5. Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Valuation Difference	104.522	(35.604)	83.612	32.668
Foreign Currency Differences	-	-	-	-
Total	104.522	(35.604)	83.612	32.668

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

I. Explanations on off-balance sheet commitments

1.1 Type and amount of irrevocable commitments

As of 31 March 2021, the Bank has irrevocable commitments amounting to TL 225.910 (31 December 2020: 1.147.391 TL).

1.2 The structure and amount of probable losses and commitments resulting from off-balance sheet items, including those below:

None.

1.2.1 Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit

	Current Period	Prior Period
Letters of Guarantee	86.164	11.040
Endorsements	-	-
Guarantees and bails given for export	-	-
Guarantees given for Export Loan Insurance	13.066.872	11.979.838
Total	13.153.036	11.990.878

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

None.

1.3 Total amount of non-cash loans

	Current Period	Prior Period
Non-cash loans given against cash loans	86.164	11.040
With original maturity of 1 year or less than 1 year	86.164	11.040
With original maturity of more than 1 year	-	-
Other non-cash loans	13.066.872	11.979.838
Total	13.153.036	11.990.878

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

IV. Explanations on notes related to statement of profit or loss

1. Within the scope of interest income

1.1. Information on interest income on loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest income on Loans				
Short-term Loans	380.335	321.405	216.702	471.054
Medium and Long-term Loans	11.802	452.810	11.976	387.325
Interest on Loans Under Follow-up	525	-	1.659	305
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	392.662	774.215	230.337	858.684

1.2. Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	-	-	-	-
Domestic Banks	71.209	643	9.127	2.033
Foreign Banks	-	80	-	3.442
Headquarters and Branches Abroad	-	-	-	-
Total	71.209	723	9.127	5.475

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and notes related to statement of profit or loss (Continued)

1. Within the scope of interest income (Continued)

1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit or Loss	-	60	-	
Financial Assets Measured at Fair Value through Other Comprehensive Income	13	17.592		
Financial Assets Measured at Amortized Cost	68.842	74.018	69.665	46.209
Total	68.855	91.670	69.665	46.209

1.4 Information on interest income received from associates and subsidiaries

There is no interest income from associates and subsidiaries.

2. Within the scope of interest expense

2.1 Information on interest expense on borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
CBRT	149.775	73.581	-	226.875
Domestic Banks	-	42.454	10	51.409
Foreign Banks	-	216.705	-	248.405
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	26.022	-	15.333
Total	149.775	358.762	10	542.022

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and notes related to statement of profit or loss (Continued)

2.2. Information on interest expense given to associates and subsidiaries

There is no interest expense given to associates and subsidiaries.

2.3. Interest paid to marketable securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interests paid to marketable securities issued	97.334	325.240	98.523	295.783

2.4. With respect to deposit and participation accounts

2.4.1 Maturity structure of the interest expense on deposits

The Bank does not accept deposits.

2.4.2 Maturity structure of the share paid of participation accounts

There are no participation accounts.

3. Information on trading income/loss (Net)

	Current Period	Prior Period
Gain	22.961.778	16.320.897
Trading Gains on Securities	2.296	-
Trading Gains on Derivative Financial Transactions	1.420.653	1.748.512
Foreign Exchange Gains	21.538.829	14.572.385
Loss (-)	22.806.491	15.987.660
Trading Losses on Securities	353	-
Trading Losses from Derivative Financial Transactions	424.617	966.647
Foreign Exchange Loss	22.381.521	15.021.013

4. Information on other operating income

	Current Period	Prior Period
Released Provisions	55.084	10.099
Rent Income	442	337
Other Income from International Loans	-	-
Income from Sales of Assets	-	-
Other	4.535	326
Total	60.061	10.762

