Yapı ve Kredi Bankası A.Ş.

Publicly announced unconsolidated financial statements and related disclosures at March 31, 2022 together with auditor's review report

(Convenience translation of publicly announced unconsolidated financial statements and rewiew report originally issued in Turkish, See Note I. of Section three)

AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I of Section Three)

To the General Assembly of Yapı ve Kredi Bankası A.Ş.;

Introduction

We have reviewed the unconsolidated balance sheet of Yapı ve Kredi Bankası A.Ş. ("the Bank") at 31 March 2022 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 interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no. 26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information does not present fairly in all material respects the financial position of Yapı ve Kredi Bankası A.Ş. at 31 March 2022 and its financial performance and its cash flows for the three-month-period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

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

Additional Paragraph for Convenience Translation:

The effects of differences between accounting principles and standards explained in detail in Section Three and 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.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Didem Demer Kaya, SMMM
Partner

Istanbul, 29 April 2022

Convenience translation of publicly announced unconsolidated interim financial statements and review report originally issued in Turkish, See Note I. of Section three

THE UNCONSOLIDATED INTERIM FINANCIAL REPORT OF YAPI VE KREDI BANKASI A.Ş. AS OF MARCH 31, 2022

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The unconsolidated financial report for the three months which is prepared in accordance with the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" as regulated by the Banking Regulation and Supervision Agency includes the following sections.

The accompanying unconsolidated financial statements for the three months period, related disclosures and footnotes which have been limitedly reviewed and presented in this report are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, the related statements and guidances, and in compliance with the financial records of the Bank, and unless stated otherwise, presented in **thousands of Turkish Lira** (TL).

Y. Ali KOÇ	**Gökhan ERÜN**	**Demir KARAASLAN**	**B. Seda İKİZLER**
Chairman of the Board of Directors	**Executive Director and CEO**	**Chief Financial Officer**	**Financial Reporting and Accounting Executive Vice President**

Dr. Ahmet ÇİMENOĞLU	**Mehmet TIRNAKLI**	**Nevin İPEK**
Chairman of the Audit Committee	**Member of the Audit Committee**	**Member of the Audit Committee**

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

Name-Surname / Title : Cengiz TİMUROĞLU / Balance Sheet Management and Financial Analysis Manager
Telephone Number : 0212 339 77 67
Fax Number : 0212 339 61 05

Section one

General Information

1. History of the Bank including its incorporation date, initial legal status and amendments to legal status, if any:

Yapı ve Kredi Bankası A.Ş. ("the Bank" or "Yapı Kredi"), was established and started operations on September 9, 1944 with the permission of the Council of Ministers No. 3/6710 as a private capital commercial bank authorised to perform all banking, economic, financial and commercial activities which are allowed by the laws of the Turkish Republic. The statute of the Bank has not changed since its incorporation.

2. Explanations about the Bank's capital structure, shareholders holding directly or indirectly, collectively or individually, the management and controlling power and changes in current year, if any and explanations on the controlling group of the Bank:

Bank's publicly traded shares are traded on the Borsa Istanbul ("BIST") since 1987. As of March 31, 2022, 32,03 % of the shares of the Bank are publicly traded (December 31, 2021 - 32,03%). 40,95% of the shares out of the remaining 67,97% is owned by Koç Finansal Hizmetler A.Ş. ("KFS") which is owned by Koç Group, 9,02% is owned by Koç Group and 18,00% is owned by UniCredit ("UCG").

KFS was established on March 16, 2001 to combine Koç Group finance companies under one organisation and it became the main shareholder of Koçbank in 2002. On October 22, 2002, Koç Group established a strategic partnership with UCG over KFS.

In 2005, the Bank's shares that were owned by Çukurova Group Companies and the Saving Deposits Insurance Fund ("SDIF") were purchased by Koçbank. In 2006, Koçbank purchased additional shares of the Bank from BIST and an investment fund and, during the same year, all rights, receivables, debts and liabilities of Koçbank were transferred to the Bank pursuant the merger of the two banks. As a result of the merger and the share transfer procedures in 2007 and of a capital increase by TL 920 million in 2008, KFS shares in the Bank increased to 81,80%. KFS shares increased to 81,90% with the capital increase by TL 4,1 billion in 2018.

As of November 30, 2019, Koç Group and UCG have reached a deal to exchange their shares in the Bank and KFS.

Accordingly all the shares of KFS, which is currently a joint venture, are transferred to Koç Group. Besides, after the shares are transferred, KFS holds 40,95%, UCG holds 31,93% directly and Koç Group holds a total of 49.99% directly and indirectly of the Bank shares and became controlling shareholder.

In addition, as of February 6, 2020, UniCredit also announced the placement of an 11.93% shares in Bank to institutional investors. The transaction has been completed on February 13, 2020. As a result UCG holds directly 20,00% of the Bank shares.

In year 2021, UCG completed the sale of 2,00% shares in stock market and for the sale of remaining 18,00% shares UCG came to an agreement with Group as per the Share Sale and Purchase Agreement relating to the sale of the Bank publicly disclosed as of November 30, 2019. Accordingly, it has been announced that Koç Group used its right of first offer for the sale of the Bank shares which are planned to be sold by UCG on November 9, 2021. The sale of the relevant shares was completed on April 1, 2022, and Koç Group's share ratio increased from 9.02% to 27.02%. As Koç Group's direct and indirect shares in the Bank became above the 50% threshold, a mandatory tender offer has been triggered for Koç Group for the shares of other Bank shareholders. Accordingly, Koç Group applied to Capital Markets Board for the approval of the mandatory tender offer.

3. Explanations regarding the board of directors, members of the audit committee, Chief Executive Officer and executive vice presidents, and their areas of responsibility and shares if any:

As of March 31, 2022, the Bank's Board of Directors, Members of the Audit Committee, General Manager and Assistant General Managers are as follows.

Board of Directors Members:

Name	Responsibility
Y. Ali KOÇ	Chairman
Levent ÇAKIROĞLU	Vice Chairman
Gökhan ERÜN	Executive Director and CEO
A. Ümit TAFTALI	Member
Ahmet ÇİMENOĞLU	Independent Member
Ahmet Fadıl ASHABOĞLU	Member
Mehmet TIRNAKLI	Independent Member
Melih POYRAZ	Member
Nevin İPEK	Independent Member
Virma SÖKMEN	Independent Member

Audit Committee Members:

Name	Responsibility
Ahmet ÇİMENOĞLU	Chairman
Mehmet TIRNAKLI	Member
Nevin İPEK	Member

General Manager:

Name	Responsibility
Gökhan ERÜN	Executive Director and CEO

Assistant General Managers:

Name	Responsibility
Abdullah GEÇER	Internal Audit
Akif Cahit ERDOĞAN	Commercial and SME Banking Management
Cemal Aybars SANAL	Legal Management
Demir KARAASLAN	Financial Planning and Administration
Mehmet Erkan AKBULUT	Credits
Mehmet Erkan ÖZDEMİR	Compliance, Internal Control and Risk Management / Consumer Relations Coordination Officer
Muharrem Kaan ŞAKUL	Corporate Banking
Özden ÖNALDI(1)	Human Resources, Organization and İnternal Services Management
Saruhan YÜCEL	Treasury Management
Serkan ÜLGEN	Retail Banking
Uğur Gökhan ÖZDİNÇ	Technology, Data and Process Management
Yakup DOĞAN	Limitless Banking

(1) With the decision of Bank's Board of Directors dated February 4, 2022, it is resolved to appoint Özden Önaldı as Assistant General Manager responsible for Human Resources and Organization Management.

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

4. Information on the individual and corporate shareholders having control shares of the Bank:

Name/Commercial title	Share amounts (nominal)	Share percentage	Paid-in capital (nominal)	Unpaid portion
Koç Finansal Hizmetler A.Ş.	3.459.065.642,23	40,95	3.459.065.642,23	-
Koç Group	762.197.343,00	9,02	762.197.343,00	-
UniCredit	1.520.469.231,00	18,00	1.520.469.231,00	-

Koç Finansal Hizmetler A.Ş. is managed of Koç Group, and Temel Ticaret ve Yatırım A.Ş.

5. Summary information on the Bank's activities and service types:

The Bank's activities summarized from the section 3 of the articles of association are as follows.

The Bank's purpose and subject matter, in accordance with the Banking Law, regulations and existing laws, include;

- The execution of all banking activities,
- The execution of all economic and financial activities which are allowed by the regulation,
- The execution of the representation, attorney and agency activities related to the subjects written above,
- The purchase and sale of share certificates, bonds and all the capital market instruments, in accordance with Capital Market Law and regulations.

In case of necessity for performing activities which are useful and required but that are not specified in the articles of association, a Board of Directors' proposal is to be presented to the General Assembly. With the approval of the General Assembly the proposal becomes applicable, subject to the approvals required by law.

As of March 31, 2022, the Bank has 804 branches operating in Turkey and 1 branch in overseas (December 31, 2021 - 803 branches operating in Turkey, 1 branch in overseas).

As of March 31, 2022, the Bank has 15.467 employees (December 31, 2021 - 15.452 employees).

6. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods:

According to Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards, Banque de Commerce et de Placements SA, one of the associates of the Bank is consolidated through "Equity Method" in the consolidated financial statements of the Group. Allianz Yaşam ve Emeklilik A.Ş., on which the Bank has indirect participation, is also consolidated through "Equity Method" in the consolidated financial statements of the Group.

Yapı Kredi Kültür Sanat Yayıncılık Tic. ve San. A.Ş., Enternasyonal Turizm Yatırım A.Ş., Yapı Kredi Teknoloji A.Ş. and Yapı Kredi Finansal Teknolojiler A.Ş. which are subsidiaries of the Bank, are not consolidated into the Bank's consolidated financial statements in accordance with Communiqué on Preparation of Consolidated Financial Statements since these entities are not financial institutions.

All other subsidiaries are fully consolidated.

7. The existing or potential, actual or legal obstacles on the immediate transfer of shareholder's equity between the Bank and its subsidiaries or reimbursement of liabilities:

None.

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

Section two - Unconsolidated financial statements

1. Balance sheet (Statement of Financial Position)

				Current Period (31/03/2022)				Prior Period (31/12/2021)
	ASSET	**Note (Section five)**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**FINANCIAL ASSETS (Net)**		**71.526.265**	**136.988.953**	**208.515.218**	**77.466.406**	**123.661.044**	**201.127.450**
1.1	**Cash and Cash Equivalents**	**1.1**	**23.829.533**	**122.283.970**	**146.113.503**	**30.026.320**	**113.352.410**	**143.378.730**
1.1.1	Cash and Balances with Central Bank		18.634.020	97.139.976	115.773.996	22.667.064	93.521.502	116.188.566
1.1.2	Banks	1.4.1	401.120	25.324.716	25.725.836	5.603.000	20.002.766	25.605.766
1.1.3	Money Markets	1.4.2	4.839.639	-	4.839.639	1.809.366	-	1.809.366
1.1.4	Provisions for Expected Losses (-)		45.246	180.722	225.968	53.110	171.858	224.968
1.2	**Financial assets where fair value change is reflected to income statement**	**1.2**	**26.369**	**1.115.691**	**1.142.060**	**259.959**	**950.827**	**1.210.786**
1.2.1	Government debt securities		26.226	229.731	255.957	27.044	179.601	206.645
1.2.2	Share certificates		-	-	-	228.446	-	228.446
1.2.3	Other financial assets		143	885.960	886.103	4.469	771.226	775.695
1.3	**Financial assets where fair value change is reflected to other comprehensive income statement**	**1.5,1.6**	**35.100.414**	**10.512.012**	**45.612.426**	**27.646.234**	**6.863.466**	**34.509.700**
1.3.1	Government debt securities		35.082.455	9.556.198	44.638.653	27.628.275	6.022.847	33.651.122
1.3.2	Share certificates		17.959	5.102	23.061	17.959	4.594	22.553
1.3.3	Other financial assets		-	950.712	950.712	-	836.025	836.025
1.4	**Derivative Financial Assets**	**1.3**	**12.569.949**	**3.077.280**	**15.647.229**	**19.533.893**	**2.494.341**	**22.028.234**
1.4.1	Derivative financial assets where fair value change is reflected to income statement		8.520.249	2.083.615	10.603.864	16.047.497	2.448.249	18.495.746
1.4.2	Derivative financial assets where fair value change is reflected to other comprehensive income statement		4.049.700	993.665	5.043.365	3.486.396	46.092	3.532.488
II.	**FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)**		**313.786.584**	**222.965.488**	**536.752.072**	**272.550.525**	**196.872.787**	**469.423.312**
2.1	**Loans**	**1.7**	**274.083.174**	**184.498.321**	**458.581.495**	**243.127.261**	**163.140.206**	**406.267.467**
2.2	**Receivables From Leasing Transactions (Net)**	**1.12**	-	-	-	-	-	-
2.3	**Factoring Receivables**		**810.235**	**30.647**	**840.882**	**734.021**	-	**734.021**
2.4	**Financial Assets Measured at Amortised Cost**	**1.8**	**56.797.457**	**50.884.194**	**107.681.651**	**48.091.754**	**43.783.746**	**91.875.500**
2.4.1	Government debt securities		56.466.653	50.884.194	107.350.847	47.760.950	43.783.746	91.544.696
2.4.2	Other financial assets		330.804	-	330.804	330.804	-	330.804
2.5	**Provisions for Expected Losses (-)**		**17.904.282**	**12.447.674**	**30.351.956**	**19.402.511**	**10.051.165**	**29.453.676**
III.	**ASSETS HELD FOR RESALE AND RELATED TO DISCONTINUED OPERATIONS (Net)**	**1.15**	**1.282.124**	-	**1.282.124**	**1.327.210**	-	**1.327.210**
3.1	Held for Sale Purposes		1.282.124	-	1.282.124	1.327.210	-	1.327.210
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	**INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES**	**1.9**	**5.537.676**	**11.182.134**	**16.719.810**	**5.199.224**	**10.007.885**	**15.207.109**
4.1	**Investments in Associates (net)**		**38.446**	**2.241.498**	**2.279.944**	**38.446**	**2.050.744**	**2.089.190**
4.1.1	Consolidated based on Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated		38.446	2.241.498	2.279.944	38.446	2.050.744	2.089.190
4.2	**Subsidiaries (Net)**	**1.10**	**5.499.230**	**8.940.636**	**14.439.866**	**5.160.778**	**7.957.141**	**13.117.919**
4.2.1	Unconsolidated Financial Subsidiaries		5.466.915	8.940.636	14.407.551	5.153.478	7.957.141	13.110.619
4.2.2	Unconsolidated Non-Financial Subsidiaries		32.315	-	32.315	7.300	-	7.300
4.3	**Joint Ventures (Net)**	**1.11**	-	-	-	-	-	-
4.3.1	Consolidated based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated		-	-	-	-	-	-
V.	**PROPERTY AND EQUIPMENT (Net)**		**4.873.562**	-	**4.873.562**	**4.851.380**	-	**4.851.380**
VI.	**INTANGIBLE ASSETS [Net]**		**2.069.540**	-	**2.069.540**	**2.001.661**	-	**2.001.661**
6.1	Goodwill		979.493	-	979.493	979.493	-	979.493
6.2	Other		1.090.047	-	1.090.047	1.022.168	-	1.022.168
VII.	**INVESTMENT PROPERTY (Net)**	**1.13**	-	-	-	-	-	-
VIII.	**CURRENT TAX ASSETS**		-	-	-	-	-	-
IX.	**DEFERRED TAX ASSETS**	**1.14**	**10.154.986**	-	**10.154.986**	**3.484.572**	-	**3.484.572**
X.	**OTHER ASSETS**	**1.16**	**10.401.339**	**24.911.937**	**35.313.276**	**8.877.906**	**30.469.166**	**39.347.072**
	TOTAL ASSETS		**419.632.076**	**396.048.512**	**815.680.588**	**375.758.884**	**361.010.882**	**736.769.766**

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

1. Balance sheet (Statement of Financial Position)

			Current Period (31/03/2022)			Prior Period (31/12/2021)		
	LIABILITIES	**Note (Section five)**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**DEPOSITS**	**2.1**	**185.463.545**	**264.408.022**	**449.871.567**	**146.176.720**	**254.918.696**	**401.095.416**
II.	**BORROWINGS**	**2.3.1**	**1.753.491**	**65.495.405**	**67.248.896**	**1.545.406**	**59.578.762**	**61.124.168**
III.	**MONEY MARKETS**		**45.465.326**	**7.276.737**	**52.742.063**	**48.560.354**	**4.347.923**	**52.908.277**
IV.	**MARKETABLE SECURITIES ISSUED (Net)**	**2.3.4**	**7.043.755**	**21.934.214**	**28.977.969**	**7.240.548**	**27.013.194**	**34.253.742**
4.1	Bills		5.633.018	-	5.633.018	5.828.651	-	5.828.651
4.2	Asset backed Securities		-	-	-	-	-	-
4.3	Bonds		1.410.737	21.934.214	23.344.951	1.411.897	27.013.194	28.425.091
V.	**FUNDS**		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES FAIR VALUE THROUGH PROFIT AND LOSS**	**2.3.3.2**	**679.685**	**28.428.507**	**29.108.192**	**658.578**	**25.135.654**	**25.794.232**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**2.2**	**8.360.441**	**3.156.889**	**11.517.330**	**13.711.094**	**4.320.954**	**18.032.048**
7.1	Derivative Liabilities at Fair Value Through Profit and Loss		8.359.434	3.067.659	11.427.093	13.711.094	3.637.761	17.348.855
7.2	Derivative Liabilities at Fair Value Through Other Comprehensive Profit		1.007	89.230	90.237	-	683.193	683.193
VIII.	**FACTORING PAYABLES**		-	-	-	-	-	-
IX.	**LEASE PAYABLES (Net)**	**2.5**	**1.345.898**	**13.783**	**1.359.681**	**1.294.315**	**11.902**	**1.306.217**
X.	**PROVISIONS**	**2.6**	**4.921.103**	**880.847**	**5.801.950**	**4.899.201**	**927.298**	**5.826.499**
10.1	Provisions for Restructuring		-	-	-	-	-	-
10.2	Provisions for Employee Rights	2.6.1	1.147.130	-	1.147.130	1.078.134	-	1.078.134
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions	2.6.3	3.773.973	880.847	4.654.820	3.821.067	927.298	4.748.365
XI.	**CURRENT TAX LIABILITIES**	**2.7**	**11.293.340**	**-**	**11.293.340**	**2.877.865**	**-**	**2.877.865**
XII.	**DEFERRED TAX LIABILITIES**		**-**	**-**	**-**	**-**	**-**	**-**
XIII.	**LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)**	**2.8**	**-**	**-**	**-**	**-**	**-**	**-**
13.1	Held for Sale		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBT**	**2.9**	**795.037**	**43.301.106**	**44.096.143**	**808.921**	**38.633.078**	**39.441.999**
14.1	Loans		-	12.577.434	12.577.434	-	11.144.441	11.144.441
14.2	Other Facilities		795.037	30.723.672	31.518.709	808.921	27.488.637	28.297.558
XV.	**OTHER LIABILITIES**	**2.4**	**29.889.344**	**5.663.675**	**35.553.019**	**24.859.536**	**5.765.589**	**30.625.125**
XVI.	**SHAREHOLDERS' EQUITY**	**2.10**	**68.264.259**	**9.846.179**	**78.110.438**	**56.044.605**	**7.439.573**	**63.484.178**
16.1	Paid in Capital		8.447.051	-	8.447.051	8.447.051	-	8.447.051
16.2	Capital Reserves		2.174.668	-	2.174.668	2.155.905	-	2.155.905
16.2.1	Share Premium		556.937	-	556.937	556.937	-	556.937
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		1.617.731	-	1.617.731	1.598.968	-	1.598.968
16.3	Other accumulated comprehensive income that will not be reclassified in profit or loss		1.745.770	438.243	2.184.013	1.759.966	438.066	2.198.032
16.4	Other accumulated comprehensive income that will be reclassified in profit or loss		6.527.908	9.407.936	15.935.844	552.506	7.001.507	7.554.013
16.5	Profit Reserves		42.110.414	-	42.110.414	32.639.419	-	32.639.419
16.5.1	Legal Reserves		1.747.175	-	1.747.175	1.544.526	-	1.544.526
16.5.2	Statutory reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		40.363.239	-	40.363.239	31.094.893	-	31.094.893
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	Profit or loss		7.258.448	-	7.258.448	10.489.758	-	10.489.758
16.6.1	Prior years' profits or losses		-	-	-	-	-	-
16.6.2	Current period net profit or loss		7.258.448	-	7.258.448	10.489.758	-	10.489.758
	TOTAL LIABILITIES		**365.275.224**	**450.405.364**	**815.680.588**	**308.677.143**	**428.092.623**	**736.769.766**

Yapı ve Kredi Bankası A.Ş.
Unconsolidated financial statements as of March 31, 2022 and December 31, 2021
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

2. Off-balance sheet commitments

					Current Period (31/03/2022)			Prior Period (31/12/2021)
	Off-balance sheet commitments	**Note (Section five)**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
A.	**Off-balance sheet commitments (I+II+III)**		**389.939.084**	**688.878.496**	**1.078.817.580**	**366.437.642**	**600.991.236**	**967.428.878**
I.	**Guarantees and warranties**	**3.1.2.1,2**	**51.803.379**	**135.786.901**	**187.590.280**	**41.096.267**	**119.523.472**	**160.619.739**
1.1.	Letters of guarantee	3.1.2.2	50.227.370	88.582.996	138.810.366	40.320.795	79.173.580	119.494.375
1.1.1.	Guarantees subject to state tender law		782.189	1.074.019	1.856.208	772.497	986.476	1.758.973
1.1.2.	Guarantees given for foreign trade operations		10.955.773	87.508.977	98.464.750	7.443.890	78.187.104	85.630.994
1.1.3.	Other letters of guarantee		38.489.408	-	38.489.408	32.104.408	-	32.104.408
1.2.	Bank acceptances		-	617.966	617.966	-	545.822	545.822
1.2.1.	Import letter of acceptance		-	617.966	617.966	-	545.822	545.822
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letters of credit		205.391	31.161.083	31.366.474	71.417	25.436.069	25.507.486
1.3.1.	Documentary letters of credit		205.391	31.161.083	31.366.474	71.417	25.436.069	25.507.486
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.	Purchase guarantees for Securities issued		-	-	-	-	-	-
1.7.	Factoring guarantees		-	-	-	-	-	-
1.8.	Other guarantees		1.370.618	8.332.364	9.702.982	704.055	7.649.943	8.353.998
1.9.	Other warranties		-	7.092.492	7.092.492	-	6.718.058	6.718.058
II.	**Commitments**		**152.005.272**	**63.741.759**	**215.747.031**	**111.608.609**	**38.572.768**	**150.181.377**
2.1.	Irrevocable commitments		130.986.774	35.290.432	166.277.206	108.431.948	14.208.872	122.640.820
2.1.1.	Asset purchase and sale commitments		11.505.271	34.221.159	45.726.430	6.450.608	13.345.662	19.796.270
2.1.2.	Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3.	Share capital commitments to associates and subsidiaries		-	-	-	-	-	-
2.1.4.	Loan granting commitments		31.502.717	378.955	31.881.672	26.475.410	352.100	26.827.510
2.1.5.	Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6.	Commitments for reserve requirements		-	-	-	-	-	-
2.1.7.	Commitments for checks payments		5.543.544	-	5.543.544	4.306.427	-	4.306.427
2.1.8.	Tax and fund liabilities from export commitments		417	-	417	595	-	595
2.1.9.	Commitments for credit card expenditure limits		66.771.387	-	66.771.387	58.777.036	-	58.777.036
2.1.10.	Commitments for credit cards and banking services promotions		51.439	-	51.439	46.457	-	46.457
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		15.611.999	690.318	16.302.317	12.375.415	511.110	12.886.525
2.2.	Revocable commitments		21.018.498	28.451.327	49.469.825	3.176.661	24.363.896	27.540.557
2.2.1.	Revocable loan granting commitments		21.018.498	28.451.327	49.469.825	3.176.661	24.363.896	27.540.557
2.2.2.	Other revocable commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**		**186.130.433**	**489.349.836**	**675.480.269**	**213.732.766**	**442.894.996**	**656.627.762**
3.1	Derivative financial instruments held for hedging		37.410.141	92.161.598	129.571.739	38.510.141	73.941.143	112.451.284
3.1.1	Fair value hedges		270.141	1.361.768	1.631.909	270.141	1.225.972	1.496.113
3.1.2	Cash flow hedges		37.140.000	90.799.830	127.939.830	38.240.000	72.715.171	110.955.171
3.1.3	Hedges for investments made in foreign countries		-	-	-	-	-	-
3.2	Trading transactions		148.720.292	397.188.238	545.908.530	175.222.625	368.953.853	544.176.478
3.2.1	Forward foreign currency purchase and sale transactions		13.106.365	16.689.949	29.796.314	10.602.638	15.678.489	26.281.127
3.2.1.1	Forward foreign currency purchase transactions		11.521.897	3.614.660	15.136.557	7.840.303	5.169.741	13.010.044
3.2.1.2	Forward foreign currency sale transactions		1.584.468	13.075.289	14.659.757	2.762.335	10.508.748	13.271.083
3.2.2	Currency and interest rate swaps		123.079.945	279.256.196	402.336.141	151.448.310	264.814.946	416.263.256
3.2.2.1	Currency swap purchase transactions		3.364.867	89.089.436	92.454.303	2.859.608	90.035.422	92.895.030
3.2.2.2	Currency swap sale transactions		56.041.078	36.519.398	92.560.476	62.212.802	29.611.504	91.824.306
3.2.2.3	Interest rate swap purchase transactions		31.837.000	76.823.681	108.660.681	43.187.950	72.584.010	115.771.960
3.2.2.4	Interest rate swap sale transactions		31.837.000	76.823.681	108.660.681	43.187.950	72.584.010	115.771.960
3.2.3	Currency, interest rate and securities options		1.189.401	8.627.598	9.816.999	500.032	13.094.173	13.594.205
3.2.3.1	Currency purchase options		611.037	2.452.236	3.063.273	339.490	4.102.550	4.442.040
3.2.3.2	Currency sale options		578.364	2.671.410	3.249.774	160.542	4.450.370	4.610.912
3.2.3.3	Interest rate purchase options		-	2.999.828	2.999.828	-	3.395.525	3.395.525
3.2.3.4	Interest rate sale options		-	504.124	504.124	-	1.145.728	1.145.728
3.2.3.5	Securities purchase options		-	-	-	-	-	-
3.2.3.6	Securities sale options		-	-	-	-	-	-
3.2.4	Currency futures		3.743.435	3.600.230	7.343.665	600.295	534.725	1.135.020
3.2.4.1	Currency purchase futures		471.837	3.130.305	3.602.142	568.563	40.879	609.442
3.2.4.2	Currency sale futures		3.271.598	469.925	3.741.523	31.732	493.846	525.578
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate purchase futures		-	-	-	-	-	-
3.2.5.2	Interest rate sale futures		-	-	-	-	-	-
3.2.6	Other		7.601.146	89.014.265	96.615.411	12.071.350	74.831.520	86.902.870
B.	**CUSTODY AND PLEDGED SECURITIES (IV+V+VI)**		**739.592.653**	**355.895.410**	**1.095.488.063**	**671.943.354**	**330.735.897**	**1.002.679.251**
IV.	**ITEMS HELD IN CUSTODY**		**98.064.095**	**34.584.058**	**132.648.153**	**114.426.970**	**30.459.685**	**144.886.655**
4.1.	Assets under management		47.972.629	9.683.563	57.656.192	66.693.304	9.000.959	75.694.263
4.2.	Securities held in custody		5.161.745	23.609.045	28.770.790	6.176.884	20.351.678	26.528.562
4.3.	Checks received for collection		36.129.464	91.046	36.220.510	32.974.820	70.173	33.044.993
4.4.	Commercial notes received for collection		8.742.113	981.187	9.723.300	8.523.818	840.142	9.363.960
4.5.	Other assets received for collection		-	174.697	174.697	-	156.893	156.893
4.6.	Securities received for public offering		-	-	-	-	-	-
4.7.	Other items under custody		58.144	44.520	102.664	58.144	39.840	97.984
4.8.	Custodians		-	-	-	-	-	-
V.	**PLEDGED ITEMS**		**610.622.024**	**290.272.524**	**900.894.548**	**531.413.045**	**272.362.495**	**803.775.540**
5.1.	Marketable securities		830.300	1.624	831.924	863.295	1.439	864.734
5.2.	Guarantee notes		569.958	740.254	1.310.212	569.678	673.773	1.243.451
5.3.	Commodity		5.912	-	5.912	5.912	-	5.912
5.4.	Warrant		-	-	-	-	-	-
5.5.	Immovables		208.185.794	47.665.396	255.851.190	187.413.174	41.576.497	228.989.671
5.6.	Other pledged items		401.030.060	241.839.043	642.869.103	342.560.986	230.087.529	572.648.515
5.7.	Depositories receiving pledged items		-	26.207	26.207	-	23.257	23.257
VI.	**ACCEPTED GUARANTEES AND WARRANTEES**		**30.906.534**	**31.038.828**	**61.945.362**	**26.103.339**	**27.913.717**	**54.017.056**
	TOTAL OFF BALANCE SHEET COMMITMENTS)		**1.129.531.737**	**1.044.773.906**	**2.174.305.643**	**1.038.380.996**	**931.727.133**	**1.970.108.129**

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

3. Statements of Profit or Loss

	Income and expense items	Note (Section five)	Current Period (01/01/2022 - 31/03/2022)	Prior Period (01/01/2021 - 31/03/2021)
I.	**INTEREST INCOME**	**4.1**	**19.353.764**	**9.783.053**
1.1	Interest on Loans	4.1.1	12.324.570	7.571.214
1.2	Interest received from reserve deposits		221.173	121.103
1.3	Interest Received from Banks	4.1.2	114.598	74.319
1.4	Interest Received from Money Market Transactions		41.705	10.401
1.5	Interest Received from Marketable Securities Portfolio	4.1.3	6.614.753	1.992.263
1.5.1	Financial Assets at Fair Value Through Profit and Loss		10.191	5.337
1.5.2	Financial Assets at Fair Value Through Other Comprehensive income		2.421.792	702.324
1.5.3	Financial assets measured at amortised cost		4.182.770	1.284.602
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		36.965	13.753
II.	**INTEREST EXPENSE (-)**	**4.2**	**9.179.848**	**6.072.759**
2.1	Interest on Deposits	4.2.6	5.356.522	3.359.430
2.2	Interest on Funds Borrowed	4.2.1	887.269	439.331
2.3	Interest expense on money market transactions	4.2.4	1.121.837	1.164.031
2.4	Interest on Securities Issued	4.2.3	1.506.677	1.053.045
2.5	Interest on Lease Payables		52.108	43.870
2.6	Other Interest Expense	4.2.5	255.435	13.052
III.	**NET INTEREST INCOME/EXPENSE (I - II)**		**10.173.916**	**3.710.294**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENCE**		**2.583.864**	**1.654.246**
4.1	Fees and Commissions Received		3.480.097	2.094.084
4.1.1	Non-cash Loans		432.458	278.255
4.1.2	Other	4.11	3.047.639	1.815.829
4.2	Fees and Commissions Paid		896.233	439.838
4.2.1	Non-cash Loans		168	150
4.2.2	Other		896.065	439.688
V	**DIVIDEND INCOME**		**47.231**	**1.859**
VI.	**TRADING PROFIT/LOSS (Net)**	**4.3**	**1.317.110**	**(233.543)**
6.1	Trading Gains/Losses on Securities		325.617	11.337
6.2	Derivative Financial Transactions Gains/Losses	4.5	5.756.080	3.190.595
6.3	Foreign Exchange Gains/Losses		(4.764.587)	(3.435.475)
VII.	**OTHER OPERATING INCOME**	**4.6**	**951.883**	**557.374**
VIII.	**GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)**		**15.074.004**	**5.690.230**
IX.	**PROVISION FOR EXPECTED LOSSES (-)**	**4.4**	**2.735.770**	**2.029.272**
X.	**OTHER PROVISION EXPENSES (-)**	**4.4**	**228.998**	**115.905**
XI.	**PERSONNEL EXPENSES (-)**		**1.366.813**	**913.445**
XII.	**OTHER OPERATING EXPENSES (-)**	**4.7**	**1.862.589**	**1.251.461**
XIII.	**NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)**		**8.879.834**	**1.380.147**
XIV.	**SURPLUS WRITTEN AS GAIN AFTER MERGER**		**-**	**-**
XV.	**PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES**		**529.463**	**350.537**
XVI.	**NET MONETARY POSITION GAIN/LOSS)**		**-**	**-**
XVII.	**PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+XIV+XV+XVI)**	**4.8**	**9.409.297**	**1.730.684**
XVIII.	**PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)**	**4.9**	**2.150.849**	**277.955**
18.1	Current Tax Provision		10.593.562	-
18.2	Expense effect of deferred tax (+)		-	277.955
18.3	Income effect of deferred tax (-)		8.442.713	-
XIX.	**NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)**		**7.258.448**	**1.452.729**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**		**-**	**-**
20.1	Income from assets held for sale		-	-
20.2	Profit from sale of associates, subsidiaries and joint ventures		-	-
20.3	Other income from discontinued operations		-	-
XXI.	**EXPENSES FROM DISCONTINUED OPERATIONS (-)**		**-**	**-**
21.1	Expenses on assets held for sale		-	-
21.2	Losses from sale of associates, subsidiaries and joint ventures		-	-
21.3	Other expenses from discontinued operations		-	-
XXII.	**PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX - XXI)**		**-**	**-**
XXIII.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		**-**	**-**
23.1	Current tax provision		-	-
23.2	Expense effect of deferred tax (+)		-	-
23.3	Income effect of deferred tax (-)		-	-
XXIV.	**NET PROFIT/ LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)**		**-**	**-**
XXV.	**NET PROFIT/LOSS (XIX+XXIV)**	**4.10**	**7.258.448**	**1.452.729**
	Earnings/(loss) per share (full TL)		0,0086	0,0017

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

4. Statement of Profit or Loss and Other Comprehensive Income

		Current Period (31/03/2022)	Prior Period (31/03/2021)
I.	**PROFIT /(LOSS)**	**7.258.448**	**1.452.729**
II.	**OTHER COMPREHENSIVE INCOME**	**8.367.812**	**2.248.976**
2.1	**Other comprehensive income that will not be reclassified to profit or loss**	**(14.019)**	**(2.843)**
2.1.1	Gains (losses) on Revaluation of Property, Plant and Equipment	-	-
2.1.2	Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3	Gains (losses) on remeasurements of defined benefit plans	(21.366)	-
2.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	1.713	(2.843)
2.1.5	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	5.634	-
2.2	**Other Comprehensive Income That Will Be Reclassified to Profit or Loss**	**8.381.831**	**2.251.819**
2.2.1	Exchange Differences on Translation	1.137.056	498.504
2.2.2	Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	7.699.532	(428.870)
2.2.3	Income (loss) Related with Cash Flow Hedges	2.131.536	2.986.602
2.2.4	Income (loss) Related with Hedges of Net Investments in Foreign Operations	(808.360)	(366.089)
2.2.5	Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	-	-
2.2.6	Taxes Relating To Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss	(1.777.933)	(438.328)
III.	**TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)**	**15.626.260**	**3.701.705**

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

5. Statement of changes in shareholders' equity

Current Period (31/03/2022)					Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit and Loss			Other Accumulated Comprehensive Income That Will Be Reclassified In Profit and Loss						
CHANGES IN SHAREHOLDER'S EQUITY	Paid-in capital	Share premium	Share certificate cancellation profits	Other capital reserves	1	2	3	4	5	6	Profit reserves	Prior period net income/(loss)	Current period net income/(loss)	Total shareholders' equity
I. Balance at the beginning of the period	**8.447.051**	**556.937**	**-**	**1.598.968**	**1.856.179**	**(821.555)**	**1.163.408**	**7.897.524**	**1.458.706**	**(1.802.217)**	**32.639.419**	**-**	**10.489.758**	**63.484.178**
II. Adjustment in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)	**8.447.051**	**556.937**	**-**	**1.598.968**	**1.856.179**	**(821.555)**	**1.163.408**	**7.897.524**	**1.458.706**	**(1.802.217)**	**32.639.419**	**-**	**10.489.758**	**63.484.178**
IV. Total comprehensive income (loss)	-	-	-	-	**1.361**	**(17.093)**	**1.713**	**1.137.056**	**6.159.626**	**1.085.149**	-	-	**7.258.448**	**15.626.260**
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit distribution	-	-	-	**18.763**	-	-	-	-	-	-	**9.470.995**	-	**(10.489.758)**	**(1.000.000)**
11.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	(1.000.000)	(1.000.000)
11.2. Transfers to legal reserves	-	-	-	18.763	-	-	-	-	-	-	9.470.995	-	(9.489.758)	-
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance (III+IV+…...+X+XI)	**8.447.051**	**556.937**	**-**	**1.617.731**	**1.857.540**	**(838.648)**	**1.165.121**	**9.034.580**	**7.618.332**	**(717.068)**	**42.110.414**	**-**	**7.258.448**	**78.110.438**

1. Tangible assets revaluation reserve,
2. Accumulated gains / losses on remeasurements of defined benefit plans
3. Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss
4. Exchange differences on translation reserve for associates and joint ventures accounted for using equity method
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income
6. Accumulated gains or (losses) on cash flow hedges and net investment hedges.

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

5. Statement of changes in shareholders' equity

Prior Period (31/03/2021)					Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit and Loss			Other Accumulated Comprehensive Income That Will Be Reclassified In Profit and Loss						
CHANGES IN SHAREHOLDER'S EQUITY	Paid-in capital	Share premium	Share certificate cancellation profits	Other capital reserves	1	2	3	4	5	6	Profit reserves	Prior period net income/(loss)	Current period net income/(loss)	Total shareholders' equity
I. Balance at the beginning of the period	**8.447.051**	**556.937**	**-**	**1.450.552**	**1.853.991**	**(377.130)**	**1.190.617**	**3.973.774**	**213.352**	**(3.032.508)**	**28.208.317**	**-**	**5.079.518**	**47.564.471**
II. Adjustment in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)	**8.447.051**	**556.937**	**-**	**1.450.552**	**1.853.991**	**(377.130)**	**1.190.617**	**3.973.774**	**213.352**	**(3.032.508)**	**28.208.317**	**-**	**5.079.518**	**47.564.471**
IV. Total comprehensive income (loss)	-	-	-	-	-	-	**(2.843)**	**498.504**	**(343.096)**	**2.096.411**	-	-	**1.452.729**	**3.701.705**
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) through other changes, equity	-	-	-	**78**	-	-	-	-	-	-	**(78)**	-	-	-
XI. Profit distribution	-	-	-	**148.338**	-	-	-	-	-	-	**4.431.180**	-	**(5.079.518)**	**(500.000)**
11.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	(500.000)	(500.000)
11.2. Transfers to legal reserves	-	-	-	148.338	-	-	-	-	-	-	4.431.180	-	(4.579.518)	-
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance (III+IV+…...+X+XI)	**8.447.051**	**556.937**	**-**	**1.598.968**	**1.853.991**	**(377.130)**	**1.187.774**	**4.472.278**	**(129.744)**	**(936.097)**	**32.639.419**	**-**	**1.452.729**	**50.766.176**

1. Tangible assets revaluation reserve,
2. Accumulated gains / losses on remeasurements of defined benefit plans
3. Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss
4. Exchange differences on translation reserve for associates and joint ventures accounted for using equity method
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income
6. Accumulated gains or (losses) on cash flow hedges and net investment hedges.

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

6. Statement of cash flows

		(Notes section five)	Current Period (31/03/2022)	Prior Period (31/03/2021)
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating profit before changes in operating assets and liabilities**		**11.175.373**	**(5.235.152)**
1.1.1	Interest received		16.557.358	8.152.347
1.1.2	Interest paid		(8.149.797)	(5.707.370)
1.1.3	Dividend received		227.777	44.807
1.1.4	Fees and commissions received		3.480.097	2.094.084
1.1.5	Other income		3.606.233	(6.725.110)
1.1.6	Collections from previously written-off loans and other receivables		1.248.184	623.392
1.1.7	Cash Payments to personnel and service suppliers		(3.142.729)	(2.028.781)
1.1.8	Taxes paid		(2.104.434)	(1.527.851)
1.1.9	Other		(547.316)	(160.670)
1.2	**Changes in operating assets and liabilities subject to banking operations**		**(652.935)**	**9.718.413**
1.2.1	Net (increase) decrease in Financial Assets at Fair Value through Profit or Loss		70.535	(15.500)
1.2.2	Net (increase) decrease in due from banks		(10.239.130)	(6.565.672)
1.2.3	Net (increase) decrease in loans		(53.769.087)	(22.108.219)
1.2.4	Net (increase) decrease in other assets		(2.492.470)	1.194.084
1.2.5	Net increase (decrease) in bank deposits		(320.361)	(336.455)
1.2.6	Net increase (decrease) in other deposits		48.280.624	27.614.673
1.2.7	Net increase (decrease) in financial liabilities at fair value through profit or loss		3.494.955	662.128
1.2.8	Net increase (decrease) in funds borrowed		6.512.923	6.256.600
1.2.9	Net increase (decrease) in matured payables		-	-
1.2.10	Net increase (decrease) in other liabilities		7.809.076	3.016.774
I.	**Net cash provided from banking operations**		**10.522.438**	**4.483.261**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net cash provided from investing activities**		**(11.756.000)**	**(4.098.908)**
2.1	Cash paid for the purchase of associates, subsidiaries and joint ventures		(25.015)	-
2.2	Cash obtained from the sale of associates, subsidiaries and joint ventures		-	-
2.3	Cash paid for the purchase of tangible and intangible asset		(176.667)	(73.216)
2.4	Cash obtained from the sale of tangible and intangible asset		141.746	88.672
2.5	Cash paid for the purchase of financial assets at fair value through other comprehensive income		(5.743.715)	(473.640)
2.6	Cash obtained from the sale of financial assets at fair value through other comprehensive income		2.190.492	3.041.057
2.7	Cash paid for the purchase of financial assets at amortised cost		(9.600.606)	(6.796.466)
2.8	Cash obtained from sale of financial assets at amortised cost		1.457.765	114.685
2.9	Other		-	-
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net cash flows from financing activities**		**(6.234.447)**	**1.924.404**
3.1	Cash obtained from funds borrowed and securities issued		3.092.484	3.975.656
3.2	Cash outflow from funds borrowed and securities issued		(9.191.056)	(1.937.174)
3.3	Equity instruments issued		-	-
3.4	Dividends paid		-	-
3.5	Payments for finance lease liabilities		(135.875)	(114.078)
3.6	Other		-	-
IV.	**Effect of change in foreign exchange rate on cash and cash equivalents**		**8.003.097**	**4.281.632**
V.	**Net increase (decrease) in cash and cash equivalents**		**535.088**	**6.590.389**
VI.	**Cash and cash equivalents at beginning of the period**		**95.207.698**	**45.189.882**
VII.	**Cash and cash equivalents at end of the period**		**95.742.786**	**51.780.271**

Section three

Accounting policies

1. Explanations on basis of presentation:

The Bank keeps its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 ("Banking Act"), which is effective from November 1, 2005, the Turkish Commercial Code ("TCC"), and Turkish Tax Legislation.

The unconsolidated financial statements are prepared in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette No. 26333 dated November 1, 2006 by the Banking Regulation and Supervision Agency ("BRSA") which refers to "Turkish Accounting Standards ("TAS") 34 - Interim Financial Reporting" and "Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and other decrees, notes and explanations related to the accounting and financial reporting principles published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" and changes and notes to this communiqué published in the Official Gazette No. 28337 dated June 28, 2012.

The accompanying unconsolidated financial statements and notes to these financial statements are expressed in thousands of Turkish Lira (TL), unless otherwise stated.

The accompanying unconsolidated financial statements are prepared in accordance with the historical cost basis (restated for the changes in the general purchasing power of TL until December 31, 2004), except for financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, derivative financial assets/liabilities buildings and art objects and paintings in tangible assets. Besides, the carrying values of assets carried at amortized cost but subject to fair value hedge are adjusted to reflect the fair value changes related to the hedged risks.

The preparation of unconsolidated financial statements in conformity with TFRS requires the use of certain accounting estimates by the Bank management to exercise its judgment on the assets and liabilities on the balance sheet and contingent assets and liabilities as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are explained in the related notes and reflected to the income statement.

The accounting policies and valuation principles employed for the preparation the financial statements are in compliance with "Accounting and Reporting Legislation" published in the regulation, communique, interpretations and circular of BRSA. If there is no specific regulation of BRSA, it has been determined and applied in the context of TFRS. The accounting principles are in accordance with the used principles in preparation of yearly financial statements as of December 31, 2021.

The social and economic measures have been taken to reduce negativity of COVID-19 epidemic, which was spread globally in the first half of 2020, in our country as in other countries where the epidemic is effective and measures with partial changes continue to be implemented.

The Bank has reflected the possible effects of the COVID-19 outbreak on the estimates and judgments used in the preparation of the financial statements as of December 31, 2021. The estimates and assumptions used in the calculation of expected credit losses are explained in the explanations on the impairment of financial assets.

Interest rate benchmark reform London Interbank Offered Rate (LIBOR) is the most widely referenced benchmark interest rate across the globe for derivatives, bonds, loans and other floating rate instruments; however, for the USD indexed products, the regulator's transition process of the market from LIBOR and certain other benchmark rates to alternative risk-free, or nearly risk-free, rates that are based on actual overnight transactions still continues. Derivatives, floating rate notes, loans and other financial contracts whose terms extend beyond the relevant discontinuation date, and that refer to certain benchmark rates (including LIBOR) as the reference rate, will be impacted.

In Turkey, Turkish Lira Overnight Reference Rate ("TLREF") is created in order to meet the need of Turkish Lira short-term reference rate that can be used as an underlying or a benchmark in financial products, debt instruments and different types of financial contracts. The Bank completed the necessary infrastructure development and started to trade TLREF indexed products in 2021.

As of March 31, 2022, the Bank largely completed the necessary infrastructure development for USD Libor indexed derivatives, money market transactions, bonds and loans in order to take the transition to alternative benchmark interest rates that are based on actual overnight transactions. It is planned to complete the system development in the related products and risk management systems within year 2022. Following the system developments, it is anticipated that for the new traded floating rate instruments alternative benchmark interest rates are going to be used. For the existing transactions, it is planned to take transition to alternative benchmark interest rates in case there is a request from counter banks or customers. In the light of analysis, related transition will have no material impact on financial statements.

International Accounting Standards Board ("IASB") published the Phase 1, Amendments to TAS 39, TFRS 9 and TFRS 7 in September 2019 and Phase 2, Amendments to IFRS 9, TAS 39, IFRS 7 and IFRS 16 in August 2020. The Phase 1, Amendments and The Phase 2, Amendments provide some specific reliefs on hedge accounting transactions and address issues that arise upon replacing the existing interest rate benchmark with the alternative interest rates and introduces additional disclosure requirements. There is no hedge relation discontinued due to this reform.

Interest rate contracts are used in hedge transactions to manage exposure to interest rate risk of assets and liabilities. The hedging instruments designated to manage these risks reference IBOR in multiple jurisdictions and will be affected by the reform as the markets transition to alternative risk free or nearly risk-free rates by 2021 and beyond.

The Phase 2 Amendments provide two key reliefs

- Modifications made as a direct result of the reform on an economically equivalent basis are reflected prospectively in the effective interest rate rather than as an immediate gain or loss.
- If qualifying criteria are met, hedging relationships that are directly impacted by the reform would be able to continue hedge accounting upon transition to alternative interest rates.

On January 20, 2022, POA made a statement on the Implementation of Financial Reporting in High Inflation Economies within the scope of TFRS, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies. In 2022, as of the reporting date, there has not been any further announcement regarding this issue; therefore, inflation adjustments have not been applied on the financial statements dated March 31, 2022 in accordance with TAS 29.

Additional paragraph for convenience translation into English:

The differences between accounting principles, as described in the preceding paragraphs and accounting principles generally accepted in countries in which the accompanying consolidated 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.

2. Explanations on strategy of using financial instruments and foreign currency transactions:

The general strategy of the Bank in using financial instruments is to sustain an optimal balance between the yield of the instruments and their risks. The most important funding source of the Bank is deposits. For non-deposit items, the Bank maintains longer-term funding structure especially through long-term foreign borrowings. Funds from deposits and other funding sources are invested in high quality financial assets in order to keep currency, interest rate and liquidity risks within the limits determined by the asset-liability strategy. The currency, interest and liquidity risks of on-balance sheet and off-balance sheet assets and liabilities are managed in accordance with the risk limits approved in the Bank and the related legal limits. Derivative instruments are mainly utilized for liquidity needs and for mitigating currency and interest rate risks. The position of the Bank as a result of foreign currency activities is being held at minimum levels and the currency risk exposure is monitored within the limits determined by the Board of Directors under the context of Banking Act.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognized in the income statement under the account of "Foreign exchange gains or losses", except for valuation differences arising from foreign currency participations, subsidiaries and foreign currency non-performing loans.

The Bank hedges foreign currency exposure arising from carrying its foreign subsidiaries at equity method, with foreign currency financial liabilities and applies net investment hedge accounting. The effective portions of the change in fair value in financial liabilities in foreign currency are recorded under "Other accumulated comprehensive income that will be reclassified in other profit or loss" in equity.

In order to eliminate the inconsistency in the recognition, the Bank might classify its financial liabilities as financial liabilities at fair value through profit / loss upon the initial recognition.

3. Explanations on investments in associates, subsidiaries and joint ventures:

Associates, subsidiaries and joint ventures are being carried at equity method as defined in " TAS 28 - Investments in Associates and Joint Ventures" in the unconsolidated financial statements of the Bank started from June 30, 2015. Any valuation differences arising from prior years, before January 1, 2015, are booked as "Other accumulated comprehensive income that will not be reclassified in profit or loss" under equity. In the following periods, any valuation differences arising from the current period income and other comprehensive income are booked in profit and loss statement and "Other accumulated comprehensive income that will not be reclassified in profit or loss" under the equity, respectively. This accounting policy change is performed through an early adaption before the effective date of January 1, 2016 in accordance with the change of "TAS – 27 Turkish Accounting Standards for Individual Financial Statements" numbered 29321 on April 9, 2015 and confirmation by BRSA's letter numbered 10686 on July 14, 2015.