5. Explanations on provisions

	Current Period	Prior Period
Expected Credit Loss	43.245	18.751
12 month expected credit loss (Stage 1)	24.079	18.751
Significant increase in credit risk (Stage 2)	-	-
Non-performing loans (Stage 3)	19.166	-
Marketable Securities Impairment Expense (*)	6.918	38.912
Financial Assets Measured at FV through Profit or Loss	6.490	38.912
Financial Assets Measured at FV through Other Comprehensive Income	428	-
Investments in Associates, Subsidiaries and Financial Assets Measured at Amortised Cost Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	3.327	8.180
Total	53.490	65.843

(*)Marketable securities impairment expenses and litigation and court provisions are classified under other provision expense

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and notes related to statement of profit or loss (Continued)

6. Information related to other operating expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits (*)	1.800	1.518
Bank Social Aid Provision Fund Deficit Provision	-	-
Vacation Pay Liability, net	68	1.814
Impairment Expenses of Tangible Fixed Assets	-	-
Depreciation Expenses of Tangible Fixed Assets	2.321	2.132
Impairment Expenses of Intangible Fixed Assets	-	-
Impairment Expenses of Goodwill	-	-
Amortization Expenses of Intangible Assets	546	345
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	5.994	4.338
Operational Lease Expenses	62	-
Maintenance Expenses	56	94
Advertisement Expenses	5	40
Other Expenses	5.871	4.204
Loss on Sale of Assets	-	-
Other (**)	37.602	27.633
Total	48.331	37.780

(*) The amount of severance pay and accumulated vacation allowance shown in other provisions that are not included in other operating expenses in the profit or loss statement are also included in this table.

(**) The other column under other operating expenses includes 11.881 TL BRSA participation share and 13.131 TL KOSGEB subscription.

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

None

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

	Current Period	Prior Period
Insurance Transactions Commission Income	142.954	86.097
Loan Transactions Commission Income	25.923	19.230
Other	7.726	615
Fees and Commissions Received	176.603	105.942
Insurance Transactions Commission Expenses	73.432	47.998
Funds Borrowed Commission Expenses	1.634	1.213
Securities Issued Commission Expenses	3.026	3.347
Other	17.111	14.229
Fees and Commissions Paid	95.203	66.787
Net Fees and Commissions Income	81.400	39.155

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

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

In accordance with the paragraph 5 of article 49 of the Banking Law No. 5411, the Bank does not have any shareholding which it controls directly or indirectly and with which it constitutes a risk group.

VI. Explanations and notes related to events after balance sheet

None.

SECTION SIX

Limited Audit Report

I. Explanations on the limited review report

The unconsolidated financial statements for the period ended 31 March 2021 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited) and Limited Review Report dated 10 May 2021 is presented before the unconsolidated financial statements.

II. Explanations and notes prepared by independent auditor

None.

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

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

SECTION SEVEN

INTERIM ACTIVITY REPORT

I. Interim period activity report including the assessments on interim activities of the chairman of the board of directors and general manager of the Bank

Eximbank Contributed 22.4%¹ of Exports in the Period of January - March 2021

Türk Eximbank continued to support exports in the January - March 2021 period. Thanks to the steps taken;

In the first three months of 2021, cash loans and insurance support amounted to USD 11,2 billion. Thus, the total financial support provided was 22,4% of exports.

Loan balance increased by 19% on an annual basis and reached TL 212,9 billion.

51.4 TL of each 100 TL of export credit in the banking system has been extended by Türk Eximbank.

Total foreign exchange debt stock, excluding the CBRT resource, was 9.4 billion dollars.

Fitch Ratings confirmed the long-term currency rating of the Bank at the level of BB- on 26.02.2021 and changed its outlook from negative to stable; confirmed its long-term foreign currency rating at the B + level and raised its outlook from negative to stable. The rating agency confirmed the Bank's short-term local and foreign currency ratings at B level, the support rating at 4, the support rating at B + and the national long-term credit rating at AAA (tur) level.