4. Explanations on forward and option contracts and derivative instruments:

The Bank's derivative transactions mostly include money and interest rate swaps, forward foreign exchange purchase and sale transactions and options.

Derivative instruments are measured at fair value on initial recognition and subsequently remeasured at their fair values. As a result, the fair value of derivatives is reflected as net liability or net asset on a contract by contract basis. The accounting method applied to the income or loss arising from derivative instruments depends on whether the derivative is being used for hedging purposes or not and depends on the type of item being hedged.

At the transaction date, the Bank documents the relationship between hedging instruments and hedged items, together with the risk management policies and the strategies on hedging transactions. Besides, the Bank regularly documents the effectiveness of the hedging instruments in offsetting the changes in the fair value of the hedged items.

Changes in the fair value of derivative instruments subject to fair value hedges are recognized under profit or loss accounts together with the variation in the fair value of hedged items. The changes of fair value of derivative transactions for fair value hedge are classified in "Derivative Financial Transactions Gains/Losses" account. In the balance sheet, changes in the fair value of hedged assets and liabilities, during the period in which the hedge is effective, are shown with the related assets and liabilities. The ineffective portion of the mentioned hedging transaction is reflected to the income statement. 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, are amortized with the straight line method within the time to maturity and recognized under the profit and loss accounts. Fair value adjustments are recognized directly in the income statement in an event of repayment and/or unwinding and/or derecognition of the hedged item.

The Bank hedges its cash flow risk arising from foreign currency and Turkish Lira floating interest rate liabilities by using currency and interest rate swaps. The effective portion of the fair value changes of the hedging instruments are recorded in "Other accumulated comprehensive income that will be reclassified in profit or loss" under shareholders' equity. These funds are transferred to profit or loss from equity when the cash flows of the hedged items (interest expense) impact the income statement.

In case the cash flow hedge accounting is discontinued due to the expiry, realization for sale of the hedging instrument, or due to the results of the effectiveness test the amounts accounted under shareholders' equity are transferred to the profit and loss accounts as these cash flows of the hedged item are realized.

Some of the trading purpose derivative transactions, even though they provide effective economic hedges under the Bank's risk management policy, do not qualify for hedge accounting under the specific rules in "TFRS 9 - Financial Instruments" and are therefore treated as "Derivative financial assets at fair value through profit or loss".

"Derivative financial assets at fair value through profit or loss" are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account "Derivative financial assets at fair value through profit or loss"; and if the fair value difference is negative, it is disclosed under "Derivative financial liabilities at fair value through profit or loss". Fair value changes are recorded under "Derivative Financial Transactions Gains/(Losses)" in the income statement.

The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Parameters used for the valuation of the option portfolio are determined by market risk management and the confirmation of the accuracy of fair value calculations are monitored periodically by market risk management.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts as their contractual values. Embedded derivatives are separated from the host contract and accounted as derivative instruments according to "TFRS – 9 Financial Instruments" in case (i) the related embedded derivative's economic features and risks are not closely related to the host contract, (ii) another instrument that has the same contract conditions with the embedded derivative satisfies the definition of a derivative instrument and (iii) the hybrid instrument is not carried at fair value through profit or loss.

Credit derivatives are capital market tools designed to transfer credit risk from one party to another.

As of March 31, 2022, the Bank's credit derivatives portfolio included total return swaps.

Credit linked notes are bonds that have repayments depending on a credit event or the credit risk evaluation of a reference asset or asset pool. Depending on whether the reference assets are included in the balance sheet of the issuer or the owner of the assets, these transactions can be accounted by the party assuming the credit risk as insurance or as an embedded derivative. As per the Bank's management evaluation, the embedded derivatives included in the credit linked notes are separated from the host contracts in accordance with "TFRS – 9 Financial Instruments" and recorded and evaluated as credit default swaps. The bond itself (host contract) is valued in accordance with the valuation principles of the category it is classified.

Total return swaps are contracts, in which the seller commits to pay the contract value for all cash flows of the reference assets of the seller and the changes of the market values of these reference assets to the buyer during the contract maturity and bear all the decreases in the market value of these reference assets. The Bank uses the total return swaps to generate long term funding.

Market risks of these products are monitored using the Bank's internal modeling system for the Value-at-Risk and basis points sensitivity analysis; the liquidity risks are monitored using the short term liquidity report on daily and the long term liquidity report on monthly basis.

According to the regulations of BRSA, currency exchange transactions, which are realized at value date in the initial phase of currency swaps, are recorded and followed as irrevocable commitments in off-balance sheet accounts until the value date.

A Credit Valuation Adjustment (CVA) is applied to the Bank's over-the-counter derivative exposures to take into account the counterparty's risk of default when measuring the fair value of the derivative. CVA is the mark-to-market cost of protection required to hedge credit risk from counterparties in the Bank's over-the-counter derivatives portfolio. The Bank calculates CVA based on collective provisioning methodology calculated in accordance with Turkish Financial Reporting Standards, "TFRS – 9 Financial Instruments", comprising the product of Exposure, Probability of Default (PD) and Loss Given Default (LGD). CVA is calculated based on the exposure of each counterparty.

Within the scope of TFRS 13 Fair Value Measurement standard; (i) if there is a significant decrease in the volume or level of activity for that asset or liability in relation to normal market activity for the asset or liability (or similar assets or liabilities); (ii) when the transaction or quoted price does not represent fair value; and / or (iii) when a price for a similar asset requires significant adjustment to make it comparable to the asset being measured, or (iv) when the price is stale, the Bank makes an adjustment to the transactions or quoted prices and reflects this adjustment to the fair value measurement. In this context, the Bank determines the point within the range that is most representative of fair value under current market conditions.

5. Explanations on interest income and expense:

Interest income and expenses are recognized in the income statement on an accrual basis by using the effective interest method periodically

Retrospective rediscount calculation and foreign exchange evaluation is performed for non performing loans, and accrued interest and rediscounts as of transfer to non performing loan accounts are accounted under loan accrual/rediscount accounts as per Uniform Chart of Accounts ("UCA"). The Bank ceases accruing interest after non-performing loan classification. In place of that, interest amount representing the time value of future collections is recognized under interest income instead of provision expense.

6. Explanations on fee and commission income and expenses:

Fees and commissions received as a result of the service agreements or arising from negotiating or participating in the negotiation of a transaction on behalf of a third party are recognized either in the period when the transaction is realized or deferred based on the type of the underlying transaction. Other commission income and fees from various banking services are recorded as income at the time of realization.

Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15.

7. Explanations on financial assets:

As of January 1, 2018, the Bank has applied TFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL)
- Fair value through other comprehensive income (FVOCI)
- Amortised cost

According to TFRS 9, classification of financial assets is based on two criterias; business model under which the financial asset is being managed and contractual cash flows representing solely payments of principal and interest of the financial asset. This evaluation incorporates whether there is any clause that may change timing or amount of contractual cash flows of the financial asset.

Classification of financial assets reflects the business model of how the Bank manages the assets in order to generate cash flows. Bank's business model may be to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Bank in determining the business model for a bank of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

The Bank owns Consumer Price Indexed (CPI) Government Bonds which are classiffied under "Fair value through other comprehensive income" and "measured at amortised cost" securities portfolio. Related securities are valued using the effective interest rate method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. The reference indices used in calculating the actual coupon payment amounts of these assets are based on the Consumer Price Index (CPI) of prior two months.

Assessment of the business model

The Bank determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The business model does not depend on management's intentions for an individual instrument. Accordingly, this condition is not a single-instrument basis approach for classification and should be determined on a higher level of aggregation.

During the assessment of the business model for management of financial assets, all relevant evidences available at the assessment date have taken into consideration. Such relevant evidence includes below:

- How the performance of the portfolio is evaluated and reported to the Bank's management;
- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

If cash flows are realised in a way that is different from the expectations on the date of the assessment of the business model, that does not give rise to a prior period error in the financial statements nor does it change the classification of the remaining financial assets held in that business model as long as all relevant information that was available at the time of business model assessment were . However, when the business model is assessed for newly originated or newly purchased financial assets, it must be considered information about how cash flows were realised in the past, along with all other relevant information.

The business models are divided into three categories. These categories are defined below:

- Business model whose objective is to hold assets in order to collect contractual cash flows
  Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. That is, the Bank manages the assets held within the portfolio to collect those particular contractual cash flows.

Although the objective of Bank's business model may be to hold financial assets in order to collect contractual cash flows, the Bank does not need to hold all of those instruments until the maturity. Thus Bank's business model can be to hold financial assets to collect contractual cash flows even when sales of financial assets occur or are expected to occur in the future.

The business model may be to hold assets to collect contractual cash flows even if the Bank sells financial assets when there is an increase in the assets' credit risk. The Bank considers reasonable and supportable information, including forward looking information,in order to determine whether there has been an increase in the assets' credit risk. Regardless of their frequency and value, sales due to an increase in the assets' credit risk are not inconsistent with a business model whose objective is to hold financial assets to collect contractual cash flows because the credit quality of financial assets is relevant to the Bank's ability to collect contractual cash flows.

- A business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

The Bank may hold financial assets in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In this type of business model, the Bank's management have made a decision on both collecting contractual cash flows and selling financial assets is necessary for achieving the objective of the business model. There are various objectives that may be consistent with this type of business model. For example, the objective of the business model may be to manage liquidity needs on a daily basis, to maintain a particular interest yield profile or to match the duration of the financial assets to the duration of the liabilities funding those assets. To achieve such an objective, the Bank will both collect contractual cash flows and sell financial assets.

Compared to a business model whose objective is to hold financial assets to collect contractual cash flows, this business model will typically involve greater frequency and value of sales. This is because selling financial assets is integral to achieving the business model's objective instead of being only incidental to it.

- Other business models

Financial assets are measured at fair value through profit or loss if they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

A portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Bank is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs. In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

When making such assessment, the Bank:

- contingent events that would change the amount and timing of cash flows
- leverage features
- prepayment and extension terms
- conditions restricting the Bank from asking the cash flows of the assets
- features that change the time value of the money

When the contractual conditions are exposed to the risks which are not consistent with the basic lending arrangement or variability of cash flows, the relevant financial asset is measured at fair value through profit or loss.

7.1. Financial assets at fair value through profit or loss

Financial assets, which are classified as "Financial assets at fair value through profit or loss", are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer's margin, or are financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading financial assets are initially recognized at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from active market transactions, it is assumed that the fair value cannot be measured reliably and fair values are calculated by alternative models. All gains and losses arising from these valuations are recognized in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

The principles regarding the accounting of derivative financial instruments are explained in detail in Note 4 of this section.

7.2. Financial assets measured at amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, are measured at amortised cost. These financial assets are initially recognized at total of acquisition and transaction cost. After their initial recognition they are carried at "Amortized cost" using the "Effective interest method".

7.3. Loans :

Loans are financial assets raised through lending without having the intention to trade in the short term. Loans are non derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted on active market. Loans are recognized initially at cost including transaction costs (which reflect fair values) and subsequently carried at the amortized cost using the "effective interest method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

Retail, commercial and corporate loans included in cash loans are accounted for with their original maturities in accounts which are mentioned in the UCA. Foreign currency indexed loans are initially measured at local currency accounts with the foreign exchange rate prevailing at date of the initial recognition and re-valued with the relevant foreign currency rates prevailing at the date of the financial statements. Increase or decrease in the value of the principal amount of the loan due to changes in foreign exchange rates is accounted in the related income and expense accounts. Repayment amounts are translated with the foreign exchange rates prevailing at the repayment dates and the valuation differences are accounted for in "foreign exchange gain/loss" accounts.

The Bank provides provision for expected credit losses based on the assessments and estimates of the management, by considering "TFRS 9 - Financial Instruments" and the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" ("Provisioning Regulation") published in the Official Gazette No. 29750 dated June 22, 2016. In this context, the management estimates are determined on the basis of the prudence principle and Bank credit risk policies, considering the general structure of the loan portfolio, the financial conditions of the customers, non-financial information and the economic conjuncture.

As of March 31, 2022, the Bank has made its classifications in accordance with the TFRS 9 standard and reflected them in its financial statements. In this context; the Bank has evaluated many reasonable and supportable qualitative and quantitative data by taking into account the impact of COVID-19 in assessing whether there is a significant increase in credit risk in the classification of loans according to stages and determining the moment when the default situation occurs. It has classified the loans according to their stages according to its best judgment under the current conditions.

The Bank has taken into account the possible difficulties in the cash flows or payments of customers due to uncertainties regarding the COVID 19 epidemic process within the scope of TFRS 9 while calculating the expected credit loss for the loans classified according to their stages in the scope above.

Provision expenses are deducted from the net income of the year. If there is a subsequent collection from a receivable that was already provisioned in previous years, the recovery amount is classified under "Other operating income". The write off policy is described in the explanations and notes related to assets, fifth section.

7.4. Financial assets at fair value through other comprehensive income:

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI).

Financial assets at fair value through other comprehensive income are subsequently re-measured at fair value. When fair values based on market prices cannot be observed reliably, the financial assets at fair value through other comprehensive income are carried at fair values determined by using alternative models. "Unrealized gains and losses" arising from changes in the fair value of financial assets classified as financial assets at fair value through other comprehensive income are recognized in the shareholders' equity as "Other accumulated comprehensive income that will be reclassified in profit or loss ", until the related assets are impaired or disposed. When these financial assets are disposed or impaired, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement. Interest and dividends received from Financial assets at fair value through other comprehensive income are recorded in interest income and dividend income as appropriate.

Interest income on financial assets at fair value through other comprehensive income are calculated by effective interest rate method and are accounted for in interest income account. At the time of sale of a financial assets at fair value through other comprehensive income before the maturity, the difference between the profit, which is the difference between the cost and sales price of the financial assets, and the interest income accrual are accounted under "Profit/losses from capital market transactions".

7.5. Equity instruments measured at fair value through other comprehensive income:

At initial recognition, an irrevocable election can be made to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of TFRS 9. Such election is made on an instrument by instrument basis.

Fair value differences recognized in other comprehensive income are not transferred to profit or loss in the following periods and transferred to prior years' profit / loss. The equity instruments measured at fair value through other comprehensive income, are not subject to impairment calculation

8. Explanations on impairment of financial assets:

The Bank assesses the expected credit losses ("ECL") related with its debt instrument assets carried at amortised cost and at fair value through other comprehensive income, with the exposure arising from loan commitments and financial guarantee contracts on a forward-looking basis. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of expected credit losses reflects:

- ➢ An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- ➢ The time value of money;
- ➢ Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the expected credit loss allowance:

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and at fair value through other comprehensive income is an area that requires the use of advanced models and significant assumptions about future economic conditions and credit behaviour.

These financial assets will be divided into three categories depending on the gradual increase in credit risk observed since their initial recognition. Impairment shall be recognized on outstanding amounts in each category, as follows:

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 will be recorded in the amount of 12-month expected credit losses.

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset will be transferred to this stage. Impairment for credit risk will be determined on the basis of the instrument's lifetime expected credit losses.

Stage 3:

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognized and interest revenue is calculated on the net carrying amount.

Life-time expected credit loss is calculated on an individual or collective basis for the financial assets in stage 2 and stage 3.

General provisions represent ECLs for the first stage and the second stage, specific provisions represent ECLs for the third stage.

The Bank has developed specific models for calculating the expected loss; such models are based on the parameters of PD, LGD and EAD and on the effective interest rate. In particular:

- ➢ the PD (Probability of Default), represents the customer's probability of 90 days or more delay, within 12-months;
- ➢ the LGD (Loss Given Default), represents the percentage of the estimated loss, and thus the expected rate of recovery, at the date of occurrence of the default event of the credit exposure;
- ➢ the EAD (Exposure at Default), represents the measure of the exposure at the time of the event of default of the credit exposure;
- ➢ the Effective interest rate is the discount rate that expresses of the time value of money.

Such parameters are calculated starting from the corresponding parameters used for IRB preparation purposes, with specific adjustments in order to ensure consistency between accounting and regulatory treatment despite different regulatory requirements.

The main adjustments aimed at:

- removal of prudency principal used for IRB phase;
- introducing "point-in-time" adjustments to replace "through-the-cycle" adjustments required for IRB phase (TFRS-9 parameters developed over these parameters.);
- with reference to lifetime PD, through-the-cycle PD curves obtained by adjusting observed cumulated default rates were calibrated in order to reflect point-in-time on portfolio default rates.

Recovery rate incorporated into through-the-cycle LGD was adjusted in order to remove prudency principle and to reflect the most updated trend of recovery rates discounted at effective interest rate or at its best approximation.

The lifetime EAD has been obtained by converting the 1 year regulatory or managerial model to life-time, removing margin of prudency and including the expected discounted cash flow.

The Stage Allocation model is a key aspect of the accounting model required to calculate expected credit losses which is aimed at transferring credit exposures from Stage 1 to Stage 2.

With reference to the quantitative component of the model for stage allocation, the Bank has adopted a statistical approach based on a quantiles regression whose objective is to define a threshold in terms of maximum variation acceptable between the PD at the time of origination and the PD assessed at the reporting date.

The Stage Allocation model was based on a combination of relative and absolute elements. The main elements were:

- comparison, for each transaction, between the PD measured at the time of recognition and PD as at the reporting date, both calculated according to internal models, through thresholds set in a way considering all key variables of each transaction that can affect the Bank's expectation of PD changes over time;
- absolute elements such as the backstops required by law;
- additional internal evidence

Significant increase in credit risk

In the assessment of significant increase in credit risk quantitative and qualitative assessments are made;

Quantitative Assessment:

As a result of quantitative assessment, related financial asset is classified as stage 2 (Significant Increase in Credit Risk) when any of the following criterias are satisfied.

As of reporting date:

- Lifetime expected credit losses shall be recognized on a transaction base, when more than 30 days past due status is reached. The Bank can abandon this estimation when it has reasonable and supportable information about customers contractual repayments.
- In case a loan has been restructured, it will be followed up under Stage 2 during the follow-up period mentioned in the related regulations. The loan can be transferred back to Stage 1 at end of the follow-up period if there is no significant deterioration.
- Provisions on unindemnified non cash loans are evaluated as significant increase in credit risk.

Qualitative Assessment

The probability of significant increase in credit risk under qualitative assessment is based on the comparison of probability of default of a loan in the origination and as of reporting date.

The Bank uses distribution regression on segment basis in order to calculate the thresholds used in defining the significant increase in credit risk.

Low credit risk

Financial instruments defined as low risk for TFRS 9 are;

- Receivables from Central Bank of the Republic of Turkey;
- Loans with counterparty of Treasury of the Republic of Turkey
- The issued securities or guaranteed marketable securities from central banks of the countries where Bank's subsidiaries, associates are resident;
- Bank placements;
- Other money market transactions;
- Transactions of Bank's associates and subsidiaries

Forward Looking Information

Forward-looking macroeconomic information is incorporated into credit risk parameters during assessment of significant increase in credit risk and expected credit loss calculation. For the calculation of expected credit loss, Bank uses macroeconomic estimation method which is developed during creation of various scenarios. Macroeconomic variables prevailing during these estimates are Gross Domestic Product (GDP), Unemployment Rate, Foreign Trade Balance and Housing Price Index.

When expected credit losses are estimated in accordance with the forward looking macroeconomic information, the Bank evaluates three scenarios (base, pessimistic and optimistic) with various weights based. Each of these scenarios are in relation with different probability of default risk. Within the scope of the effects of COVID-19 on Expected Credit Loss calculations, the Bank has reviewed the macroeconomic model used in the process and increased 30 basis points the weight of the pessimistic scenario by reducing the weight of the basis scenario with the same amount and used the data considered to reflect the current situation in the best way. On the other hand, researches have been carried out on the sectors affected by COVID-19, the effects that belonged to the period which COVID-19 was the most effective, were segregated on a sectoral basis and analyzed whether in which direction the Borsa Istanbul Index data differed from the cumulative index data and this differentiation is reflected in the probability of default values on a sectoral basis. The Bank made no change in its current approach in current period.

In the light of macroeconomic expectations, the Bank reflected the calculations made to its financial statements considering the probability of default values and the possible changes in the exposure at default. In this context, the Bank has measured the effect of the change in macroeconomic data used in the calculation of expected credit loss such as gross domestic product, unemployment rate and foreign trade deficit, on the non performing loans under different scenarios and reflected the coefficient increase, which was considered to be the most accurate, to its provision calculations by projecting it on the loan parameters within the range of NPL ratio obtained throughout the calculations. The Bank reflected the possible effects of the COVID-19 and estimation of cash flows with reasonable and supportable information used in calculating the expected loan loss provision for the loans subject to individual assessment. This preferred approach will be revised in the coming reporting periods considering the impact of the outbreak, the credit portfolio and changes in future expectations.

9. Explanations on offsetting financial assets:

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 to collect/pay related financial assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

10. Explanations on sales and repurchase agreements and securities lending transactions:

Securities subject to repurchase agreements ("Repo") are classified as "Financial assets at fair value through profit or loss", "Financial assets at fair value through other comprehensive income" and "Financial assets measured at amortised cost" according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under "Money market funds" in liabilities and the difference between the sale and repurchase price is accrued over the life of the repurchase agreements using the "Effective interest method". Interest expense on repo transactions are recorded under "Interest expense on money market transactions" in the income statement.

Funds given against securities purchased under agreements to resell ("Reverse repo") are accounted under "Receivables from money markets" 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.

11. Information on assets held for resale and related to discontinued operations and explanations on liabilities related with these assets:

According to the " TFRS – 5 Non-current Assets Held for Sale and Discontinued Operations" , a tangible asset (or a bank of assets to be disposed) classified as "Asset held for resale" is measured at lower of carrying value and fair value less costs to sell. An asset (or a bank of assets to be disposed) is regarded as "Asset held for resale" only when the sale is highly probable and the asset (or a bank of assets to be disposed) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively in the market at a price consistent with its fair value.

A discontinued operation is a part of the Bank's business classified as sold or held for sale. The operating results of the discontinued operations are disclosed separately in the income statement.

12. Explanations on goodwill and other intangible assets:

12.1. Goodwill:

The excess of the cost of an acquisition over the fair value of the Bank's share of the identifiable assets, liabilities or contingent liabilities of the acquired subsidiary at the date of acquisition of the control is recorded as goodwill and represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognized. The acquirer also recognizes assets that are capable of being individually identified and separately recognized, intangible assets (e.g. credit card brand value, deposit base and customer portfolio) and contingent liabilities at fair value, irrespective of whether the asset had been recognized by the acquire before the business combination, if it can be distinguished from the goodwill and if the asset's fair value can be measured reliably.

As explained in Note 2, Section 1, in 2006, all rights, receivables, debts and liabilities of Koçbank were transferred to the Bank pursuant the merger of the two banks. The goodwill resulting from the merger and calculated in line with TFRS 3, was recorded in the unconsolidated financial statements of the Bank.

In line with "TFRS – 3 Business Combinations", the goodwill is not subject to amortization but is tested annually or more frequently for impairment losses, if any, in line with "TAS – 36 Impairment on Assets". For the purposes of impairment testing, goodwill is allocated to each of the Bank's cash-generating units that is expected to benefit from the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment once a year. If there are any indications that the unit is impaired, the impairment test is performed more frequently. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Due to there is no evidence of impairment on the goodwill amount as a result of the impairment test, previous period fair value has been used.

12.2. Other intangible assets:

Other intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated amortization and the provision for impairment.

The Bank evaluates the possibility of existence of impairment of intangible assets at the end of each reporting period. If there is an evidence of impairment, the Bank estimates a recoverable amount in accordance with the "TAS – 36 Impairment of Assets". The recoverable amount is the higher of net sales price or the value in use. When the book value of another intangible asset exceeds the recoverable amount, the related asset is considered to be impaired. If there is no evidence of impairment, there is no need to estimate the recoverable amount.

Intangibles are amortized over their estimated useful lives using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilize the economic benefit from the asset.

13. Explanations on property and equipment:

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement in accordance with "TAS – 16 Property, Plant and Equipment". Subsequently, properties and equipment, except art objects, paintings and buildings are carried at cost less accumulated depreciation and provision for impairment.

The Bank adopted a fair value accounting method for its buildings as of March 31, 2015 in tangible assets in accordance with "TAS – 16 Property, Plant and Equipment".

The depreciation rate for buildings is 2-4%, for movables and movables acquired under financial leasing depreciation is calculated over estimated useful life by using the straight-line method.

The depreciation charge for items remaining in property and equipment for less than a full accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

In accordance with "TAS – 36 Impairment of Assets", 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 impairment is charged to the income statement.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales proceeds.

Expenditures for the repair and maintenance 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 its future benefits are capitalized on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product or to decrease the costs.

14. Explanations on leasing transactions:

The Bank performs leasing transactions in the capacity of the lessee and lessor.

Accounting of leasing operations according to lessee:

The Bank has adopted "TFRS 16: Leases" approach in the accounting of leasing transactions.

In accordance with TFRS 16, the Bank calculates "right-of-use" amount using the present value of the lease payments of fixed asset at the beginning of the leasing period and recognizes under "property and equipment". Unpaid leasing payments are calculated at their net present value and recognized under "lease payables" in liabilities. Lease payments are discounted using related borrowing rates.

Fixed assets that are subject to leasing is amortised on the basis of leasing period. Interest expense related to lease payables is classified under "interest on lease payables" under "interest expense" and exchange rate changes are classified under "foreign exchange gains/losses". Leasing payments are deducted from lease payables.

Accounting of the leasing transactions in terms of the lessor:

The major risks and benefits of the property carried by the lessor are classified as operational leasing. The payments that are received as operational leasing are accounted as income via the linear method throughout the leasing term.

15. Explanations on provisions, contingent liabilities:

Provisions and contingent liabilities, except for the specific and general provisions recognized for loans and other receivables, are accounted in accordance with "TAS – 37 Provisions, Contingent Liabilities and Contingent Assets".

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions for contingent liabilities arisen from past events are recognized in the period of occurrence in accordance with the "Matching principle". A provision is recognized when it is probable that the contingent event will occur and a reliable estimate can be made. When a reliable estimate of the amount of obligation cannot be made or it is not probable that an outflow of resources will be required to settle the obligation, it is considered that a "contingent" liability exists and it is disclosed in the related notes to the financial statements.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

16. Explanations on obligations related to employee rights:

16.1. Employee termination benefits

Obligations related to employee termination and vacation rights are accounted for in accordance with "TAS – 19 Employee Rights" and are classified under "Reserve for employee rights" account in the balance sheet.

Under the Turkish Labour Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total liability for the future probable obligation of the Bank determined by using certain actuarial assumptions. Actuarial gains and losses generated after January 1, 2013, are accounted for under equity in accordance with the revised "TAS – 19 Employee Rights" standard.

16.2. Pension rights

The Bank's personnel are members of the Yapı ve Kredi Bankası Anonim Şirketi Mensupları Yardım ve Emekli Sandığı Vakfı ("the Fund") which was established in accordance with the 20th temporary article of the Social Security Law No.506. The technical financial statements of the Fund are audited in accordance with the Article 38 of the Insurance Supervision Law and the "Regulation Regarding the Actuaries" by a registered independent actuary.

Temporary article 23 paragraph 1 of the Banking Act published in the Official Gazette No. 25983 dated November 1, 2005 stated that foundations like the Fund are to be transferred to the Social Security Institution ("SSI") within three years beginning from the publication date of the article.

The article of the Law related to the transfer was cancelled (pursuant to the application by the President on November 2, 2005) by the decision of Constitutional Court (decision no: E.2005/39, K. 2007/33 dated March 22, 2007) published in the Official Gazette No. 26479 dated March 31, 2007, and the effect of the law article was suspended from the date of the publication of the decision.

The reasoning of the Constitutional Court regarding the abrogation of the corresponding article was published in the Official Gazette dated December 15, 2007, No 26731. With the publication of the reasoning of the decision, the Grand National Assembly of Turkey ("GNAT") started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the "Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations" No 5754 ("the New Law") regulating the transfer of the funds were approved by the GNAT on April 17, 2008. The New Law was published in the Official Gazette No. 26870 dated May 8, 2008. With the new law, the banks' pension funds will be transferred to SSI within three years from the date of publication of the decree and this period can be extended for a maximum of two years with the decision of the Council of Ministers. The transfer period was extended for another two years with the decision of the Council of Ministers No. 2011/1559 published in the Official Gazette dated April 9, 2011. According to the "Amendment of Social Insurance and General Health Insurance Law No. 6283" published in the Official Gazette dated March 8, 2012, Council of Ministers was authorized to increase the two-year extension period mentioned above to four years. According to the decision of The Council of Ministers dated February 24, 2014, the transfer date is set as May 2015. The Council of Ministers was authorized to determine the transfer date of pension funds in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated April 23, 2015 and numbered 29335. The president was authorized to determine the transfer date of pension funds in accordance with the last amendment by the Law No. 30473 published in the Official Gazette dated July 9, 2018.

A commission (whose members are the representatives of the SSI, the Ministry of Finance, Turkish Treasury, State Planning Organization, BRSA, Saving Deposit Insurance Fund ("SDIF"), one member representing the Fund and one member representing the Fund members) is in charge of the calculation of the value of the payment that would need to be made to SSI to settle the obligation using a technical interest rate of 9,8% by law taking into consideration income and expenses by insurance branches of the funds and the excess of salaries and income paid by the funds over the salaries and income to be paid in accordance with the SSI arrangements which should not be less than SSI arrangements, related to the members of the Fund as of the date of the transfer including the members who have left the scheme.

In accordance with the New Law, after the transfer to SSI, any social rights and payments to Fund members and their beneficiaries which are not provided although they are included in the Fund Title Deed will continue to be provided by the Fund and the employers of the Fund members.

The Bank accounts for a provision for the technical deficit based on the report prepared by a registered actuary in accordance with the rates determined by the New Law and in accordance with TAS 19.

16.3. Short term benefits of employee:

Within the scope of "TAS – 19 Employee Rights", the Bank measures the expected costs of accumulated paid leaves as expected payments it will make due to unused leave rights as at the end of the reporting date.

17. Explanations on taxation:

17.1. Current tax:

The corporate tax rate is 20% in accordance with the article number 32 of the New Corporate Tax Law no.5520 which is published in the official Gazette dated June 21, 2006 and numbered 26205. In accordance with the 11 and 14th articles of the Law numbered 7316 on "Amendment of Law on Collection Procedure of Public Receivables and Certain Laws" published in the Official Gazette dated April 22, 2021 and numbered 31462, starting from the declarations that must be submitted starting from July 1, 2021 and to be valid for the taxation period starting from January 1, 2021, corporate tax rate will be applied as 25% for enterprises' corporate income belonging to the taxation periods of 2021 and 23% for enterprises' corporate income belonging to the taxation periods of 2022. Standard corporate tax rate for financial sector is inreased to 25% starting from the declarations as of July 1, 2022 and to be valid for the taxation periods of 2022 according to the Law numbered 7394 published in the Official Gazette No. 31810 dated April 15, 2022.

Corporate tax rate business income tax in accordance with the laws of the institutions to be added as unacceptable the reduction of costs in the tax laws, exemptions and reductions to the tax base found as a result of the reduction that will be applied. Additional tax is not payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

Corporations are required to pay advance corporate tax quarterly on their corporate income. Advance tax is declared and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and 50% portion of the capital gains derived from immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

Tax returns are required to be filled and delivered to the related tax office until the last evening of the fourth month following the balance sheet date and the accrued tax is paid same day. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Non-monetary items on the financial statements must have been restated for inflation according to the repeated article 298/A of Tax Procedure Law. In law numbered 7352 published on 29 January 2022 in the Official Gazette numbered 31734, 2021 and 2022 accounting periods including advance tax periods are deemed as the periods in which the requirements for inflation adjustment are not met.

17.2. Deferred tax:

The Bank calculates and accounts for deferred income taxes for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "TAS – 12 Income Taxes" and in accordance with BRSA's explanations and circulars and the tax legislation. The Bank calculates deferred tax on deductible temporary differences, to the extent that future taxable income is estimated to be available. In the deferred tax calculation, the enacted tax rate is used as of the balance sheet date by estimating when the temporary differences will be taxable / deductible in accordance with the current tax legislation.

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

The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements.

Tax effects of the transactions that are directly accounted under equity are also reflected to equity.

17.3. Transfer pricing:

The article no.13 of the Corporate Tax Law No.5520 describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing (previously included as "Disguised profit" in the Corporate Tax Law No.5422). "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at November 18, 2007/26704, explains the application related issues on this topic effective from January 1, 2007, also taking into account the regulations in Article 41 of the Income Tax Law.

"Arm's length principle", which is the basis for the transfer pricing rule, is the pricing system to be followed for purchase or sale activities between related parties for any product or service transactions as if the transaction is realized with any other third party. According to this communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As discussed in the relevant section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

18. Explanations on borrowings:

The financial liabilities classified at fair value through profit/loss, trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at "amortized cost" including costs of transactions using the "effective interest method".

Bank, classified its part of the financial debts as fair value through profit / loss on financial liabilities. Difference between fair value of the debt and amortized cost of the debt together with the interest expense paid on financial instrument is presented as trading gain and losses in the accompanying financial statements.

The Bank utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued by the Bank.

Also, the Bank obtains funds by issuing bonds and bills.

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

19. Explanations on issuance of share certificates:

When shares are issued above their nominal value, the excess over the nominal value is accounted under shareholders' equity as "Share premium".

20. Explanations on avalized drafts and letter of acceptances:

Avalized drafts and acceptances are included in the "Off-balance sheet commitments".

21. Explanations on government grants:

None (December 31, 2021 - None).

22. Profit reserves and profit distribution:

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below. Legal reserves consist of first and second reserves as foreseen in the TCC. The TCC specifies that the first legal reserve is appropriated at the rate of 5% until the total reserve is equal to 20% of paid-in capital and that the second legal reserve is appropriated at the rate of 10% of distributions in excess of 5% of paid-in capital; however holding companies are not subject to this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate for accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

No dividend payments were announced after the balance sheet date.

23. Earnings per share:

Earnings per share disclosed in the income statement are calculated by dividing net profit/(loss) for the year to the weighted average number of shares outstanding during the period concerned.

	Current Period	**Prior Period**
Net Income/(loss) to be appropriated to ordinary shareholders	7.258.448	1.452.729
Weighted average number of issued ordinary shares(thousand)	844.705.128	844.705.128
Earnings per share (full TL)	**0,0086**	**0,0017**

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. These bonus shares are treated as issued shares in earnings per share computations. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year is adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

No bonus shares were issued during 2022 (2021 – None).

24. Related parties:

For the purpose of these financial statements, shareholders having control shares of the Bank, key management personnel and board members together with their families and companies controlled by/affiliated with them, associated companies and joint ventures and the Fund providing post employment benefits are considered and referred to as related parties in accordance with "TAS – 24 Related Parties". The transactions with related parties are disclosed in detail in Note 5 of Section Five.

25. Explanations on operating segments:

Information about operating segments which are determined in line with "TFRS – 8 Operating Segments" together with organizational and internal reporting structure of the Bank, are disclosed in Note 10 of Section Four.

26. Explanations on other matters:

None.

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

Section four - Information related to financial position of the Bank

1. Explanations on equity:

The calculation of the own funds and the capital adequacy standard ratio are performed in accordance with the communiqués such as "Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio", "Regulation Credit Risk Mitigation Techniques", "Regulation on calculation of Risk-Weighted Amounts of Securitizations" and "Regulation Regarding Banks' Shareholders' Equity". The capital adequacy ratio of the Bank is 20,31% (December 31, 2021 - 18,67%).

1.1. Information on equity:

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL		
Paid-up Capital	8.447.051	8.447.051
Share issue premiums	556.937	556.937
Retained earnings	43.702.763	34.213.005
Accumulated other comprehensive income and other disclosed reserves which defined in the Turkish Accounting Standards	23.716.032	14.708.689
Profit	7.258.448	10.489.758
Net profit of the period	7.258.448	10.489.758
Profit of the previous years	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	25.382	25.382
Common Equity Tier 1 capital before regulatory adjustments	**83.706.613**	**68.440.822**
Common Equity Tier 1 capital: regulatory adjustments		
Prudential valuation adjustments	65.247	89.872
The sum of the net loss for the current period and the previous years which could not be absorbed by the retained earnings and losses recognised in equity in accordance with TAS	5.596.175	4.956.644
Improvement costs for operating leasing	124.006	131.078
Goodwill (net of related tax liability)	979.493	979.493
Other intangibles other than mortgage-servicing rights (net of related tax liability)	976.463	910.108
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Cash-flow hedge reserve	3.948.660	2.328.663
Shortfall of provisions to expected losses	-	-
Securitization gain on sale	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Investments in own shares	-	-
Credits extended contrary to the fourth paragraph of Articles 56 of the Banking Law	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank owns more than 10% of the issued share capital (amount above 10% threshold)		
Mortgage servicing rights (amount above 10% threshold)	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	5.341.811	-
Amount exceeding the 15% threshold (-) of the common equity Tier 1 in accordance with the second paragraph of the provisional article 2 in the regulation regarding the Banks' Shareholders' Equity	-	-
The amount above threshold for the investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank owns more than 10% of the issued share capital		
The amount above threshold for mortgage servicing rights	-	-
The amount above threshold for deferred tax assets arising from temporary differences	-	-
National specific regulatory adjustments which shall be determined by the BRSA	-	-
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-
Total regulatory adjustments to Common equity Tier 1	**17.031.855**	**9.395.858**
Common Equity Tier 1 capital (CET1)	**66.674.758**	**59.044.964**

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

ADDITIONAL TIER 1 CAPITAL	Current Period	Prior Period
Preferred shares that are not included in Common Equity Tier 1 capital and related shares issue premiums	-	-
Eligible capital instruments and relevant share issue premiums that are approved by the BRSA	9.519.770	8.435.375
Eligible capital instruments and relevant share issue premiums that are approved by the BRSA (For the purposes of the Provisional Article 4 of the Regulation on Banks' Own Funds)	-	-
Additional Tier 1 capital before regulatory adjustments	**9.519.770**	**8.435.375**
Additional Tier 1 capital: regulatory adjustments		-
Investments in own Additional Tier 1 instruments	-	-
Reciprocal cross-holdings in Additional Tier 1 instruments	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
National specific regulatory adjustments which shall be determined by the BRSA	-	-
Regulatory Adjustments which will be deducted from Tier 1 capital during the transition period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-
Total regulatory adjustments to Additional Tier 1 capital	-	-
Total Additional Tier 1 capital	**9.519.770**	**8.435.375**
Total Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital + Additional Tier 1 capital)	**76.194.528**	**67.480.339**
TIER 2 CAPITAL		
Eligible capital instruments and relevant share issue premiums that are approved by the Agency	8.913.773	9.507.903
Eligible capital instruments and relevant share issue premiums that are approved by the Agency (For the purposes of the Provisional Article 4 of the Regulation on Banks' Own Funds)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	3.293.533	3.000.710
Tier 2 capital before regulatory adjustments	**12.207.306**	**12.508.613**
Tier 2 capital: regulatory adjustments		
Direct and indirect investments of the Bank on its own Tier 2 Capital (-)	-	-
Investments of the Bank to banks that invest on the Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) (-)	-	-
Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) (-)	-	-
National specific regulatory adjustments which shall be determined by the BRSA	-	-
Total regulatory adjustments to Tier 2 capital	-	-
Total Tier 2 capital	**12.207.306**	**12.508.613**
Total Capital (The sum of Tier 1 capital and Tier 2 capital)	**88.348.783**	**79.912.127**
The Sum of Tier 1 Capital and Tier 2 Capital (Total Capital)		
Credits extended contrary to the provisions of Articles 50 and 51 of the Banking Law	8.750	41.724
Portion of the sum of the banks' real estate net book values, which is in excess of fifty per cent of their own funds and net book values of those of merchandise and real estate which have to be acquired due to their receivables and disposed of pursuant to Article 57 of the Banking Law, which cannot be disposed of despite the lapse of a period of five years since the date of such acquisition[(1)]	-	-
National specific regulatory adjustments which shall be determined by the BRSA	44.301	35.101
Regulatory Adjustments which will be deducted from Total Capital during the transition period		
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Significant investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions(amount above 10% threshold), mortgage servicing rights (amount above 10% threshold), deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-

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

OWN FUNDS	Current Period	Prior Period
Total Capital (The sum of Tier 1 capital and Tier 2 capital)	87.668.701	79.407.743
Total Risk Weighted Assets (2)	431.625.659	425.334.230
CAPITAL ADEQUACY RATIOS		
Common Equity Tier 1 Capital Adequacy Ratio (%)	15,45	13,88
Tier 1 Capital Adequacy Ratio (%)	17,65	15,87
Capital Adequacy Ratio (%)	20,31	18,67
BUFFERS		
Institution specific buffer requirement of the Bank(a+b+c)	2,518	2,523
a) Capital conservation buffer requirement (%)	2,500	2,500
b) Bank's specific countercyclical buffer requirement (%)	0,018	0,023
c) Systemically important Bank buffer (%)	-	-
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 (%)	10,947	9,382
Amounts below the thresholds for deduction (before risk weighting)		
Non-significant investments in the capital of other financials	354.768	317.593
Significant investments in the common stock of financials	2.241.498	2.050.744
Mortgage servicing rights (net of related tax liability)	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	7.201.657	5.514.747
Applicable caps on the inclusion of provisions in Tier 2 capital		
General provisions for standard based receivables (before ten thousand twenty five limitation)	1.140.398	1.946.844
Up to 1.25% of total risk-weighted amount of general provisions for receivables where the standard approach used	784.984	789.760
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	12.816.096	11.706.259
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	2.508.549	2.210.950

(1) According to the "Regulation Regarding to changes on Regulation on Banks' Shareholders' Equity" published in Official Gazette No.30121 on July 11, 2017, related article has been abolished.

(2) Total Risk Weighted Assets are calculated with arithmetic average of the Central Bank of Turkey's spot purchase exchange rates for the last 252 working days as of December 31, 2021, according to BRSA note no.9996 dated December 21, 2021.

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

1.2. Details on Subordinated Liabilities:

	1	2	3	4	5	6	7
Lender (1,2), Issuer (3,4,5)	UNICREDIT SPA	UNICREDIT SPA	Yapı ve Kredi Bankası A.Ş.	Yapı ve Kredi Bankası A.Ş.	Yapı ve Kredi Bankası A.Ş.	Yapı ve Kredi Bankası A.Ş.	Yapı ve Kredi Bankası A.Ş.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	XS0861979440/ US984848AB73	XS2286436451 / US984848AN12	XS1867595750 / US984848AL55	TRSYKBK62914	TRSYKBK92911
Governing law(s) of the instrument	BRSA / Austria Law	BRSA / Austria Law	BRSA / CMB / LONDON STOCK EXCHANGE / English Law	English Law /Turkish Law	English Law /Turkish Law	BRSA /CMB / Turkish Law	BRSA /CMB / Turkish Law
Regulatory treatment							
Transitional Basel III rules	No	No	Yes	No	No	No	No
Eligible at stand-alone / consolidated	Stand-alone -Consolidated	Stand-alone –Consolidated	Stand-alone –Consolidated	Stand-alone -Consolidated	Stand-alone -Consolidated	Stand-alone -Consolidated	Stand-alone -Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Bond	Bond	Bond	Bond	Bond
Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	-	791	-	7.323	9.520	500	300
Par value of instrument	8.568	3.954	13.266	7.323	9.520	500	300
Accounting classification	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost
Original date of issuance	January 9, 2013	December 18, 2013	December 6, 2012	January 22, 2021	January 15, 2019	July 3, 2019	October 3, 2019
Perpetual or dated	Dated	Dated	Dated	Dated	Perpetual	Dated	Dated
Original maturity date	10 years	10 years	10 years	10 years	-	10 years	10 years
Issuer call subject to prior supervisory approval	Yes	Yes	No	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	After 5th year	After 5th year	-	5 years	Every 5 years	After 5th year	After 5th year
Subsequent call dates, if applicable	After 5th year	After 5th year	-	-	-	After 5th year	After 5th year
Coupons / dividends							
Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed	Floating	Floating
Coupon rate and any related index	5,7%	First 5 years 6,55%fixed, second 5 years 7,7156% fixed	5,5%	First 5 years 7,875% fixed, second 5 years U.S. five year treasury bond rate +741.50 basis points	First 5 years 13,875% fixed, second 5 years MS+11,245% fixed	3 month TRYLIBOR +1,00 %	TLREF index change + 1,30%
Existence of a dividend stopper	No interest accrue after the date of value decrease for the decreased amount	No interest accrue after the date of value decrease for the decreased amount	-	No interest accrue after the date of value decrease for the decreased amount	No interest accrue after the date of value decrease for the decreased amount	No interest accrue after the date of value decrease for the decreased amount	No interest accrue after the date of value decrease for the decreased amount
Fully discretionary, partially discretionary or mandatory	-	-	-	Mandatory	Optional	Mandatory	Mandatory
Existence of step up or other incentive to redeem	-	-	-	-	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-co							
If convertible, conversion trigger (s)	-	-	-	-	-	-	-
If convertible, fully or partially	-	-	-	-	-	-	-
If convertible, conversion rate	-	-	-	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-	-	-	-
Write-down feature							
If write-down, write-down trigger(s)	-	-	-	In case of default	In case of default/ Common Equity Tier 1 capital adequacy ratio of the bank falls below 5.125%	In case there is a possibility that the official authorization of the Bank is cancelled or the Bank shares are transferred to SDIF	In case there is a possibility that the official authorization of the Bank is cancelled or the Bank shares are transferred to SDIF
If write-down, full or partial	-	-	-	Partial and complete	Partial and complete	Partial and complete	Partial and complete
If write-down, permanent or temporary	-	-	-	Permanent	Temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	-	-	-	-	In case of cancellation of default/ Common Equity Tier 1 capital adequacy ratio of the bank is higher than 5.125%	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, and the TIER 1	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2
In compliance with article number 7 and 8 of "Own fund regulation"	No	No	Yes	No	No	No	No
Details of incompliances with article number 7 and 8 of "Own fund regulation"	-	-	8-2-ğ	-	-	-	-

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

1.3. There are differences between the figures in the own funds and their corresponding amounts in the balance sheet. Within this context; in the calculation of own funds, the losses and gains that are related to cash flow hedge transactions are not considered in the own funds and the prudential valuation adjustments calculated in accordance with the (i) item of the first paragraph in the ninth article of the "Regulation Regarding Banks' Shareholders' Equity" are considered in the own funds. In addition, the subordinated liabilities are considered after the adjustments made in accordance with the ninth paragraph of the eighth article and in the provisional fourth article of the "Regulation Regarding Banks' Shareholders' Equity".

2. Explanations on Risk Management:

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to be Announced to Public by Banks that have been published in Official Gazette no. 29511 on October 23, 2015 and became effective as of March 31, 2016.

2.1. General Information on Risk Management and Risk Weighted Amount

As of June 30, 2021, the Bank has started to calculate its credit risk, which is subject to the regulatory capital adequacy ratio reporting, with the Internal Rating-Based (IRB) approach. Foundation IRB approach is used for the corporate exposure class and advanced IRB approach is used for the retail exposure class as determined by "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

2.1.1. Overview of risk-weighted amounts

		Risk Weighted Assets		Minimum Capital Requirements
		Current Period	Prior Period	Current Period
1	**Credit risk (excluding counterparty credit risk) (CCR)[(1)]**	**372.408.462**	**369.831.219**	**29.792.677**
2	Of which standardised approach (SA)	37.715.962	38.983.014	3.017.277
3	Of which internal rating-based (IRB) approach	334.692.500	307.443.458	26.775.400
4	**Counterparty credit risk**	**8.585.232**	**11.310.348**	**686.819**
5	Of which standardised approach for counterparty credit risk (SA-CCR)	8.585.232	11.310.348	686.819
6	Of which internal model method (IMM)	-	-	-
7	**Equity positions in banking book under market-based approach**	**-**	**-**	**-**
8	**Equity investments in funds – look-through approach**	**69**	**3.117**	**6**
9	**Equity investments in funds – mandate-based approach**	**-**	**-**	**-**
10	**Equity investments in funds – fall-back approach**	**-**	**-**	**-**
11	**Settlement risk**	**-**	**8**	**-**
12	**Securitisation exposures in banking book**	**-**	**-**	**-**
13	Of which IRB ratings-based approach (RBA)	-	-	-
14	Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15	Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16	**Market risk**	**4.616.330**	**6.080.358**	**370.008**
17	Of which standardised approach (SA)	4.616.330	6.080.358	370.008
18	Of which internal model approaches (IMM)	-	-	-
19	**Operational risk**	**42.578.789**	**34.598.266**	**3.406.303**
20	Of which Basic Indicator Approach	42.578.789	34.598.266	3.406.303
21	Of which Standardised Approach	-	-	-
22	Of which Advanced Measurement Approach	-	-	-
23	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**3.436.777**	**3.510.914**	**274.942**
24	**Floor adjustment**	**-**	**-**	**-**
	TOTAL (1+4+7+8+9+10+11+12+16+19+23+24)	**431.625.659**	**425.334.230**	**34.530.755**

(1) For the prior period, in the context of transition to IRB regulation, there is a value adjustment amounting to TL 23.404.747.

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

2.1.2. RWA movement table under IRB approach

		Current Period	Prior Period
1	Previous Period Closing Amount	307.443.458	-
2	Changes in Volume	24.267.580	-
3	Changes in Asset Quality	3.179.650	-
4	Model Updates	(198.188)	-
5	Policy and Regulatory Changes	-	-
6	Purchasing and Selling	-	-
7	FX Difference	-	-
8	Other(1)	-	307.443.458
9	**Current Period Closing Amount**	**334.692.500**	**307.443.458**

(1) The Bank has started to use IRB approach as of June 30, 2021.

2.1.3. RWA changes regarding CCR within the scope of internal model method

		Current Period	Prior Period
1	Previous Period Closing Amount	3.219.629	-
2	Changes in Volume	(440.551)	-
3	Changes in Asset Quality	(251.519)	-
4	Model Updates	-	-
5	Policy and Regulatory Changes	-	-
6	Purchasing and Selling	-	-
7	FX Difference	-	-
8	Other(1)	-	3.219.629
9	**Current Period Closing Amount**	**2.527.559**	**3.219.629**

(1) The Bank has started to use IRB approach as of June 30, 2021.