Within the scope of International Loans, a total of 7.8 million dollars credit has been provided.

New Credit Opportunities Widened in the First 3 Months of 2021

İkitelli OSB Branch and Kahramanmaraş Branch started their activities, the number of branches reached 22.

The 360-day maturity option was reintroduced in Rediscount Credits. High-tech product exports, exports to new markets or foreign exchange earning service activities were included in the scope of the 360-day Rediscount Credit, and in the first quarter of 2021, a 360-day Rediscount Credit of 961 million dollars was made available.

The maturity option in TL loan programs has been increased to 540 days, enabling SMEs to access TL loan opportunities with a longer term. In this context, maturity options are set between 120 days and 540 days for TL loans extended only to SME companies, excluding loans for high-tech product exports.

ICIEC resource utilization terms were rearranged to only be used by SME companies, and 101.4 million dollars were disbursed during this period. The utilization planning of the remaining balance resource was also made by the branches.

The maturity option in Foreign Exchange Pre-Shipment Export Credits has been increased to 5 years. In this context, the maturity interval in the loan program made available through commercial banks is set between 120 days and 5 years.

The maturity of Pre-Shipment Export Credits made available through Participation Banks has been increased to 5 years.

Participation Banks have been added among the institutions that will intermediate loans in the Loan Program for Financial Leasing Transactions, which was put into practice to finance the investments that our exporters will make through financial leasing.¹

¹ According to the Ministry of Trade data, exports are \$ 50 billion in January-March 2021.

² The most recent data is as of February 2021.

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

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

SECTION SEVEN (Continued)

INTERIM ACTIVITY REPORT (Continued)

I. Interim period activity report including the assessments on interim activities of the chairman of the board of directors and general manager of the Bank (Continued)

In the Loan Program for Financial Leasing Transactions, a short-term option has been added in addition to the medium-term lending opportunity, and TL-denominated lending opportunity has been offered to SME companies.

Within the scope of the program; The total limit of the principal balances of loans extended to a firm by one or more intermediary institutions was increased from \$ 2.5 million to \$ 5 million.

Türk Eximbank Kredi Mobile application, which is a continuation of the Kredi Online Project, has been published on App Store and Google Play Store platforms. In this way, our exporters will be able to make loan applications via our mobile application and provide detailed information about their work with Türk Eximbank.

In the first quarter of the year, a total resource of 375 million dollars was obtained. 25 million Euros (approximately 30 million dollars) of the said resource was provided by the Black Sea Trade and Development Bank and the remaining 345 million dollars are loans obtained from international banks.

Improvement studies in the Sustainability Management System are continuing. Within the scope of loan requests originating from the World Bank, Islamic Development Bank, MIGA and the Bank, environmental and social risk assessments of approximately 120 companies were carried out, and the management of companies' environmental and social risks was mediated through expert field visits. Surveys on environmental-social risk and green bond methodology sent by Berne Union and multiple export support organizations operating in other countries were answered and information was shared.

The Ordinary General Assembly meeting of Türk Eximbank was held on March 26, 2021 and the Articles of Association of the Bank were amended:

The Ordinary General Assembly meeting of the Bank took place on March 26, 2021. With the decision of the General Assembly, amendments have been made in the Articles of Association of the Bank as follows:

Article 7 titled Capital of the Bank "The Bank has switched to the Registered Capital System in accordance with the Turkish Commercial Code No. 6102. The registered capital ceiling of the Bank is 17.500.000.000,00 (seventeen billion five hundred million) Turkish Liras and it is divided into 17.500.000.000 (seventeen billion five hundred million) shares with a nominal value of 1 TL. The issued capital of the Bank is 9,270,000,000.00 (nine billion two hundred and seventy million) Turkish Liras, divided into 9,270,000,000 registered shares, each with a nominal value of 1 TL. 7.160.000.000,00 (seven billion hundred and sixty million) Turkish Lira, which constitutes the previous capital, has been fully paid. 750 million (seven hundred and fifty million) Turkish Lira of the increased 2,110,000,000.00 (two billion hundred and ten million) Turkish Lira was paid by the Treasury in cash, and 1,360,000,000.00 (one billion three hundred and sixty million) Turkish Lira from reserve funds. The Bank's capital belongs entirely to the Treasury. "