3. Explanations on currency risk

The difference between the Bank's foreign currency denominated and foreign currency indexed on- and off-balance sheet assets and liabilities is defined as the "Net Foreign Currency Position" and it is the basis of currency risk. Cross currency risk is also taken into consideration for the currency risk calculations and measurements.

The Bank keeps the amount of currency risk exposure within the related legal limits and follows the exchange position on a daily/regular basis. In addition, although the internal exchange position limit is lower when compared to the related legal limit, there has not been any limit exceeding during the period. As an instrument of currency risk management, derivatives such as swap and forwards are used to reduce risk whenever needed. In order to guard against extreme volatility during the year stress tests are applied. Value at risk method is used for the measurement of foreign exchange risk.

The details of hedging of the foreign currency debt instruments and net foreign currency investment risk with derivative instruments are disclosed in section four Note 8.

The Bank's publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five work days prior to that date are as follows:

(Exchange rates presented as full TL)	USD	EUR
Balance sheet evaluation rate:	**14,6458**	**16,3086**
First day current bid rate	14,7933	16,3117
Second day current bid rate	14,8221	16,2620
Third day current bid rate	14,8068	16,3136
Fourth day current bid rate	14,8234	16,2825
Fifth day current bid rate	14,8063	16,2985
Arithmetic average of the last 31 days:	**15,0436**	**16,5867**
Balance sheet evaluation rate as of prior period:	**12,9775**	**14,6823**

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

Information related to financial position of the Bank

Current Period	**EUR**	**USD**	**OTHER FC[(4)]**	**Total**
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	31.331.975	54.404.382	11.403.619	97.139.976
Banks	2.360.997	22.410.959	552.760	25.324.716
Financial assets where fair value change is reflected to income statement	26.671	1.089.020	-	1.115.691
Money markets	-	-	-	-
Financial assets where fair value change is reflected to other comprehensive income statement	1.562.732	8.949.280	-	10.512.012
Loans [(1)]	80.674.496	86.623.483	5.246.282	172.544.261
Investments in associates, subsidiaries and joint ventures	8.158.360	782.276	2.241.498	11.182.134
Financial Assets Measured at Amortised Cost	4.131.495	46.752.699	-	50.884.194
Hedging derivative financial assets	169.226	824.439	-	993.665
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets[(2)]	5.608.037	17.428.096	3.121.209	26.157.342
Total assets	**134.023.989**	**239.264.634**	**22.565.368**	**395.853.991**
Liabilities				
Bank deposits	2.351.873	365.104	23.552	2.740.529
Foreign currency deposits	81.484.346	148.715.046	31.468.101	261.667.493
Funds from money market	3.670.669	3.606.068	-	7.276.737
Funds borrowed from other financial institutions	23.893.331	41.601.427	647	65.495.405
Marketable securities issued	166.203	21.603.982	164.029	21.934.214
Miscellaneous payables	2.768.312	638.964	20.243	3.427.519
Hedging derivative financial liabilities	-	89.230	-	89.230
Other liabilities[(3)]	1.350.746	76.542.084	35.228	77.928.058
Total liabilities	**115.685.480**	**293.161.905**	**31.711.800**	**440.559.185**
Net on-balance sheet position	**18.338.509**	**(53.897.271)**	**(9.146.432)**	**(44.705.194)**
Net off-balance sheet position[(5)]	**(18.203.624)**	**54.426.595**	**11.489.763**	**47.712.734**
Financial derivative assets	12.157.240	97.207.519	19.782.021	129.146.780
Financial derivative liabilities	30.360.864	42.780.924	8.292.258	81.434.046
Net Position	**134.885**	**529.324**	**2.343.331**	**3.007.540**
Non-cash loans	**58.984.606**	**69.097.244**	**7.705.051**	**135.786.901**
Prior Period				
Total assets	127.107.231	217.103.318	16.676.138	360.886.687
Total liabilities	114.883.876	279.151.713	26.617.461	420.653.050
Net on-balance sheet position	**12.223.355**	**(62.048.395)**	**(9.941.323)**	**(59.766.363)**
Net off-balance sheet position	**(10.660.274)**	**61.558.734**	**11.969.789**	**62.868.249**
Financial derivative assets	14.368.163	86.627.947	17.176.405	118.172.515
Financial derivative liabilities	25.028.437	25.069.213	5.206.616	55.304.266
Net Position	**1.563.081**	**(489.661)**	**2.028.466**	**3.101.886**
Non-cash loans	**55.144.392**	**57.797.998**	**6.581.082**	**119.523.472**

(1) Includes FX indexed loans amounting to TL 305.422 (December 31, 2021 - TL 320.109) which have been disclosed as TL in the financial statements.
(2) Does not include foreign currency prepaid expenses amounting to TL 499.943 (December 31, 2021 - TL 444.304).
(3) Does not include foreign currency other comprehensive income and expense under equity.
(4) Other FC column includes also gold balance.
(5) Forward transactions classified as commitments are also included.

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

4. Explanations on interest rate risk

The monitoring of interest rate sensitive assets and liabilities, including sensitivity analysis regarding the effect of interest rate fluctuations on the financial statements, is performed by the risk management department for all interest sensitive instruments over carrying values. The results are presented monthly to the Asset and Liability Management function of the Executive Committee. By using sensitivity and scenario analyses, the possible effects by interest rate volatility are analyzed. In these analyses possible losses are calculated for the change in fair value of interest sensitive products by applying shock tests to interest rates.

Sensitivity analyses are also calculated daily within Market Risk reporting on the basis of maturity and foreign exchange types and reported to Senior Management by checking them against the determined limits.

The Bank utilizes TL/foreign currency and TL/TL interest rate and money swap transactions in order to limit the interest and foreign currency risk arising from short-term deposit and long-term consumer loans within the balance sheet.

4.1. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	62.136.313	-	-	-	-	53.637.683	115.773.996
Banks	400.150	1.106.377	-	-	-	24.219.309	25.725.836
Financial assets where fair value change is reflected to income statement	-	564.079	10.606	72.650	172.702	322.023	1.142.060
Money markets	4.839.639	-	-	-	-	-	4.839.639
Financial assets where fair value change is reflected to other comprehensive income statement	6.736.104	9.461.706	16.477.005	5.533.466	7.381.084	23.061	45.612.426
Loans(1)	64.468.313	72.893.635	170.468.631	112.619.869	20.849.603	(11.972.810)	429.327.241
Financial assets measured at amortised cost	3.029.181	12.234.138	38.004.166	11.557.727	42.856.439	-	107.681.651
Other assets	2.130.702	3.596.889	1.608.907	7.256.168	1.054.563	69.930.510	85.577.739
Total assets	**143.740.402**	**99.856.824**	**226.569.315**	**137.039.880**	**72.314.391**	**136.159.776**	**815.680.588**
Liabilities							
Bank deposits	1.944.804	1.001.761	1.811.359	16.406	-	3.022.582	7.796.912
Other deposits	174.296.163	53.422.380	25.537.424	12.902	-	188.805.786	442.074.655
Funds from money market	47.830.146	514.130	4.397.787	-	-	-	52.742.063
Miscellaneous payables	-	-	-	-	-	28.212.876	28.212.876
Marketable securities issued	11.212.241	10.670.342	7.095.386	-	-	-	28.977.969
Funds borrowed from other financial institutions	6.974.964	43.882.264	13.197.498	2.232.161	962.009	-	67.248.896
Other liabilities(2)	2.350.275	31.469.044	23.928.068	26.019.970	2.313.989	102.545.871	188.627.217
Total liabilities	**244.608.593**	**140.959.921**	**75.967.522**	**28.281.439**	**3.275.998**	**322.587.115**	**815.680.588**
Balance sheet long position	**-**	**-**	**150.601.793**	**108.758.441**	**69.038.393**	**-**	**328.398.627**
Balance sheet short position	**(100.868.191)**	**(41.103.097)**	**-**	**-**	**-**	**(186.427.339)**	**(328.398.627)**
Off-balance sheet long position	24.611.104	48.470.213	-	-	-	-	73.081.317
Off-balance sheet short position	-	-	(18.023.151)	(43.599.600)	(9.996.589)	-	(71.619.340)
Total position	**(76.257.087)**	**7.367.116**	**132.578.642**	**65.158.841**	**59.041.804**	**(186.427.339)**	**1.461.977**

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	68.178.110	-	-	-	-	48.010.456	116.188.566
Banks	5.602.134	732.023	-	-	-	19.271.609	25.605.766
Financial assets where fair value change is reflected to income statement	-	489.206	5.683	58.396	139.374	518.127	1.210.786
Money markets	1.809.366	-	-	-	-	-	1.809.366
Financial assets where fair value change is reflected to other comprehensive income statement	4.910.379	8.509.892	13.328.397	3.636.480	4.101.999	22.553	34.509.700
Loans(1)	58.261.264	52.653.416	150.581.894	106.139.104	20.480.008	(10.347.595)	377.768.091
Financial assets measured at amortised cost	20.256.530	10.834.713	12.873.962	8.883.497	39.026.798	-	91.875.500
Other assets	5.369.048	7.907.524	2.714.168	5.708.196	329.298	65.773.757	87.801.991
Total assets	**164.386.831**	**81.126.774**	**179.504.104**	**124.425.673**	**64.077.477**	**123.248.907**	**736.769.766**
Liabilities							
Bank deposits	2.782.718	823.611	1.736.802	11.573	-	2.764.181	8.118.885
Other deposits	187.039.765	32.753.294	4.662.820	54.620	-	168.466.032	392.976.531
Funds from money market	48.560.168	3.315.191	1.032.918	-	-	-	52.908.277
Miscellaneous payables	-	-	-	-	-	25.172.406	25.172.406
Marketable securities issued	2.832.011	16.258.438	15.163.293	-	-	-	34.253.742
Funds borrowed from other financial institutions	3.977.880	41.982.748	11.617.423	2.585.498	960.619	-	61.124.168
Other liabilities(2)	4.883.941	30.506.219	13.935.249	31.847.398	3.401.689	77.641.261	162.215.757
Total liabilities	**250.076.483**	**125.639.501**	**48.148.505**	**34.499.089**	**4.362.308**	**274.043.880**	**736.769.766**
Balance sheet long position	**-**	**-**	**131.355.599**	**89.926.584**	**59.715.169**	**-**	**280.997.352**
Balance sheet short position	**(85.689.652)**	**(44.512.727)**	**-**	**-**	**-**	**(150.794.973)**	**(280.997.352)**
Off-balance sheet long position	18.785.986	43.077.879	-	-	-	-	61.863.865
Off-balance sheet short position	-	-	(6.512.770)	(44.264.388)	(8.012.207)	-	(58.789.365)
Total position	**(66.903.666)**	**(1.434.848)**	**124.842.829**	**45.662.196**	**51.702.962**	**(150.794.973)**	**3.074.500**

(1) Non-performing loans are shown in net Non-Interest Bearing loss column after being offset by expected loss provisions.
(2) Shareholders' equity is presented under "Non interest bearing".

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

4.2. Average interest rates for monetary financial instruments:

The following average interest rates are calculated by weighting the rates with their principal amounts outstanding as of the balance sheet date.

Current Period	**EUR**	**USD**	**Yen**	**TL**
	%	**%**	**%**	**%**
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	8,50
Banks	-	-	-	13,50
Financial assets at fair value through profit or loss	3,99	3,78	-	15,48
Receivables from money markets	-	-	-	14,85
Financial assets at fair value through other comprehensive income	3,32	6,83	-	36,53
Loans	4,74	5,82	-	19,82
Financial assets measured at amortised cost	4,32	6,35	-	42,21
Liabilities				
Bank deposits[(1)]	-	-	-	12,75
Other deposits[(1)]	0,06	0,38	-	11,56
Funds from money market	1,21	1,90	-	11,91
Miscellaneous payables	-	-	-	-
Marketable securities issued	5,00	6,73	-	17,76
Funds borrowed from other financial institutions	1,84	2,34	-	12,04

Prior Period	**EUR**	**USD**	**Yen**	**TL**
	%	**%**	**%**	**%**
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	8,89
Banks	-	-	-	13,72
Financial assets at fair value through profit/loss	3,87	3,43	-	15,57
Money market placements	-	-	-	12,31
Available-for-sale financial assets	3,32	6,31	-	28,85
Loans	4,63	5,76	-	19,26
Held-to-maturity investments	4,33	6,28	-	30,36
Liabilities				
Bank deposits[(1)]	-	-	-	16,08
Other deposits[(1)]	0,08	0,34	-	10,30
Funds from money market	1,01	-	-	11,92
Miscellaneous payables	-	-	-	-
Marketable securities issued	5,00	6,46	-	17,39
Funds borrowed from other financial institutions	1,84	2,47	-	15,52

(1) Demand deposit balances are included in average interest rate calculation.

5. Explanation on share certificates position risk from banking book:

None.

6. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio:

Liquidity risk is defined as risk of unexpected loss to be occurred or bank to have difficulties in raising funds while meeting maturing liabilities. Liquidity management is daily monitored in the Bank under Treasury Management and Risk Management. The liquidity policy of the Bank is approved by the Bank's Board of Directors. Treasury Management is responsible for carrying out transactions which are appropriate to Bank's policy, monitoring of liquidity position and submitting necessary reports to executives. Treasury management contributes to determine strategies and operating actions for the management of the liquidity position in addition to prepare funding plan and contingency funding plan of the Bank. Liquidity risk is evaluated with liquidity gap analysis, liquidity stress tests and supplementary precautions/measurements. Liquidity Gap analysis are performed for two different periods as short-term and long-term. Going concern scenario and structural positions are reported monthly. This reporting constitutes the basis of monitoring and management of liquidity position.

The Bank does not function as a central funding institution in its relations with its subsidiaries. Intra-group liquidity management and funding strategies are limited with related legal boundaries.

The Bank issues an annual funding plan in order to sustain funding in a consistent and balanced way. Funding plan have to be updated at least annually and approved by the Executive Committee since it is complied with budgeting process and risk appetite frameworks. The primary purpose of the funding plan is to provide a reliable balance between assets and liabilities.

Both short-term liquidity and long-term (structural) liquidity measurement and reporting for all types of currencies are periodically made in the Bank and its subsidiaries. There are limits which are predetermined and approved by the Board of Directors on the basis of all currencies for each period.

The Bank mainly uses derivative transactions as managing liquidity risk and monitors cash inflow and outflow periods in the framework of funding plan balancing the distribution among currencies.

The Bank aims to reduce the risks to the lowest level if required via measuring possible risks in liquidity with stress tests. Stress tests make it possible for the Bank to reinterpret analysis of its liquidity position according to scenarios depending on possible cases and tail risks except for crisis situations. Liquidity Stress Test methodology makes a similar approach with LCR template and hence allows the overview of the results in line with Basel approaches. The Bank applies and reports liquidity stress tests consisting of different scenarios and maturity segments both on solo and consolidated level and the results are compared with limit and trigger levels set, with different frequencies (weekly, monthly etc.) according to the scenarios.

"Liquidity Contingency Plan" is applied if the Bank needs more liquidity than its daily liquidity need because of possible financial events in future. Duties and responsibilities are defined in detail in the aforementioned plan. Both the liquidity policy and liquidity contingency policy are in line with BRSA best practice documents on liquidity risk management. The abovementioned policies and the thresholds (limits etc.) covered within liquidity risk management framework are updated and approved at least annually.

Funding sources of the Bank mainly consist of deposits which constitute 55% (December 31, 2021 - 54%) of total liabilities of the Bank and also include repo, secured loans, syndication, securitization, bond/security issuance and other instruments including subordinated debts.

The Bank calculates and reports the Liquidity Coverage Ratio (LCR) in full compliance with the regulations. LCR is a metric measuring the adequacy of unencumbered free liquid assets owned by banks (called high quality liquid assets) to meet expected net cash outflows over the next 30 days. The metric is an important Basel regulation that measures short-term liquidity and is closely monitored in the Bank. In addition to the Bank LCR, the Net Stable Funding Rate (NSFR), which is considered another complementary element and provides another important medium / long-term liquidity risk measurement, has also begun internally. These two metrics are also included within the Risk Appetite Indicators and closely monitored at the Bank.

High quality liquid assets mentioned in LCR calculation consist of cash, effective money, Central Bank of the Republic of Turkey ("CBRT") accounts and reserves and unencumbered debt instruments issued by Treasury of the Republic of Turkey treated as high quality liquid assets.

Cash outflows from derivative transactions in liquidity coverage ratio calculation are based on inclusion of net cash flows with maturity of 30 days in the calculation. Additionally, transactions having a margin possibility are included in liquidity coverage ratio calculation by taking the largest outflow amount according to the negative values of net margin flows realized in the last 24 months in respect of 30 days period or for liability into consideration as cash outflow.

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

Secured funding consists of repo and other secured borrowings. A large part of securities which are subjects of the aforementioned funding transactions consist of Sovereign Bonds issued by Treasury of the Republic of Turkey and transactions are carried out in both CBRT market and interbank market.

The Bank manages all the transactions made before its foreign branches and partnership in the framework of central bank, markets and related legislation of the country in which the institutions are located. Legal lending limits and high limit transactions are closely monitored in this framework.

All cash inflow and outflow items related to liquidity profile of the Bank are included in liquidity coverage ratio tables below.

Average amounts of weekly liquidity coverage ratio calculations related to the last three months of current period are explained in the table below.

	Unweighted Amounts		Weighted Amounts	
Current Period	**TL+FC**	**FC**	**TL+FC**	**FC**
High Quality Liquid Assets				
High Quality Liquid Assets			194.200.827	122.529.544
Cash Outflows				
Retail and Small Business Customers Deposits	**262.868.180**	**164.898.698**	**24.318.665**	**16.489.569**
Stable deposits	39.363.064	6.032	1.968.153	302
Less stable deposits	223.505.116	164.892.666	22.350.512	16.489.267
Unsecured Funding other than Retail and Small Business Customers Deposits	**168.449.447**	**94.480.978**	**87.709.344**	**45.349.613**
Operational deposits	-	-	-	-
Non-Operational deposits	139.507.300	87.350.255	64.069.607	38.218.890
Other Unsecured funding	28.942.147	7.130.723	23.639.737	7.130.723
Secured funding			**1.142**	**1.142**
Other Cash Outflows	**2.492.208**	**2.492.208**	**2.492.208**	**2.492.208**
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	2.492.208	2.492.208	2.492.208	2.492.208
Debts related to the structured financial products	-	-	-	-
Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	**185.245.852**	**125.513.389**	**9.262.293**	**6.275.669**
Other irrevocable or conditionally revocable commitments	**144.334.860**	**32.923.513**	**13.685.603**	**5.092.059**
Total Cash Outflows			**137.469.255**	**75.700.260**
Cash Inflows				
Secured Lending Transactions	-	-	-	-
Unsecured Lending Transactions	44.568.291	26.134.215	35.169.220	23.847.097
Other contractual cash inflows	598.855	28.938.103	598.855	28.938.103
Total Cash Inflows	**45.167.146**	**55.072.318**	**35.768.075**	**52.785.200**
			Capped Amounts	
Total High Quality Liquid Assets			**194.200.827**	**122.529.544**
Total Net Cash Outflows			**101.701.180**	**22.915.061**
Liquidity Coverage Ratio (%)			**190,95**	**534,71**

The dates and values of minimum and maximum foreign currency and total liquidity coverage ratios calculated weekly related to the last three months of current period are explained in the table below.

Current Period	**Minimum FC (%)**	**Minimum TL+FC (%)**	**Maximum FC (%)**	**Maximum TL+FC (%)**
Week	February 11, 2022	February 4, 2022	January 21, 2022	January 14, 2022
Ratio(%)	373,05	180,98	665,93	211,64

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

Average amounts of weekly liquidity coverage ratio calculations related to the last three months of prior period are explained in the table below.

	Unweighted Amounts		Weighted Amounts	
Prior Period	**TL+FC**	**FC**	**TL+FC**	**FC**
High Quality Liquid Assets				
High Quality Liquid Assets			136.485.080	99.885.177
Cash Outflows			-	-
Retail and Small Business Customers Deposits	**220.705.866**	**133.656.287**	**20.365.454**	**13.365.440**
Stable deposits	34.102.642	3.765	1.705.132	188
Less stable deposits	186.603.224	133.652.522	18.660.322	13.365.252
Unsecured Funding other than Retail and Small Business Customers Deposits	**153.105.835**	**88.096.833**	**79.489.818**	**41.963.108**
Operational deposits	-	-	-	-
Non-Operational deposits	126.082.010	80.972.601	57.494.820	34.838.876
Other Unsecured funding	27.023.825	7.124.232	21.994.998	7.124.232
Secured funding	-	-	-	-
Other Cash Outflows	**2.325.090**	**2.325.090**	**2.325.090**	**2.325.090**
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	2.325.090	2.325.090	2.325.090	2.325.090
Debts related to the structured financial products	-	-	-	-
Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	**145.973.206**	**105.434.274**	**7.298.660**	**5.271.714**
Other irrevocable or conditionally revocable commitments	**124.959.351**	**25.778.514**	**10.966.152**	**3.779.047**
Total Cash Outflows			**120.445.174**	**66.704.399**
Cash Inflows				
Secured Lending Transactions	-	-	-	-
Unsecured Lending Transactions	44.041.465	26.253.757	34.926.930	23.707.262
Other Contractual Cash Inflows	1.531.161	30.960.674	1.531.161	30.960.674
Total Cash Inflows	**45.572.626**	**57.214.431**	**36.458.091**	**54.667.936**
			Capped Amounts	
Total High Quality Liquid Assets			**136.485.080**	**99.885.177**
Total Net Cash Outflows			**83.987.084**	**16.676.100**
Liquidity Coverage Ratio (%)			**162,51**	**598,97**

The dates and values of minimum and maximum foreign currency and total liquidity coverage ratios calculated weekly related to the last three months of prior period are explained in the table below.

Prior Period	**Minimum FC (%)**	**Minimum TL+FC (%)**	**Maximum FC (%)**	**Maximum TL+FC (%)**
Week	November 5, 2021	October, 29 2021	November, 12 2021	December 17, 2021
Ratio(%)	446,46	137,62	662,13	189,47

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

Breakdown of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unclassified	Total
Assets								
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	65.400.623	50.373.373	-	-	-	-	-	115.773.996
Banks	24.219.309	400.150	1.106.377	-	-	-	-	25.725.836
Financial assets where fair value change is reflected to income statement	143	-	-	10.606	72.650	736.781	321.880	1.142.060
Money markets	-	4.839.639	-	-	-	-	-	4.839.639
Financial assets where fair value change is reflected to other comprehensive income statement	-	212.347	572.941	5.905.490	24.310.919	14.587.668	23.061	45.612.426
Loans (1)	-	62.597.065	48.437.598	152.503.399	141.139.962	36.622.027	(11.972.810)	429.327.241
Financial assets measured at amortised cost	-	432.181	-	1.522.905	35.246.823	70.479.742	-	107.681.651
Other assets	13.179.885	1.505.673	1.879.527	2.078.841	8.531.758	1.651.430	56.750.625	85.577.739
Total assets	**102.799.960**	**120.360.428**	**51.996.443**	**162.021.241**	**209.302.112**	**124.077.648**	**45.122.756**	**815.680.588**
Liabilities								
Bank deposits	3.022.582	1.944.804	1.001.761	1.811.359	16.406	-	-	7.796.912
Other deposits	188.805.786	174.294.462	53.422.815	25.538.690	12.902	-	-	442.074.655
Funds borrowed from other financial institutions	-	4.819.267	17.733.939	32.110.923	12.052.023	532.744	-	67.248.896
Funds from money market	-	47.830.146	514.130	4.397.787	-	-	-	52.742.063
Marketable securities issued	-	1.793.127	3.708.789	7.847.731	15.462.119	166.203	-	28.977.969
Miscellaneous payables	1.205.839	26.407.559	198.995	-	-	-	400.483	28.212.876
Other liabilities (2)	7.340.145	854.011	12.724.814	27.003.035	37.092.445	21.808.776	81.803.991	188.627.217
Total liabilities	**200.374.352**	**257.943.376**	**89.305.243**	**98.709.525**	**64.635.895**	**22.507.723**	**82.204.474**	**815.680.588**
Net liquidity gap	**(97.574.392)**	**(137.582.948)**	**(37.308.800)**	**63.311.716**	**144.666.217**	**101.569.925**	**(37.081.718)**	**-**
Net Off-Balance Sheet Position	**-**	**385.223**	**261.810**	**342.898**	**(1.971.995)**	**2.444.041**	**-**	**1.461.977**
Derivative Financial Assets	-	88.671.962	47.611.506	43.551.349	92.739.464	65.896.842	-	338.471.123
Derivative Financial Liabilities	-	88.286.739	47.349.696	43.208.451	94.711.459	63.452.801	-	337.009.146
Non-Cash Loans	**-**	**12.649.431**	**24.053.906**	**77.047.010**	**23.177.813**	**9.818.230**	**40.843.890**	**187.590.280**
Prior Period								
Total assets	92.243.728	121.576.905	51.493.462	136.487.443	186.167.987	102.689.977	46.110.264	736.769.766
Total liabilities	176.846.120	271.440.081	52.976.942	69.845.769	75.890.004	22.102.925	67.667.925	736.769.766
Net liquidity gap	**(84.602.392)**	**(149.863.176)**	**(1.483.480)**	**66.641.674**	**110.277.983**	**80.587.052**	**(21.557.661)**	**-**
Net Off-Balance Sheet Position	**-**	**817.417**	**1.622.181**	**215.922**	**(1.779.131)**	**2.198.111**	**-**	**3.074.500**
Derivative Financial Assets	-	71.498.710	76.638.255	33.775.655	86.096.221	61.842.290	-	329.851.131
Derivative Financial Liabilities	-	70.681.293	75.016.074	33.559.733	87.875.352	59.644.179	-	326.776.631
Non-Cash Loans	**-**	**6.575.353**	**20.152.112**	**65.509.217**	**22.666.058**	**9.226.391**	**36.490.608**	**160.619.739**

(1) Non-performing loans are presented in the "Unclassified" column after being offset against expected loss provisions.
(2) Shareholders' equity is presented under the "Other liabilities" item in the "Unclassified" column.