Article 8 titled Increasing the Capital states: "The Board of Directors is authorized to increase the issued capital up to the registered capital ceiling, whenever it deems necessary, in accordance with the provisions of the relevant legislation between 2021-2025. In order for the Board of Directors to take a capital increase decision after 2025; For a previously permitted ceiling or a new amount, authorization must be obtained from the General Assembly for a new period by obtaining permission from the General Directorate of Internal Trade of the Ministry of Trade. If the said authorization is not obtained, the Bank is deemed to have left the Registered Capital System. Decisions of the Board of Directors regarding capital increase are announced in the Turkish Trade Registry Gazette. "

Article 34 titled General Manager, "The Bank's General Manager is appointed and dismissed by the Bank's Board of Directors. In order to be appointed as the General Manager, the conditions specified in the Banking Law are sought. " has been changed.

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

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

SECTION SEVEN (Continued)

INTERIM ACTIVITY REPORT (Continued)

I. Explanations on Türk Eximbank's Balance Sheet and Statement of Profit or Loss

As of March 31, 2021, Turkish Eximbank's balance sheet size is around 237 billion TL (28.5 billion dollars).

90% of Turkish Eximbank's assets consist of loans, 5% of liquid assets, 4% of financial assets measured at amortized cost, and 1% of derivative financial assets and other assets.

The balance of the loans extended by the bank was TL 213 billion. Loans increased by 19% compared to the end of the previous year. Of the loans, 71% is short-term loans with 152 billion TL, and 29% is medium and long-term loans with 61 billion TL. With the effective risk assessment methods followed, Türk Eximbank makes an intense effort to collect its receivables in a timely and complete manner. As a matter of fact, although a significant part of the Bank's resources is offered to the service of the export sector as loans, the ratio of non-performing loans to total loans is 0.2%, well below the sector average.

5% of Turkish Eximbank's total liabilities of 237 billion TL consists of 12 billion TL equity, 93%, 221.2 billion TL foreign resources, 2%, 3.8 billion TL provisions and other liabilities.

77% of the equity of TL 12 billion (TL 9.3 billion) belongs to paid-in capital, 18% (TL 2.1 billion) to capital and profit reserves, and 5% (TL 0.6 billion) to net profit for the period.

Of the real foreign resources amounting to TL 221.2 billion used in funding the assets; 142 billion TL consists of loans originated from the CBRT, TL 53.2 billion of loans from domestic and foreign banks, TL 21.5 billion of securities issued, TL 4.5 billion of subordinated debt instruments.

Türk Eximbank raised its registered capital ceiling to 17.5 billion TL at its Ordinary General Assembly meeting held on March 26, 2021. The Bank's paid-in capital as of March 31, 2021 is TL 9.3 billion.

The fact that Turkish Eximbank's balance sheet is credit-based also shows its effect on incomes. The bank's total interest income is 1.5 billion TL, 80% of which is 1.2 billion TL of interest from loans. On the other hand, due to the fact that the Bank obtains funds from domestic and foreign money and capital markets through borrowing and in the form of bond issues, interest expenses amounted to TL 0.9 billion. 54% of this amount is 0.5 billion TL interest on loans used domestically and abroad, and 0.4 billion TL, which makes up 45%, is the interest on securities issued.

The net profit of the Bank was realized as TL 0.6 billion as of the accounting period ending on March 31, 2021. Therefore, the Bank's return on assets was 1.2% and return on equity was 24.5%.

Ali GÜNEY
General Manager

Şakir Ercan GÜL
Chairman of the Board