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

7. Explanations on leverage ratio:

The main reason for decrease in leverage ratio for the current period is the increase in total exposures.

	Current Period[(1)]	Prior Period[(1)]
On-Balance sheet exposures		
On-Balance sheet assets (Excluding derivative financial instruments and credit derivatives, including collaterals)	774.404.329	671.365.097
(Asset amounts deducted in determining Tier 1 capital)	(9.179.138)	(6.219.615)
Total on-Balance sheet exposures	765.225.191	665.145.482
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	10.759.035	14.111.211
Potential credit risk of derivative financial instruments and credit derivatives	3.223.574	2.628.177
Total derivative financial instruments and credit derivatives exposure	13.982.609	16.739.388
Securities financing transaction exposure		
Total risk of gross securities financing transactions (excluding on-balance sheet exposure)	-	681.361
Agent transaction exposures	-	-
Total securities financing transaction exposures	-	681.361
Off-balance sheet items		
Off-balance sheet exposure at gross notional amount	377.483.231	296.934.657
(Adjustments for conversion to credit equivalent amounts)	(38.174.205)	(21.077.112)
Total risk of off-balance sheet items	339.309.026	275.857.545
Capital and total exposure		
Tier 1 capital	74.468.681	64.427.583
Total exposures	1.118.516.826	958.423.776
Leverage ratio (%)	**6,66**	**6,76**

(1) The arithmetic average of the last three months in the related periods.

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

8. Explanations on hedge accounting:

The Bank applies the following hedge accounting models: Fair Value Hedge ("FVH") and Cash Flow Hedge ("CFH").

If the fair value of the hedging instrument within fair value hedge ("FVH") is positive it is classified under, "Derivative financial assets at fair value through profit or loss"; if the fair value is negative, it is classified under "Derivative financial liabilities at fair value through profit or loss".

If the fair value of the hedging instrument under hedge of cash flow hedge ("CFH") is positive, it is classified under "Derivative financial assets at fair value through other comprehensive income" if the fair value is negative, it is classified under " Derivative financial liabilities at fair value through other comprehensive income".

Interest rate swap and cross currency interest rate swap are used as hedging instrument in FVH and interest rate swap, currency swap and cross currency interest rate swap are used as hedging instrument in CFH.

Contractual amounts and the fair values of these hedging instruments as of March 31, 2022, are presented in the table below:

	Current Period			Prior Period		
Hedging instrument	**Notional[(1)]**	**Asset**	**Liability**	**Notional[(1)]**	**Asset**	**Liability**
Interest rate swap / Currency swap / Cross currency interest rate swap (CFH)	63.969.915	5.043.365	90.237	55.477.585	3.532.488	683.193
Interest rate swap / Cross currency interest rate swap (FVH)	1.361.768	-	1.113.598	1.225.972	-	988.874
Total	**65.331.683**	**5.043.365**	**1.203.835**	**56.703.557**	**3.532.488**	**1.672.067**

(1) Only the "sell" legs of the related derivatives are presented with the addition of the "buy" legs of these derivatives amounting to TL 64.240.056 (December 31, 2021 – TL 55.747.727) the total notional of derivative financial assets amounting to TL 129.571.739 (December 31, 2021 – TL 112.451.284) is accounted for in off-balance sheet under "Hedging Derivative Financial Instruments" line item.

The fair valuation methodology of the derivatives presented in the above table is disclosed in the accounting principles section of these financial statements in Section 3, Part 4.

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

8.1. Fair value hedge accounting:

Starting from March 1, 2009, the Bank has hedged the possible fair value effects of changes in market interest rates on some of its fixed interest loan portfolios and fair value effects of changes in foreign exchange rates on part of its foreign currency funds by using interest rate swap, cross-currency interest rate swap. Starting from July 28, 2015, the Bank has hedged the possible fair value effects of changes in market interest rates and foreign exchange rates on marketable securities by using cross-currency interest rate swaps. The Bank selected to apply macro FVH accounting for such relationship in accordance with "TAS – 39 Financial Instruments: Recognition and Measurement".

The impact of application of FVH accounting is summarized below:

Current Period						
Type of hedging instrument	**Hedged item (asset and liability)**	**Nature of hedged risks**	**Fair value difference / adjustment of the hedged item[(1)]**	**Net fair value of the hedging instrument[(2)]**		**Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses)[(3)]**
				Asset	**Liability**	
Interest rate swap / Cross currency interest rate swaps	Some of fixed interest loan portfolios, foreign currency funds and marketable securities	Fixed interest and changes in foreign exchange rate risk	6.874	-	1.113.598	(5.680)

Prior Period						
Type of hedging instrument	**Hedged item (asset and liability)**	**Nature of hedged risks**	**Fair value difference / adjustment of the hedged item[(1)]**	**Net fair value of the hedging instrument[(2)]**		**Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses)[(3)]**
				Asset	**Liability**	
Cross currency interest rate swaps	Some of fixed interest loan portfolios, foreign currency funds and marketable securities	Fixed interest and changes in foreign exchange rate risk	12.554	-	988.874	(3.408)

(1) The amount refers to the fair value of the hedged item calculated for Some of fixed interest loan portfolios, foreign currency funds and marketable securities in accordance with hedge accounting effectiveness tests. The foreign exchange rate changes of foreign currency fundings and cross-currency swaps are reflected to the income statement in foreign exchange gains / losses line item.
(2) The amounts include the foreign exchange differences and net straight line interest accruals of the related derivatives.
(3) The ineffective portion of the mentioned hedging transaction is TL 12.073 loss (March 31, 2021 - TL 21.183 loss).

At the inception date, the Bank documents the relationship between the hedging instruments and hedged items required by the FVH accounting application in accordance with "TAS 39- Financial Instruments: Recognition and Measurement" and its own risk management policies and principles. Every individual relationship is approved and documented in the same methodology. In accordance with "TAS 39- Financial Instruments: Recognition and Measurement", the effectiveness tests of the relationships are performed in accordance with the Bank's risk management policies. In the effectiveness tests, the fair values of the hedged item are calculated using the same assumptions used in calculation of fair values of the derivatives.

The effectiveness tests are performed prospectively and retrospectively on a monthly basis and the effectiveness of risk relationships are measured. At the inception date the effectiveness tests are performed prospectively. If the underlying hedge does not conform to the FVH accounting requirements (out of the 80% - 125% effectiveness range) or if the management voluntarily decides to discontinue the hedging relation, the adjustments made to the carrying value (amortized cost) of the hedged item are amortized with the straight line method and recognized in the profit and loss accounts within the remaining maturity. In addition if the hedging instrument is sold or closed before its maturity, the amount of the fair value adjustments of the hedged items are amortized to profit and loss accounts with the straight line method within the remaining maturity.

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

8.2. Cash flow hedge accounting:

The Bank started to apply macro cash flow hedge accounting from January 1, 2010 onwards in order to hedge its cash flow risk from floating interest rate liabilities. The hedging instruments are USD, EUR and TL interest rate swaps with floating receive, fixed pay legs, and the hedged item is the cash outflows due to financing of interests of repricing USD, EUR and TL deposits, borrowings and repos.

The impact of application of CFH accounting is summarized below:

Current Period						
Type of hedging instrument	**Hedged item (asset and liability)**	**Nature of hedged risks**	**Net fair value of the hedging instrument**		**Net gain/(loss) recognized in hedging funds[(1)]**	**Net gain/(loss) reclassified to equity[(2)(3)]**
			Asset	**Liability**		
Interest rate swap / Currency swap / Cross currency interest rate swap	Customer deposits, borrowings and repos	Cash flow risk due to the changes in the interest rates	5.043.365	90.237	4.040.461	1.707.586

Prior Period						
Type of hedging instrument	**Hedged item (asset and liability)**	**Nature of hedged risks**	**Net fair value of the hedging instrument**		**Net gain/(loss) recognized in hedging funds[(1)]**	**Net gain/(loss) reclassified to equity[(2)(3)]**
			Asset	**Liability**		
Interest rate swaps/ Cross currency interest rate swap	Customer deposits, borrowings and repos	Cash flow risk due to the changes in the interest rates	3.532.488	683.193	2.332.875	3.309.704

(1) Includes deferred tax impact.
(2) Includes tax and foreign exchange differences.
(3) The ineffective portion of the mentioned hedging transaction is TL 14.798 gain (March 31, 2021– TL 109.831 gain).

At the inception date, the Bank documents the relationship between the hedging instruments and hedged items required by the CFH accounting application in accordance with "TAS – 39 Financial Instruments: Recognition and Measurement" and its own risk management policies and principles. Every individual relationship is approved and documented in the same way. In accordance with "TAS – 39 Financial Instruments: Recognition and Measurement", the effectiveness tests of the relationships are performed in accordance with the Bank's risk management policies.

The effectiveness tests are performed on a monthly basis. If the underlying hedge does not conform to the CFH accounting requirements (out of the effectiveness range 80%-125%) or if the management voluntarily decides to discontinue the hedging relation or the hedging instrument is sold or closed before its maturity, the cumulative gain or loss on the hedging instrument that has been recognised 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. When the hedged forecasted transactions are no longer expected to occur, the net cumulative gain or loss is reclassified from other comprehensive income to profit and loss.

8.3. Net Investment Hedge:

The Bank hedges part of the currency translation risk of net investments in foreign operations through foreign currency borrowings. The Bank's EURO denominated borrowing is designated as a hedge of the net investment in the Bank's certain EURO denominated subsidiaries. The total amount of the borrowing designated as a hedge of the net investment at March 31, 2022 is EUR 500 million (December 31, 2021 - EUR 495 million).

9. Explanations on the activities carried out on behalf of others and fiduciary transactions:

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. The Bank has no fiduciary transactions.

10. Explanations on operating segments:

The Bank carries out its banking operations through three main business units:

- Retail Banking
- Corporate Banking
- Commercial and SME Banking

The Bank's Retail Banking activities include card payment systems, individual, individual portfolio, blue class, private banking. Retail Banking products and services offered to customers include card payment systems, consumer loans (including general purpose loans, auto loans, mortgages), commercial installment loans, time and demand deposits, gold banking, investment accounts, life and non-life insurance products and payroll services. In addition, customers who receive their monthly salary/SSI payments through our bank are offered privileges covering various banking transactions. Card payment systems cover the management of products, services, campaigns for member merchants as well as the sales and activities for a variety of customer types. Crystal, Play, Adios and Taksitçi are the other card brands providing services for the different segments within the World brand, shopping and marketing platform of the Bank. Through its Blue Class and Private Banking activities, the Bank serves high net worth customers and delivers investment products to this customer segment. Among the products and services offered to Private Banking customers are time deposit products, mutual funds, foreign exchange, gold and equity trading. Also, personal art advisory, inheritance advisory, real estate advisory, tax advisory, education and philanthropic advisory are offered within the Private Banking and Wealth Management activities.

Corporate, Commercial and SME Banking segment is organized into three subgroups: Corporate Banking for large-scale, international and multinational companies and Commercial Banking for medium-sized enterprises and SME Banking for SME companies. Corporate and Commercial Banking, has a product range of working capital finance, trade finance, project finance, domestic and international non-cash loans such as letters of credit and letters of guarantee, cash management, internet banking, financial advisory and equity management advisory. SME Banking offer to customers SME loans and SME banking packages products.

The Bank's widespread branch network and alternative distribution channels including ATMs, telephone banking, internet banking and mobile banking are utilized to serve customers in all segments. Treasury, Asset – Liability Management and other operations, mainly consist of treasury management's results, operations of supporting business units and other unallocated transactions.

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

Major balance sheet and income statement items based on operating segments:

The below table is prepared in accordance with the Management Information System (MIS) data of the Bank.

Current Period	Retail banking	Corporate, banking	Commercial and SME banking	Treasury, asset-liability management and other	Total operations of the Bank
Operating revenue	3.358.427	1.268.835	3.084.058	7.315.453	15.026.773
Operating expenses	(2.491.699)	(1.040.926)	(754.681)	(1.906.864)	(6.194.170)
Net operating income / (expense)	**866.728**	**227.909**	**2.329.377**	**5.408.589**	**8.832.603**
Dividend income[1]	-	-	-	47.231	47.231
Income/(loss) from investments accounted based on equity method[1]	-	-	-	529.463	529.463
Profit before tax	**866.728**	**227.909**	**2.329.377**	**5.985.283**	**9.409.297**
Tax provision expense[1]	-	-	-	(2.150.849)	(2.150.849)
Net period income	**866.728**	**227.909**	**2.329.377**	**3.834.434**	**7.258.448**
Net profit	**866.728**	**227.909**	**2.329.377**	**3.834.434**	**7.258.448**
Segment asset	130.598.451	124.864.994	158.511.367	384.985.966	798.960.778
Investments in associates, subsidiaries and joint ventures	-	-	-	16.719.810	16.719.810
Total assets	**130.598.451**	**124.864.994**	**158.511.367**	**401.705.776**	**815.680.588**
Segment liabilities	278.269.976	64.306.678	105.771.571	289.221.925	737.570.150
Shareholders' equity	-	-	-	78.110.438	78.110.438
Total liabilities	**278.269.976**	**64.306.678**	**105.771.571**	**367.332.363**	**815.680.588**

Prior Period[2]	Retail banking	Corporate, banking	Commercial and SME banking	Treasury, asset-liability management and other	Total operations of the Bank
Operating revenue	1.982.035	649.733	1.567.928	1.488.675	5.688.371
Operating expenses	(1.651.424)	(558.161)	(873.663)	(1.226.835)	(4.310.083)
Net operating income / (expense)	**330.611**	**91.572**	**694.265**	**261.840**	**1.378.288**
Dividend income[1]	-	-	-	1.859	1.859
Income/(loss) from investments accounted based on equity method[1]	-	-	-	350.537	350.537
Profit before tax	**330.611**	**91.572**	**694.265**	**614.236**	**1.730.684**
Tax provision expense[1]	-	-	-	(277.955)	(277.955)
Net period income	**330.611**	**91.572**	**694.265**	**336.281**	**1.452.729**
Net profit	**330.611**	**91.572**	**694.265**	**336.281**	**1.452.729**
Segment asset	124.175.913	117.006.139	141.408.200	338.972.405	721.562.657
Investments in associates, subsidiaries and joint ventures	-	-	-	15.207.109	15.207.109
Total assets	**124.175.913**	**117.006.139**	**141.408.200**	**354.179.514**	**736.769.766**
Segment liabilities	254.056.183	67.134.745	97.106.314	254.988.346	673.285.588
Shareholders' equity	-	-	-	63.484.178	63.484.178
Total liabilities	**254.056.183**	**67.134.745**	**97.106.314**	**318.472.524**	**736.769.766**

(1) Related items have not been distributed based on operating segments and presented under "Treasury, Asset-Liability Management and Other".
(2) Income statements items presents the balances as of March 31, 2021

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

Section five - Explanations and notes related to unconsolidated financial statements

1. Explanations and notes related to assets

1.1. Information related to cash and the account of the Central Bank of the Republic of Turkey:

1.1.1. Information on cash and the account of the CBRT:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Cash	2.246.961	12.604.176	1.906.025	10.851.295
The CBRT[1]	16.387.059	84.535.725	20.761.039	82.670.116
Other	-	75	-	91
Total	**18.634.020**	**97.139.976**	**22.667.064**	**93.521.502**

(1) The balance of gold amounting to TL 10.767.307 is accounted for under the Central Bank foreign currency account (December 31, 2021 – TL 8.606.660).

1.1.2. Information on the account of the CBRT:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Demand unrestricted amount[1]	16.387.059	34.162.352	18.760.345	31.597.785
Time unrestricted amount	-	-	2.000.694	-
Time restricted amount	-	-	-	2.936.460
Reserve requirement[2]	-	50.373.373	-	48.135.871
Total	**16.387.059**	**84.535.725**	**20.761.039**	**82.670.116**

(1) The TL reserve requirement has been classified in "Central Bank Demand Unrestricted Account" based on the correspondence with BRSA letter as of January 3, 2008.
(2) The Bank keeps TL, USD, EUR and Gold reserve deposits for its liabilities at Central Bank accounts in accordance with the legislation of the Central Bank numbered 2013/15, "Decree on Reserve Deposits".

1.2. Information on financial assets at fair value through profit and loss:

The Bank has financial assets at fair value through profit and loss subject to repo transactions and given as collateral/blocked amounts to TL 564.079 (December 31, 2020 - TL 486.010).

1.3. Information on derivative financial assets:

1.3.1. Positive differences related to derivative financial assets held for trading:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Forward transactions	1.090.611	16.247	1.233.837	4.633
Swap transactions	7.349.362	1.724.266	14.696.950	2.374.437
Futures transactions	14.474	-	22.123	-
Options	65.802	343.102	94.587	69.179
Other	-	-	-	-
Total	**8.520.249**	**2.083.615**	**16.047.497**	**2.448.249**

1.3.2. Positive differences related to derivative financial assets held for hedging:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Fair value hedges [1]	-	-	-	-
Cash flow hedges [1]	4.049.700	993.665	3.486.396	46.092
Hedges for investments made in foreign countries	-	-	-	-
Total	**4.049.700**	**993.665**	**3.486.396**	**46.092**

(1) Explained in Note 8 of section 4.

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

1.4. Information on banks:

1.4.1. Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	401.120	10.882	5.603.000	6.590
Foreign	-	25.313.834	-	19.996.176
Head quarters and branches abroad	-	-	-	-
Total	**401.120**	**25.324.716**	**5.603.000**	**20.002.766**

1.4.2. Information on money markets receivables:

As of March 31, 2022, money market receivables including a total of TL 405.153 reverse repo transactions with domestic banks amount to TL 4.839.639 (December 31, 2021 – TL 1.809.366).

1.5. Information on financial assets at fair value through other comprehensive income which are subject to repurchase agreements and given as collateral / blocked:

As of March 31, 2022 financial assets at fair value through other comprehensive income given as collateral/blocked amounts to TL 2.674.854 (December 31, 2021 - TL 3.864.510), subject to repo transactions amounts to TL 1.009.938 (December 31, 2021 – TL 11.993.150).

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

	Current Period	Prior Period
Debt securities	46.416.654	35.238.392
Quoted on stock exchange	46.416.654	35.238.392
Not quoted	-	-
Share certificates	68.379	67.871
Quoted on stock exchange	-	-
Not quoted	68.379	67.871
Impairment provision (-)(1)	872.607	796.563
Other	-	-
Total	**45.612.426**	**34.509.700**

(1) Includes the negative differences between the acquisition cost and the market price related to the securities portfolio.

1.7. Explanations on loans:

1.7.1. Information on all types of loans or advance balances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	**311.811**	**1.332.215**	**296.623**	**1.070.846**
Loans granted to employees	**310.519**	**73**	**313.942**	**73**
Total	**622.330**	**1.332.288**	**610.565**	**1.070.919**

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

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

		Loans under close monitoring[2]		
			Loans under restructuring	
Cash Loans	**Standard Loans**	**Not under the scope of restructuring**	**Modifications on agreement conditions**	**Refinancing**
Non-specialized loans	**368.105.719**	**31.172.681**	**7.351.823**	**33.828.946**
Loans given to enterprises	160.887.194	17.201.316	7.122.621	16.795.120
Export loans	32.015.336	640.372	175.483	12.366.837
Import loans	-	-	-	-
Loans given to financial sector	16.508.796	-	-	-
Consumer loans	68.095.785	4.608.309	-	1.839.252
Credit cards	52.717.687	3.246.698	-	582.747
Other[1]	37.880.921	5.475.986	53.719	2.244.990
Specialized loans	**-**	**-**	**-**	**-**
Other receivables	**840.882**	**-**	**-**	**-**
Total	**368.946.601**	**31.172.681**	**7.351.823**	**33.828.946**

	Standard loans	**Loans under close monitoring**
12-month provisions for possible losses	3.166.253	-
Significant increase in credit risk	-	14.408.944
Total	**3.166.253**	**14.408.944**

1.7.3. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:

	Short-term	**Medium and long-term**	**Total**
Consumer loans-TL	**1.773.643**	**67.609.480**	**69.383.123**
Real estate loans	12.139	13.375.985	13.388.124
Automotive loans	92.280	1.991.268	2.083.548
Consumer loans	1.669.224	52.242.227	53.911.451
Consumer loans-FC indexed	**-**	**20.800**	**20.800**
Real estate loans	-	20.800	20.800
Automotive loans	-	-	-
Consumer loans	-	-	-
Individual credit cards-TL	**38.991.147**	**282.208**	**39.273.355**
With installments	18.567.261	21.933	18.589.194
Without installments	20.423.886	260.275	20.684.161
Individual credit cards-FC	**56.134**	**-**	**56.134**
With installments	-	-	-
Without installments	56.134	-	56.134
Personnel loans-TL	**11.650**	**95.778**	**107.428**
Real estate loans	-	1.991	1.991
Automotive loans	53	741	794
Consumer loans	11.597	93.046	104.643
Personnel loans-FC indexed	**-**	**-**	**-**
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Personnel credit cards-TL	**194.317**	**259**	**194.576**
With installments	95.765	152	95.917
Without installments	98.552	107	98.659
Personnel credit cards-FC	**481**	**-**	**481**
With installments	-	-	-
Without installments	481	-	481
Credit deposit account-TL (real person)[1]	**5.031.995**	**-**	**5.031.995**
Total	**46.059.367**	**68.008.525**	**114.067.892**

(1) TL 8.034 of the credit deposit account belongs to the loans used by personnel.

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

1.7.4. Information on commercial installment loans and corporate credit cards:

	Short-term	Medium and long-term	Total
Commercial installments loans-TL	**1.911.008**	**21.233.737**	**23.144.745**
Business loans	10.258	1.807.041	1.817.299
Automotive loans	442.977	6.736.598	7.179.575
Consumer loans	1.457.773	12.690.098	14.147.871
Commercial installments loans-FC indexed	**-**	**1.820**	**1.820**
Business loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	1.820	1.820
Corporate credit cards-TL	**16.859.921**	**158.707**	**17.018.628**
With installment	11.952.648	150.500	12.103.148
Without installment	4.907.273	8.207	4.915.480
Corporate credit cards-FC	**3.958**	**-**	**3.958**
With installment	-	-	-
Without installment	3.958	-	3.958
Credit deposit account-TL (legal person)	**1.209.564**	**-**	**1.209.564**
Total	**19.984.451**	**21.394.264**	**41.378.715**

1.7.5. Distribution of domestic and foreign loans [(1)]:

Distribution has been disclosed based on the location where the customers operate:

	Current Period	Prior Period
Domestic loans	434.143.584	381.609.663
Foreign loans	7.156.467	6.506.023
Total	**441.300.051**	**388.115.686**

(1) Non-performing loans are not included.

1.7.6. Loans granted to associates and subsidiaries:

	Current Period	Prior Period
Direct loans granted to associates and subsidiaries	1.445.957	655.614
Indirect loans granted to associates and subsidiaries	-	-
Total	**1.445.957**	**655.614**

1.7.7. Information on credit-impaired (Stage 3):

	Current Period	Prior Period
Loans with limited collectability	696.641	1.182.854
Loans with doubtful collectability	1.833.694	919.102
Uncollectable loans	9.989.604	11.615.890
Total	**12.519.939**	**13.717.846**

1.7.8. Information on non-performing loans (net):

1.7.8.1. Information on restructured loans from non-performing loans:

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period			
Gross amounts before specific reserves	**204.226**	**454.064**	**2.571.139**
Restructured loans	204.226	454.064	2.571.139
Prior Period			
Gross amounts before specific reserves	**224.398**	**264.332**	**2.593.383**
Restructured loans	224.398	264.332	2.593.383

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

1.7.8.2. Information on the movement of total non-performing loans:

	III. Group	IV. Group	V. Group
	Loans with limited collectability	**Loans with doubtful collectability**	**Uncollectible loans**
Prior Period	**1.730.133**	**1.367.787**	**15.787.882**
Additions (+)	1.228.855	116.747	61.209
Transfers from other categories of non-performing loans (+)	-	1.725.837	509.464
Transfer to other categories of non- performing loans (-)	1.725.837	509.464	-
Collections (-)	107.547	117.518	1.030.299
Write-offs (-)	-	-	914.923
Sold (-)	-	-	-
Corporate and commercial loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current Period	**1.125.604**	**2.583.389**	**14.413.333**
Specific provision (-)	696.641	1.833.694	9.989.604
Net balance on balance sheet	**428.963**	**749.695**	**4.423.729**

As of March 31, 2022, in accordance with the changes on "Provisioning Regulation" published in the Official Gazette No. 30961 dated November 27, 2019 by BRSA, the Bank has written off corporate loans amounting to TL 875.029 that are classified under Group 5, more than 540 days overdue and after collaterals deducted approximately 100% provisioned hence there is no reasonable expectation of recovery. After the loans had written off within the period in accordance with the changes on Provisioning Regulation, non performing loan ratio decreased from 4,13% to 3,94%.

1.7.8.3. Information on non-performing loans granted as foreign currency loans:

	III. Group	IV. Group	V. Group
	Loans with limited collectability	**Loans with doubtful collectability**	**Uncollectible loans**
Current Period			
Period end balance	108.077	248.209	3.625.368
Specific provision (-)	66.948	140.920	1.924.574
Net balance on-balance sheet	**41.129**	**107.289**	**1.700.794**
Prior Period			
Period end balance	110.805	138.311	4.346.103
Specific provision (-)	-	103.985	2.476.973
Net balance on-balance sheet	**110.805**	**34.326**	**1.869.130**

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

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

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (net)	**428.963**	**749.695**	**4.423.729**
Loans granted to real persons and corporate entities (gross)	1.125.604	2.583.389	14.328.659
Provision amount (-)	696.641	1.833.694	9,904,930
Loans granted to real persons and corporate entities (net)	428.963	749.695	4,423,729
Banks (gross)	-	-	774
Provision amount (-)	-	-	774
Banks (net)	-	-	-
Other loans (gross)	-	-	83.900
Provision amount (-)	-	-	83.900
Other loans (Net)	-	-	-
Prior Period (net)	**547.279**	**448.685**	**4.171.992**
Loans granted to real persons and corporate entities (gross)	1.730.133	1.367.787	15.703.208
Specific provision amount (-)	1.182.854	919.102	11.531.216
Loans granted to real persons and corporate entities (Net)	547.279	448.685	4.171.992
Banks (gross)	-	-	774
Specific provision amount (-)	-	-	774
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	83.900
Specific provision amount (-)	-	-	83.900
Other loans and receivables (Net)	-	-	-

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

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (net)	**27.278**	**69.994**	**319.577**
Interest accruals and rediscounts and valuation differences	78.385	237.268	1.248.405
Provision amount (-)	51.107	167.274	928.828
Prior Period (net)	**44.797**	**48.357**	**473.687**
Interest accruals and rediscounts and valuation differences	141.651	159.451	1.384.551
Provision amount (-)	96.854	111.094	910.864

1.7.9. Explanation on liquidation policy for uncollectible loans and receivables:

Uncollectible loans and receivables, which are classified in accordance with the Provisioning Regulation, are collected through legal follow-up, voluntary payments and liquidation of collaterals.

1.7.10. Explanation on "Write-off" policies:

In order to ensure the liquidation of non-performing loans and other receivables related to the liquidation policy, to provide the maximum collection all possible alternatives within the framework of the legislation are applied, and in case of collection, liquidation or receivables with no possibility of restructuring, the legal follow-up and conversion of collaterals into cash method is applied.

The receivables that are determined to be uncollectible in the Legal Follow-up process regarding the write-off policy can be deleted by the resolution of the Board of Directors by fulfilling the requirements in the relevant laws, regulations and internal directives.

Besides, in accordance with the changes on "Provisioning Regulation" published in the Official Gazette No. 30961 dated November 27, 2019 by the BRSA, the Bank, in line with TFRS 9, write off part of the loans for which the Bank has no reasonable expectation of recovery and that are classified under group 5 with a life time expected credit loss due the to default of debtor, in an appropriate timeline starting from the following reporting date that the loan is classified in group 5. Write off is only an accounting application in accordance with the related change in the regulation and it does not result in waive from the Bank's right to receive.

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

1.8. Information on other financial assets at amortized cost:

1.8.1. Characteristics and carrying values of financial assets measured at amortised cost which are subject to repurchase agreements and given as collateral / blocked:

As of March 31, 2022 Financial assets measured at amortised cost given as collateral/blocked amounts to TL 38.366.387 (December 31, 2021 - TL 37.175.723). Subject to repo transactions amounting to TL 39.192.154 (December 31, 2021 - TL 38.973.794).

1.8.2. Information on public sector debt securities measured at amortized cost:

	Current Period	Prior Period
Government bond	107.350.847	91.544.696
Treasury bill	-	-
Other public sector debt securities	330.804	330.804
Total	**107.681.651**	**91.875.500**

1.8.3. Information on financial assets measured at amortized cost:

	Current Period	Prior Period
Debt securities	110.782.078	94.485.705
Quoted on stock exchange	110.782.078	94.485.705
Not quoted	-	-
Impairment provision (-)(1)	3.100.427	2.610.205
Total	**107.681.651**	**91.875.500**

(1) Includes amortisation of the premiums paid during the purchase of the securities throughout the maturity of the securities

1.8.4. Movement of other financial assets measured at amortized cost within the period:

	Current Period	Prior Period
Beginning balance	**91.875.500**	**50.741.912**
Foreign currency differences on monetary assets(1)	8.153.532	21.284.748
Purchases during the year	9.600.606	22.521.429
Disposals through sales and redemptions(-)	1.457.765	1.376.662
Impairment provision (-)(2)	490.222	1.295.927
Period end balance	**107.681.651**	**91.875.500**

(1) Also includes the changes in the interest income accruals.
(2) Includes amortisation of the premiums paid during the purchase of the securities throughout the maturity of the securities.

1.9. Information on investments in associates (net):

1.9.1. Information on unconsolidated investments in associates(1):

No	Description	Address (City/ Country)	Bank's share holding percentage if different voting percentage (%)	Bank's risk group share holding percentage(%)
1.	Tanı Pazarlama ve İletişim Hizmetleri A.Ş	Istanbul/Turkey	38,05	38,05
2.	Banque de Commerce et de Placements S.A.	Geneva/Switzerland	30,67	30,67
3.	Kredi Kayıt Bürosu	Istanbul/Turkey	18,18	18,18
4.	Bankalararası Kart Merkezi	Istanbul/Turkey	4,89	4,89

(1) Financial statement information disclosed above shows December 31, 2021 results.

1.9.2. Main financial figures of the investments in associates in the order of the above table:

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit/loss	Prior period profit/loss	Fair value
1.	78.551	60.828	11.148	540	-	(4.539)	(1.012)	-
2.	53.369.271	7.826.506	38.018	589.227	97.347	220.850	42.729	-
3.	625.710	369.787	322.795	19.020	-	75.307	76.415	-
4.	451.244	371.944	85.962	39.235	-	137.294	53.942	-

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

1.9.3. Movement of unconsolidated investments in associates:

	Current Period	Prior Period
Balance at the beginning of the period	**2.089.190**	**1.214.883**
Movements during the period	**190.754**	**874.307**
Purchases	-	26.660
Free shares obtained profit from current year's share	-	-
Profit from current year's income	-	-
Sales(-)	-	-
Revaluation (decrease) / increase(1)	239.732	847.647
Impairment provision (-)(2)	48.978	-
Balance at the end of the period	**2.279.944**	**2.089.190**
Capital commitments	-	-
Shareholding percentage at the end of the period (%)	-	-

(1) Includes the differences in the other comprehensive income related with the equity method accounting.
(2) Includes dividend income received in the current period.

1.9.4. Information on sectors and the carrying amounts of unconsolidated financial investments in associates:

	Current Period	Prior Period
Banks	2.241.498	2.050.744
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other financial investments	-	-
Total	**2.241.498**	**2.050.744**

1.9.5. Information on investments in associates quoted on a stock exchange:

None (December 31, 2021 - None).

1.10. Information on shareholders' equity of the significant subsidiaries (net):

There is no deficit of regulatory limits on capital structure of the subsidiaries which are included in the consolidated capital adequacy ratio calculation in accordance with the capital adequacy ratio limits.

1.10.1. Information on shareholders' equity of the significant subsidiaries:

	Yapı Kredi Yatırım Menkul Değerler A.Ş.	Yapı Kredi Faktoring A.Ş.	Yapı Kredi Finansal Kiralama A.O.	Yapı Kredi Portföy Yönetimi A.Ş.	Yapı Kredi Nederland N.V.
Core capital					
Paid in capital	98.918	130.000	389.928	17.642	112.442
Inflation adjustment to share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital reserves	104.470	-	(217.104)	-	-
Other accumulated comprehensive income that will not be classified in profit or loss	49.294	(3.778)	(21.791)	(1.478)	-
Other accumulated comprehensive income that will be classified in profit or loss	1.569	-	-	-	4.900.026
Legal reserves	65.219	20.914	79.305	42.837	-
Extraordinary reserves	342.515	358.115	659.399	-	1.082.191
Other profit Reserves	-	-	-	-	-
Income or Loss	312.718	130.809	2.450.949	162.118	250.238
Current Year Income/Loss	382.664	130.809	458.471	162.118	250.238
Prior Years' Income/Loss	(69.946)	-	1.992.478	-	-
Leasehold improvements (-)	180	214	-	227	253
Intangible assets (-)	34.721	5.297	13.576	1.468	8.560
Total core capital	**939.802**	**630.549**	**3.327.110**	**219.424**	**6.336.084**
Supplementary capital	**38.995**	**823**	**3.118**	**-**	**61.381**
Capital	**978.797**	**631.372**	**3.330.228**	**219.424**	**6.397.465**
Deductions from the capital	**-**	**-**	**-**	**-**	**-**
Total shareholders' equity	**978.797**	**631.372**	**3.330.228**	**219.424**	**6.397.465**

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

The above information is based on the consolidated financial statements of the Bank as of December 31, 2021.

Paid-in capital is a capital which have been disclosed as Turkish Lira in the articles of incorporation and registered in trade register. Inflation adjustment to share capital is the adjustment difference arising from inflation accounting.

Extraordinary Reserves are the reserves which represent the remaining net income of the previous periods after providing the legal reserves in accordance with the General Assembly of the Bank.

Legal reserves are the income reserves that are provided according to the first paragraph and the third subparagraph of the second paragraph of the article no 466 and no 467 of the Turkish Commercial Code No. 6762 allocated as capital reserves separated from annual profit according to the laws of foundation.

1.10.2. Information on subsidiaries:

No	Description	Address (City/ Country)	Bank's share holding percentage if different voting percentage (%)	Bank's risk group share holding percentage (%)
1	Yapı Kredi Holding B.V.[1]	Amsterdam/Holland	100,00	100,00
2	Yapı Kredi Yatırım Menkul Değerler A.Ş.[1]	Istanbul/Turkey	99,98	100,00
3	Yapı Kredi Faktoring A.Ş.[1]	Istanbul/Turkey	99,95	100,00
4	Yapı Kredi Finansal Kiralama A.O.[1]	Istanbul/Turkey	99,99	99,99
5	Yapı Kredi Portföy Yönetimi A.Ş.[1]	Istanbul/Turkey	12,65	99,99
6	Yapı Kredi Nederland N.V.[1]	Amsterdam/Holland	67,24	100,00
7	Yapı Kredi Azerbaycan[1]	Baku/Azerbaijan	99,80	100,00
8	Enternasyonal Turizm Yatırım A.Ş[1]	Istanbul/Turkey	99,96	99,99
9	Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San.A.Ş.[1]	Istanbul/Turkey	99,99	100,00
10	Yapı Kredi Teknoloji A.Ş.[1]	Istanbul/Turkey	100,00	100,00
11	Yapı Kredi Finansal Teknolojiler A.Ş.[2]	Istanbul/Turkey	100,00	100,00

(1) Financial statement information disclosed below shows December 31, 2021 results.
(2) In order to manage and operate new digital business models, the Bank established Yapı Kredi Finansal Teknoloji A.Ş. and registered on February 7, 2022.

1.10.3. Main financial figures of the subsidiaries in order of the above table:

Financial statement information disclosed consolidated financial statements results.

	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfol	Current period profit / loss	Prior period profit /loss	Market value	Required equity
1	250.066	249.068	-	-	-	574	(1.234)	-	-
2	5.561.949	974.703	72.499	205.489	18.258	382.664	213.734	-	-
3	5.458.932	636.060	11.025	597.489	-	130.809	90.062	-	-
4	17.876.560	3.340.686	18.255	1.126.663	-	458.471	354.776	-	-
5	268.157	221.119	3.478	27.140	-	162.118	103.391	-	-
6	27.398.376	6.344.898	14.917	538.067	39.404	250.238	158.402	-	-
7	3.119.776	696.579	121.973	80.764	5.881	(15.409)	7.308	-	-
8	62.504	49.557	4.669	4.398	-	5.613	3.513	-	-
9	77.765	58.186	2.045	264	-	12.688	11.808	-	-
10	34.832	23.260	2.775	2.520	-	6.317	4.429	-	-
11	25.000	25.000	-	-	-	-	-	-	-

1.10.4. Movement schedule of subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	**13.110.619**	**8.811.658**
Movements in period	**1.296.932**	**4.298.961**
Purchases	-	-
Free shares obtained profit from current years share	-	-
Dividends from current year income	529.463	1.293.019
Sales(-)	-	-
Revaluation increase/decrease[1]	899.037	3.048.890
Impairment provision (-)[2]	131.568	42.948
Balance at the end of the period	**14.407.551**	**13.110.619**
Capital commitments	-	-
Shareholding percentage at the end of the period (%)	-	-

(1) Includes the shares taken from the other comprehensive income according to the equity method.
(2) Includes dividend income received in the current period.

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

1.10.5. Sectoral information on financial subsidiaries and the related carrying amounts:

Financial subsidiaries	Current Period	Prior Period
Banks	5.581.952	4.961.699
Insurance companies	-	-
Factoring companies	713.127	635.757
Leasing companies	3.512.940	3.340.483
Finance companies	-	-
Other financial subsidiaries	4.599.532	4.172.680
Total	**14.407.551**	**13.110.619**

1.10.6. Subsidiaries quoted on stock exchange:

None (December 31, 2021 - None).

1.11. Information on joint ventures (net):

None (December 31, 2021 – None).

1.12. Information on lease receivables (net):

None (December 31, 2021 - None).

1.13. Information on investment property:

None (December 31, 2021 - None).

1.14. Information on deferred tax :

In accordance with TAS 12, deferred tax assets and deferred tax liabilities in the financial statements are clarified and deferred tax asset amounting to TL 10.154.986 is presented in the financial statements (December 31, 2021 – TL 3.484.572 deferred tax assets).

1.15. Movement schedule of assets held for resale and related to discontinued operations:

	Current Period	Prior Period
Net book value at the beginning of the period	**1.327.210**	**709.869**
Additions[1]	79.112	1.045.265
Disposals (-), net	124.198	429.324
Impairment provision reversal	-	1.400
Impairment (-)	-	-
Depreciation (-)	-	-
Net book value at the end of the period	**1.282.124**	**1.327.210**
Cost at the end of the period	1.283.710	1.328.824
Accumulated depreciation at the end of the period (-)	1.586	1.614
Net book value at the end of the period	**1.282.124**	**1.327.210**

(1) In current period, the carrying value of asset held for resale with a right of repurchase is TL 7.180 (December 31, 2021 – TL 900.827). The total net carrying value of asset held for resale with a right of repurchase is TL 1.129.852 (December 31, 2021 – TL 1.196.027).

As of March 31, 2022, the Bank booked impairment provision on assets held for resale with an amount of TL 1.239 (December 31, 2021 – TL 1.239).

1.16. Information on other assets:

As of March 31, 2022, other assets do not exceed 10% of the total assets.

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

2. Explanations and notes related to liabilities

2.1. Information on deposits:

2.1.1. Information on maturity structure of deposits/collected funds:

Current Period	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Cumulative savings account	Total
Saving deposits	24.979.377	4.032.962	63.801.601	1.813.391	247.606	995.391	412	95.870.740
Foreign currency deposits	117.551.132	33.573.955	74.799.454	6.505.150	1.600.005	1.269.515	-	235.299.211
Residents in Turkey	115.738.799	33.189.272	72.071.203	6.356.605	1.462.926	1.016.666	-	229.835.471
Residents abroad	1.812.333	384.683	2.728.251	148.545	137.079	252.849	-	5.463.740
Public sector deposits	2.631.359	3.849	24.645	5.911	127	22	-	2.665.913
Commercial deposits	18.667.835	21.385.518	15.693.970	19.502.390	475.269	1.316.096	-	77.041.078
Other institutions deposits	258.230	475.731	3.886.658	93.173	72.253	43.386	-	4.829.431
Precious metals vault	24.717.853	-	306.335	-	1.276.500	67.594	-	26.368.282
Bank deposits	3.022.582	1.896.559	480.061	1.335.031	973.236	89.443	-	7.796.912
The CBRT	214.689	-	-	-	-	-	-	214.689
Domestic banks	9.622	1.880.624	444.596	1.335.031	973.236	89.443	-	4.732.552
Foreign banks	2.124.543	15.935	35.465	-	-	-	-	2.175.943
Participation banks	673.728	-	-	-	-	-	-	673.728
Other	-	-	-	-	-	-	-	-
Total	**191.828.368**	**61.368.574**	**158.992.724**	**29.255.046**	**4.644.996**	**3.781.447**	**412**	**449.871.567**

Prior Period	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Cumulative savings account	Total
Saving deposits	22.111.618	4.191.239	47.945.594	909.775	216.979	480.874	688	75.856.767
Foreign currency deposits	110.100.707	28.233.704	80.040.324	8.818.938	1.744.737	1.436.993	-	230.375.403
Residents in Turkey	108.499.354	27.828.517	77.421.578	8.685.909	1.602.143	912.347	-	224.949.848
Residents abroad	1.601.353	405.187	2.618.746	133.029	142.594	524.646	-	5.425.555
Public sector deposits	1.832.847	9.106	38.455	21.947	131	41	-	1.902.527
Commercial deposits	14.039.210	20.250.529	25.198.224	117.320	696.524	27.873	-	60.329.680
Other institutions deposits	201.166	237.363	1.728.377	24.270	67.643	255.287	-	2.514.106
Precious metals vault	20.180.484	-	416.447	-	1.332.472	68.645	-	21.998.048
Bank deposits	2.764.181	2.626.562	488.047	1.228.300	924.793	87.002	-	8.118.885
The CBRT	-	-	-	-	-	-	-	-
Domestic banks	7.048	2.579.646	472.761	1.228.300	924.793	87.002	-	5.299.550
Foreign banks	1.765.738	46.916	15.286	-	-	-	-	1.827.940
Participation banks	991.395	-	-	-	-	-	-	991.395
Other	-	-	-	-	-	-	-	-
Total	**171.230.213**	**55.548.503**	**155.855.468**	**11.120.550**	**4.983.279**	**2.356.715**	**688**	**401.095.416**

(1) Within the scope of the "Decision on Supporting Deposit and Participation Accounts Against Exchange Rate Increases (Decision No: 5206)" published in the Official Gazette dated February 24, 2022 and numbered 31760, and the CBRT's communiqués numbered 2021/14, 2021/16, 2022/7 and 2022/11, the "Currency protected TL deposit" product which provide protection against foreign currency exchange rate changes for TL deposits was launched for customers. In this context as of the report date, the total amount of deposits opened with a maturity of 3 months, 6 months, 9 months and 1 year is TL 47.330.539 (31 December 2021 – TL 3.193.103).

2.1.2. Information on saving deposits insurance:

2.1.2.1. Information on saving deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund:

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
Saving deposits	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**
Saving deposits	50.998.170	38.474.256	44.872.557	37.382.499
Foreign currency saving deposits	32.594.930	26.996.762	102.718.831	99.859.979
Other deposits in the form of saving deposits	11.166.633	8.382.987	12.937.534	11.481.306
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-

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

2.1.2.2. Saving deposits which are not under the guarantee of saving deposit insurance fund of real persons:

	Current Period	Prior Period
Foreign branches' deposits and other accounts	24.920	22.114
Saving deposits and other accounts of controlling shareholders and deposits of their mother, father, spouse, children in care	-	-
Saving deposits and other accounts of president and members of board of directors, CEO and vice presidents and deposits of their mother, father, spouse, children in care	798.081	353.230
Saving deposits and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish criminal law no:5237 dated 26.09.2004	-	-
Saving deposits in deposit bank which is established in Turkey in order to engage in off-shore banking activities solely	-	-

2.2. Information on trading derivative financial liabilities:

2.2.1. Negative differences table for derivative financial liabilities held for trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	844.587	14.778	1.609.823	3.431
Swap transactions	6.335.040	2.711.198	11.099.391	3.583.345
Futures transactions	59.900	-	3.346	-
Options	6.309	341.683	9.660	50.985
Other	-	-	-	-
Total	**7.245.836**	**3.067.659**	**12.722.220**	**3.637.761**

2.2.2. Negative differences table for derivative financial liabilities held for hedging:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedges (1)	1.113.598	-	988.874	-
Cash flow hedges (1)	1.007	89.230	-	683.193
Hedges for investments made in foreign countries	-	-	-	-
Total	**1.114.605**	**89.230**	**988.874**	**683.193**

(1) Explained in Note 8 of section 4.

2.3. Information about banks and other financial institutions:

2.3.1. Information on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
The CBRT borrowings	-	-	-	-
From domestic banks and institutions	836.944	768.479	797.351	780.731
From foreign banks, institutions and funds	916.547	64.726.926	748.055	58.798.031
Total	**1.753.491**	**65.495.405**	**1.545.406**	**59.578.762**

2.3.2. Information on maturity structure of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	649.669	8.999.830	623.569	7.394.532
Medium and long-term	1.103.822	56.495.575	921.837	52.184.230
Total	**1.753.491**	**65.495.405**	**1.545.406**	**59.578.762**

2.3.3. Information on securitization borrowings:

2.3.3.1. The Bank obtains borrowings via its structured entity, Diversified Payment Rights Finance Company, with securitization transactions which is founded on its future money transfers within its funding programme.

	Current Period		Prior Period	
	TL	FC	TL	FC
From foreign banks	-	-	-	-
From foreign institutions	-	34.546.639	-	31.133.988
From foreign funds	-	-	-	-
Total	**-**	**34.546.639**	**-**	**31.133.988**

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

2.3.3.2. Information on financial liabilities at fair value through profit or loss :

The Bank classified some of its financial liabilities as the financial liabilities classified at fair value through profit/loss in order to eliminate the accounting mismatch at the initial recognition in accordance with TFRS 9. As of March 31, 2022, the total amount of financial liabilities classified as fair value through profit/loss is TL 29.108.192 (December 31, 2021 –TL 25.794.232) with an accrued interest income of TL1.392.360 (December 31, 2021 - TL 1.512.319 income) and with a fair value difference of TL 75.408 recognized in the income statement as an expense (December 31, 2021- TL 1.145.200 income). On the other hand, the nominal amounts of the total return swaps and bond forwards which are closely related with these financial liabilities as of March 31, 2022 are TL 29.768.262 (December 31, 2021- TL 26.657.676) for buy legs and sell legs with a fair value differences amounting to TL 1.301.326 liability (December 31, 2021 – TL 1.377.439 liability). The mentioned total return swaps have 8 year maturity in average.

2.3.4. Information on marketable securities issued:

	Current Period			Prior Period
	TL	FC	TL	FC
Bonds	5.633.018	-	5.828.651	-
Bills[(1)]	1.410.737	21.934.214	1.411.897	27.013.194
Total	**7.043.755**	**21.934.214**	**7.240.548**	**27.013.194**

(1) Including mortgage backed securities amounting to TL 2.039.482 as of March 31, 2022 (December 31, 2021 – TL 2.037.105).

2.4. Information on other liabilities:

As of March 31, 2022, other liabilities do not exceed 10% of the total balance sheet commitments.

2.5. Information on lease payables:

	Current Period			Prior Period
	Gross	Net	Gross	Net
Less than 1 year	462.302	311.799	435.020	291.639
Between 1 – 4 years	905.960	611.028	879.335	589.544
More than 4 years	647.716	436.854	633.999	425.034
Total	**2.015.978**	**1.359.681**	**1.948.354**	**1.306.217**

2.6. Information on provisions:

2.6.1. Information on reserve for employee rights:

In accordance with Turkish Labour Law, the reserve for employment termination benefits is calculated as the present value of the probable future obligation in case of the retirement of employees. "TAS – 19 Employee Rights" necessitates actuarial valuation methods to calculate the liabilities of enterprises.

The following actuarial assumptions were used in the calculation of total liabilities:

	Current Period	Prior Period
Discount rate (%)	4,45	4,45
Possibility of being eligible for retirement (%)	95,39	95,39

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the annual ceiling is revised semi-annually, the ceiling of full TL 10.848,59 effective from January 1, 2022 (January 1, 2021 - full TL 7.638,96) has been taken into consideration in calculating the reserve for employment termination benefits.

Movement of employment termination benefits liability in the balance sheet:

	Current Period	Prior Period
Prior period ending balance	**897.413**	**635.407**
Changes during the period	33.792	90.323
Recognized in equity	21.366	244.984
Paid during the period	(27.596)	(73.301)
Balance at the end of the period	**924.975**	**897.413**

In addition, the Bank has accounted for unused vacation rights provision amounting to TL 222.155 as of March 31, 2022 (December 31, 2021 - TL 180.721).

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

2.6.2. Information on provisions related with the foreign currency difference of foreign currency indexed loans:

None. (December 31, 2021 – None).

2.6.3. Other provisions:

	Current Period	Prior Period
Pension fund provision	1.813.098	1.813.098
Provisions on unindemnified non cash loans	943.918	843.108
Generic provisions on non cash loans	782.112	874.667
Provision on lawsuits	112.488	112.488
Provisions on credit cards and promotion campaigns related to banking services	71.374	65.061
Other	931.830	1.039.943
Total	**4.654.820**	**4.748.365**

2.7. Information on taxes payable:

2.7.1. Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	10.588.873	2.006.608
Banking Insurance Transaction Tax ("BITT")	275.763	266.769
Taxation of Marketable Securities	223.562	221.126
Value Added Tax Payable	26.405	75.843
Foreign Exchange Transaction Tax	22.784	26.780
Property Tax	6.237	4.593
Other	51.670	160.196
Total	**11.195.294**	**2.761.915**

2.7.2. Information on premium payables:

	Current Period	Prior Period
Social security premiums – employee	-	-
Social security premiums – employer	-	-
Bank pension fund premiums – employee	37.691	44.576
Bank pension fund premiums – employer	52.269	61.826
Pension fund deposit and provisions – employee	-	-
Pension fund deposit and provisions – employer	-	-
Unemployment insurance – employee	2.691	3.182
Unemployment insurance – employer	5.395	6.366
Other	-	-
Total	**98.046**	**115.950**

2.8. Liabilities for property and equipment held for sale and related to discontinued operations (net):

None (December 31, 2021 - None).

2.9. Information on subordinated debt(1):

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	**-**	**9.793.227**	**-**	**8.973.642**
Subordinated loans	-	-	-	-
Subordinated debt	-	9.793.227	-	8.973.642
Debt instruments to be included in contribution capital calculation	**795.037**	**33.507.879**	**808.921**	**29.659.436**
Subordinated loans	-	12.577.434	-	11.144.441
Subordinated debt	795.037	20.930.445	808.921	18.514.995
Total	**795.037**	**43.301.106**	**808.921**	**38.633.078**

(1) Subordinated loans are explained in detail in Note "Details on Subordinated Liabilities" of section four.

2.10. Information on shareholders' equity:

2.10.1. Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	8.447.051	8.447.051
Preferred stock	-	-

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

2.10.2. 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	Registered Share Capital Ceiling
Registered Capital System	8.447.051	15.000.000

2.10.3. Information on the share capital increases during the period and the sources:

None (December 31, 2021 – None).

2.10.4. Information on transfers from capital reserves to capital during the current period:

None (December 31, 2021 – None).

2.10.5. Information on capital commitments, until the end of the fiscal year and the subsequent interim period:

None (December 31, 2021 - None).

2.10.6. Information on prior period's indicators on the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties of these indicators:

The interest, liquidity, and foreign exchange risk related to on-balance sheet and off-balance sheet assets and liabilities are managed by the Bank within several risk and legal limits.

2.10.7. Privileges on the corporate stock:

None (December 31, 2021 - None).

2.10.8. Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	**726.878**	**9.472.823**	**725.343**	**8.335.589**
Revaluation difference[1]	726.878	438.243	725.343	438.065
Foreign currency difference[1]	-	9.034.580	-	7.897.524
Financial assets at fair value through other comprehensive income	**8.055.215**	**(436.883)**	**1.716.630**	**(257.924)**
Revaluation difference [2]	8.055.215	(436.883)	1.716.630	(257.924)
Foreign currency differences	-	-	-	-
Total	**8.782.093**	**9.035.940**	**2.441.973**	**8.077.665**

(1) Includes differences between historical cost basis and equity method of associates, subsidiaries and joint ventures.
(2) Includes tax effect related to foreign currency valuation differences in TL column.

2.10.9. Information on profit distribution:

It was decided to distribute unconsolidated net profit of TL 10.489.758 as of December 31, 2021, in accordance with the General Assembly dated March 23, 2022 as follows: TL 202.649 to be transferred to legal reserves, TL 18.763 to be transferred to special funds account in accordance with the article No 5 1/e section of the Corporate Tax Law numbered 5520, TL 1.000.000 to be distributed as cash dividend and the remaining TL 9.268.346 to be transferred to extraordinary reserves. As of April 13, 2022, cash dividend has been paid.

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

3.1. Information on off balance sheet commitments:

3.1.1. The amount and type of irrevocable commitments:

	Current Period	Prior Period
Commitments on credit card limits	66.771.387	58.777.036
Asset purchase and sale commitments	45.726.430	19.796.270
Loan granting commitments	31.881.672	26.827.510
Commitments for cheques	5.543.544	4.306.427
Other irrevocable commitments	16.354.173	12.933.577
Total	**166.277.206**	**122.640.820**

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

3.1.2. Type and amount of probable losses and obligations arising from off-balance sheet items:

Obligations arising from off-balance sheet are disclosed in "Off-balance sheet commitments". The Bank set aside general provision for its non-cash loans amounting to TL 782.112 (December 31, 2021 - TL 874.667) and specific provision amounting to TL 1.275.498 (December 31, 2021 - TL 1.138.170) for non-cash loans which are not indemnified yet amounting to TL 943.918 (December 31, 2021 - TL 843.108).

3.1.2.1. Non-cash loans including guarantees, bank acceptance loans, collaterals that are accepted as financial guarantees and other letter of credits:

	Current Period	Prior Period
Bank acceptance loans	617.966	545.822
Letter of credits	31.366.474	25.507.486
Other guarantees and collaterals	16.795.474	15.072.056
Total	**48.779.914**	**41.125.364**

3.1.2.2. Guarantees, suretyships and other similar transactions:

	Current Period	Prior Period
Temporary letter of guarantees	3.384.737	2.091.040
Definite letter of guarantees	70.919.085	62.846.729
Advance letter of guarantees	22.240.661	19.182.209
Letter of guarantees given to customs	4.166.385	3.690.473
Other letter of guarantees	38.099.498	31.683.924
Total	**138.810.366**	**119.494.375**

3.1.3. Information on non-cash loans:

3.1.3.1. Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against cash loans	36.689.314	30.422.800
With original maturity of 1 year or less than 1 year	12.632.442	8.963.485
With original maturity of more than 1 year	24.056.872	21.459.315
Other non-cash loans	150.900.966	130.196.939
Total	**187.590.280**	**160.619.739**

3.2. Information on contingent liabilities and assets:

The Bank has recorded a provision of TL 112.488 (December 31, 2021 – TL 112.488) for litigation and has accounted for it in the accompanying financial statements under the "Other Provisions" account. Except for the claims where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations and therefore does not foresee cash outflow for such claims.

3.3. Information on services in the name and account of others:

The Bank's activities such as intermediation and custody to serve the investment needs of customers are followed up under off balance sheet accounts.

4. Explanations and notes related to income statement:

4.1. Information on interest income:

4.1.1. Information on interest income on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans (1)	3.432.638	445.124	1.967.949	191.773
Medium/long-term loans (1)	5.786.797	2.186.071	3.807.990	1.413.216
Interest on loans under follow-up	473.940	-	190.286	-
Premiums received from resource utilization support fund	-	-	-	-
Total	**9.693.375**	**2.631.195**	**5.966.225**	**1.604.989**

(1) Includes fees and commissions received for cash loans.

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

4.1.2. Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
From the CBRT	1.389	-	969	-
From domestic banks	53.516	12	43.390	15
From foreign banks	-	59.681	4	29.941
Headquarters and branches abroad	-	-	-	-
Total	**54.905**	**59.693**	**44.363**	**29.956**

4.1.3. Information on interest income on marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
From financial assets at fair value through profit or loss	2.258	7.933	2.503	2.834
From financial assets at fair value through other comprehensive income	2.267.680	154.112	659.551	42.773
From financial assets measured at amortised cost	3.657.114	525.656	1.087.954	196.648
Total	**5.927.052**	**687.701**	**1.750.008**	**242.255**

As of March, 31 2022, the valuation of related CPI-indexed government bonds has been calculated according to the annual inflation forecast of 35%. In case the CPI forecast increases or decreases by 1%, profit before taxes as of March 31, 2022 will be impacted by approximately TL 114.478.

4.1.4. Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest received from associates and subsidiaries	25.193	37.302
Total	**25.193**	**37.302**

4.2. Information on interest expense:

4.2.1. Information on interest expense on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	59.822	527.414	20.639	302.652
The CBRT	-	-	-	-
Domestic banks	30.939	6.616	17.668	1.995
Foreign banks	28.883	520.798	2.971	300.657
Headquarters and branches abroad	-	-	-	-
Other institutions	-	300.033	-	116.040
Total [(1)]	**59.822**	**827.447**	**20.639**	**418.692**

(1) Includes fees and commissions related to borrowings.

4.2.2. Information on interest expense to associates and subsidiaries:

	Current Period	Prior Period
Interest paid to associates and subsidiaries	49.785	12.248
Total	**49.785**	**12.248**

4.2.3. Information on interest expense to marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense to marketable securities issued	337.943	1.168.734	330.413	722.632
Total	**337.943**	**1.168.734**	**330.413**	**722.632**

4.2.4. Information on interest expense on money market transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense on money market transactions	1.101.830	20.007	1.152.401	11.630
Total	**1.101.830**	**20.007**	**1.152.401**	**11.630**

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

4.2.5. Information on other interest expenses:

Pursuant to the CBRT's letter dated 27 December 2021 and numbered 2374, banks that fail to meet conversion targets from foreign currency to Turkish Lira will be charged a commission on the balances of required reserves for foreign currency deposits (excluding gold). In this regard, a commission expense of TL 247.783 has been accrued and accounted in other interest expenses as of March 31, 2022.

4.2.6. Maturity structure of the interest expense on deposits:

		Time Deposit							
Account name	**Demand Deposit**	**Up to 1 month**	**Up to 3 months**	**Up to 6 months**	**Up to 1 Year**	**More than 1 year**	**Accumulating deposit**	**Total**	**Prior Period**
TL									
Bank deposits	2.147	37.700	968	-	-	-	-	40.815	69.244
Saving deposits	-	166.191	2.183.322	41.445	6.099	14.731	5	2.411.793	1.764.282
Public sector deposits	-	1.639	2.346	318	3	2	-	4.308	1.678
Commercial deposits	13	816.078	846.179	237.613	182.160	18.112	-	2.100.155	1.173.118
Other deposits	-	60.067	249.274	304.813	19.165	16.843	-	650.162	108.816
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Total	**2.160**	**1.081.675**	**3.282.089**	**584.189**	**207.427**	**49.688**	**5**	**5.207.233**	**3.117.138**
FC									
Foreign currency deposits	277	19.392	106.345	8.146	2.718	1.940	-	138.818	233.575
Bank deposits	2.395	7.303	-	-	-	-	-	9.698	7.762
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Precious metal vault	-	60	284	-	356	73	-	773	955
Total	**2.672**	**26.755**	**106.629**	**8.146**	**3.074**	**2.013**	**-**	**149.289**	**242.292**
Grand total	**4.832**	**1.108.430**	**3.388.718**	**592.335**	**210.501**	**51.701**	**5**	**5.356.522**	**3.359.430**

4.3. Information on trading gain/loss (net):

	Current Period	**Prior Period**
Gain	**44.827.629**	**36.163.816**
Gain from capital market transactions	347.811	126.825
Derivative financial transaction gains	23.090.520	15.754.990
Foreign exchange gains	21.389.298	20.282.001
Loss (-)	**43.510.519**	**36.397.359**
Loss from capital market transactions	22.194	115.488
Derivative financial transaction losses	17.334.440	12.564.395
Foreign exchange loss	26.153.885	23.717.476
Net gain/loss	**1.317.110**	**(233.543)**

4.4. Allowance for expected credit losses and other provision expenses:

	Current Period	**Prior Period**
Allowance for expected credit losses	**2.735.770**	**2.029.272**
12-month expected credit losses (Stage 1)	207.872	340.965
Significant increase in credit risk (Stage 2)	1.736.310	1.054.980
Credit-Impaired (Stage 3)	791.588	633.327
Impairment provisions for financial assets	**228.446**	**-**
Financial assets at fair value through profit or loss	228.446	-
Financial assets at fair value through other comprehensive income	-	-
Impairment provisions related to investments in associates, subsidiaries and jointly controlled partnerships (Joint ventures)	-	-
Investments in associates	-	-
Subsidiaries	-	-
Jointly controlled partnerships (joint ventures)	-	-
Other	**552**	**115.905**
Total	**2.964.768**	**2.145.177**

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

4.5. Information on derivatives financial transaction gain/loss:

The net gain resulting from the foreign exchange differences related to derivative financial transactions is TL 6.850.322 (March 31, 2021 – TL 4.482.570 gain).

4.6. Information on other operating income:

"Other Operating Income" in the Income Statement mainly includes collections from receivables for which Specific / General provision has been allocated in prior periods.

4.7. Information related to other operating expenses:

	Current Period	Prior Period
Reserve for employee termination benefits	6.195	10.041
Provision expense for pension fund	-	-
Impairment expenses of property and equipment	-	-
Depreciation expenses of property and equipment	163.087	131.149
Impairment expenses of intangible assets	-	-
Goodwill impairment expenses	-	-
Amortisation expenses of intangible assets	54.671	47.559
Impairment expenses of equity participations for which equity method applied	-	-
Impairment expenses of assets held for resale	-	-
Depreciation expenses of assets held for resale	-	-
Impairment expenses of fixed assets held for sale and assets related to discontinued operations	-	-
Other operating expenses	1.214.292	742.088
IFRS 16 exempt lease expenses	27.506	18.366
Repair and maintenance expenses	46.133	25.676
Advertising expenses	47.900	32.082
Other expense	1.092.753	665.964
Loss on sales of assets	-	-
Other	424.344	320.624
Total	**1.862.589**	**1.251.461**

4.8. Information on income/loss before taxes from continuing operations and discontinued operations:

The profit before tax includes TL 10.173.916 (March 31, 2021 – TL 3.710.294) of net interest income, TL 2.583.864 (March 31, 2021 – TL 1.654.246) of net fees and commissions expenses, TL 1.366.813 personnel expenses (March 31, 2021 – TL 913.445) and other operating expenses amounting to TL 1.862.589 TL (March 31, 2021 - TL 1.251.461).

As of March 31, 2022, the Bank has no profit before tax from discontinued operations (March 31, 2021 – None).

4.9. Provision for taxes on income from continuing operations and discontinued operations:

As of March 31, 2022, the Bank tax expense from continued operations, from discontinued operations amounting to TL 10.593.562 (March 31, 2021 – None) and deferred tax expense from continued operations amounting to TL 8.442.713 (March 31, 2021 - TL 277.955 expense).

4.10. Information on net income/loss for the period:

4.10.1. The characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions do not require any additional explanation to understand the Bank's current period performance.

4.10.2. The effect of the change in an estimate of financial statement items to profit / loss is not likely to affect subsequent periods

4.11. Other items in income statement:

"Other fees and commissions received" in income statement mainly includes commissions and fees from credit cards and banking transactions.

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

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

5.1. The volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit and loss of the period:

5.1.1. Information on loans of the Bank's risk group:

Current Period	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
Bank's risk group (1)(2)	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Loans and other receivables						
Balance at the beginning of the period	655.614	892.378	3.012.999	1.070.846	7.098.747	3.310.640
Balance at the end of the period	1.445.957	665.301	3.686.473	1.332.215	8.662.555	3.995.765
Interest and commission income received	**25.193**	**1.078**	**15.208**	**2.570**	**266.292**	**5.747**

Prior Period	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
Bank's risk group (1)(2)	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Loans and other receivables						
Balance at the beginning of the period	1.245.321	301.506	883.127	898.824	5.231.297	2.078.697
Balance at the end of the period	655.614	892.378	3.012.999	1.070.846	7.098.747	3.310.640
Interest and commission income received (3)	**37.302**	**543**	**9.089**	**1.806**	**137.583**	**2.531**

(1) Defined in subsection 2 of the 49th article of the Banking Act No.5411.
(2) The information in table above includes marketable securities and due from banks as well as loans.
(3) Prior period present profit / loss information of March 31, 2021.

5.1.2. Information on deposits of the Bank's risk group:

Bank's risk group (1)(2)	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
Deposit	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**
Beginning of the period	2.837.798	1.949.302	38.192.490	24.402.131	50.910.186	30.828.068
End of the period	3.563.152	2.837.798	42.575.813	38.192.490	52.113.552	50.910.186
Interest expense on deposits (3)	**49.785**	**12.248**	**499.920**	**335.660**	**361.430**	**475.566**

(1) Defined in subsection 2 of the 49th article of the Banking Act No. 5411.
(2) The information in table above includes borrowings and repo transactions as well as deposits.
(3) Prior period present profit / loss information of March 31, 2021.

5.1.3. Information on forward and option agreements and other derivative instruments with the Bank's risk group:

Bank's risk group (1)	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	**Prior Period**	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**
Transactions at fair value through profit or loss						
Beginning of the period (2)	4.298.899	1.181.891	2.828.070	1.573.859	379.300	1.585.212
End of the period (2)	3.802.986	4.298.899	2.858.543	2.828.070	6.039.497	379.300
Total profit / (loss) (3)	**385.755**	**148.582**	**(13.138)**	**24.928**	**4.344**	**(4.285)**
Transactions for hedging purposes						
Beginning of the period (2)	-	-	525.855	516.747	-	-
End of the period (2)	-	-	-	525.855	-	-
Total profit / (loss) (3)	**-**	**-**	**-**	**34.981**	**-**	**-**

(1) Defined in subsection 2 of the 49th article of the Banking Act No. 5411.
(2) The balances at the beginning and end of the periods are disclosed as the total of buy and sell amounts of derivative financial instruments.
(3) Prior period present profit / loss information of March 31, 2021.

5.1.4. Information regarding benefits provided to the Bank's top management:

Salaries and benefits paid to the Bank's top management amount to TL 9.023 as of March 31, 2022 (March 31, 2021 - TL 13.238).

6. Explanations and notes related to subsequent events

- With the Board of Directors' decision dated April 27, 2022; it has been decided to sell TL 1.324.434 of non-performing receivable to various asset management companies with a price of TL 205.039.
- By Bank's Board of Directors; it has been decided to purchase all of the Bankhaus J. Faisst oHG ("BHF") shares with banking licences, for a price of approximately EUR 9 million, subject to price adjustments based on the change in the net asset value at the closing date of the transaction in order to carry out banking activities in Germany and to sign the Share Purchase and Transfer Agreement regarding this purchase and to make all other official applications with the BRSA and to carry out the share transfer which is subject to the approval of the relevant domestic and foreign regulatory authorities following the necessary legal permissions.

Section six - Explanations on independent audit review report

1. Explanations on independent auditor's review report

The unconsolidated financial statements for the period ended March 31, 2022 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The independent auditor's rewiew report dated, April 29, 2022 is presented preceding the unconsolidated financial statements.

2. Explanations and notes prepared by independent auditor

None.

Section seven - Information on interim activity report[1]

1. Interim activity report which also contains the evaluation of the Chairman and the CEO of the Bank about the interim period activities

1.1. Message from Yapı Kredi's Board of Directors Chairman Ali Y. Koç:

In the first quarter of 2022, economic volatility due to pandemic continued to be effective on a global scale. While all countries of the world continued to struggle with inflationary pressures stemming from supply constraints, geopolitical developments also put pressure on the recovery process. The challenging conditions arising from the tension between Russia and Ukraine, caused the pressure on global inflation to persist and negatively impact the growth prospects.

Despite these challenging conditions, Turkey continued its strong growth trend with the support of services and industry sectors, on top the 11% growth recorded in 2021.

The Turkish banking sector continued to support the economy, while strengthening its balance sheet structure. In the first three months of the year, total loans increased by 46% annually and reached TL 5,185 billion. In the same period, the deposit base grew by 53% to reach TL 5,561 billion. Thus, the loan/deposit ratio of the sector improved by 11 points compared to the same period of the previous year and decreased to 93%.

On the asset quality side, the positive trend continued, and the non-performing loans ratio decreased by 91 basis points to 2.8% since the end of 2021.

Going forward, preserving strong fundamentals, Yapı Kredi will continue to support the economy and its customers, while maintaining its focus on asset quality and healthy balance sheet structure.

I would hereby like to extend my thanks to all our customers and shareholders for their continuous support and trust, and our employees and their families for their devoted efforts.

Ali Y. Koç
Chairman of the Board

(1) Unless otherwise stated, all figures in the section seven are expressed in full TL.

1.2. Message from Yapı Kredi's CEO Gökhan Erün:

In the first quarter of 2022, the effects of the Covid-19 pandemic on the economy continued. Inflationary pressures, especially due to the increase in commodity prices, brought back record inflation levels, also in developed countries. In addition, the geopolitical risks arising from the Russia-Ukraine tension that emerged in February and their effects on the economy adversely affected the process of fighting global inflation.

While Turkey continued its fight against inflation in this process, it continued its growth trend in a controlled manner. With the support of the service and industry sectors, our country has managed to keep its economic activity at a strong level in 2022.

The Turkish banking sector once again demonstrated its resilience in difficult conditions in this period, as it did in previous years. Despite all the uncertainties in the operating environment arising from the pandemic and geopolitical developments, Turkish banking sector continued to support the economy, while improving its key performance indicators further.

As Yapı Kredi, our support to the economy through cash and non-cash loans has increased by 15% quarterly and 52% annually exceeding TL 628 billion. In TL cash loans, the Bank recorded a quarterly growth of 14% and an annual growth of 41%. On the other hand, quarterly TL customer deposit growth was 28%, well above the loan growth. Thus, the Bank's TL loan deposit ratio decreased by 9 points to 134% during the period.

While maintaining its support to the economy, the Bank further improved its capital and liquidity ratios. The FX liquidity coverage ratio rose to 535%, while the total liquidity coverage ratio reaching 191% level. On the capital side, with the support of internal capital generation and the contributions of being the first Turkish Bank adopting the internal ratings-based (IRB) approach, the unconsolidated capital adequacy ratio and the Tier 1 ratio rose to 16.7% and 14.4%, respectively (without regulatory forbearances).

We are aware of the importance of sustainability for our industry, our customers and the areas in which we operate, we rapidly continue our efforts in this area. In this context, we demonstrate a strong ESG approach in line with the standards of international financial institutions. During this period, our MSCI ESG rating was upgraded by 3 levels, making our Bank the only financial institution in our country to be in the 'Leader' class. In the upcoming period, we will continue our efforts in the field of sustainability for a better future while contributing more to the national economy.

I would like to take this opportunity to thank our customers, our shareholders for their trust, and our employees for their valuable efforts.

Gökhan Erün
CEO

1.3. Overview of Financial Performance:

On 31 March 2022, Yapı Kredi announced its unconsolidated results for the first three months of 2022 based on Turkish accounting standards (Banking Regulation and Supervision Agency). The Bank's cash and non-cash loans reached TL 628 billion while total deposits reached to TL 449.9 billion. The Bank's net income reached TL 7,258 million indicating a return on average tangible equity of 42.2%.

Local currency driven loan and deposit growth with a solid liquidity

In the first three months of 2022, The Bank achieved 14% year-to-date growth in performing loans to TL 440.5 billion, mainly driven by Turkish Lira. During the same period, the Bank's total customer deposit growth was at 12% year-to-date and reached TL 442.1 billion. Also, demand deposits in total remained at a high level with 43%, within the scope of continued focus on small tickets in deposit gathering. Accordingly, loan-to-deposits plus Turkish Lira bonds ratio realized at 97%. The Bank's total and foreign currency liquidity coverage ratios realized at 191% and 535%, respectively.

Prudent and conservative asset quality approach

In the first three months of 2022, Yapı Kredi's non-performing loan ratio improved to 4.0%. Compared to 2021, non-performing loan net inflows declined with strength in collections resulting in improvement in cost of risk. Accordingly, cumulative cost of risk (adjusted for hedged foreign currency impact) materialised at 37 basis points in the first three months of 2022. Provisions to gross loans realized at 6.6%.

Strong capital ratios and ongoing internal capital generation

In the first three months of 2022, the capital ratios of the Bank were supported by ongoing internal capital generation and by the contributions of being the first Turkish Bank adopting the IRB method. Hence, unconsolidated Capital Adequacy Ratio and Tier-1 ratio increased to 16.7% and 14.4% respectively, excluding regulatory forbearances.

Solid top-line, improving asset quality and strong liquidity

In the first three months of 2022, Yapı Kredi recorded TL 11,262 million of core banking revenues. Thanks to the ongoing loan repricing efforts coupling with strong demand deposit performance and the support from CPI linker securities, swap adjusted net interest margin improved 138 basis points to 5.02% in the first quarter of the year. Yapı Kredi recorded a substantial 56% improvement in year-over-year fee growth, reaching to TL 2,584 million. Operating costs increased by 49% year over year -below average inflation- to TL 3,229 million. All in all, the Bank achieved a net income of TL 7,258 million and 42.2% return on average tangible equity.

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

1.4. Summary of Unconsolidated Financials

TL million	**Current Period**	**Prior Period**
Total Assets	815,681	736,770
Performing Loans	440,459	387,382
Total Deposits	449,872	401,095
Shareholder's Equity	78,110	63,484
Loans/Assets	54%	53%
Deposits/Assets	55%	54%
NPL	4.0%	4.6%
CAR(1)	20.3%	18.7%
TL million	**Current Period**	**Prior Period**
Net Profit	7,258	1,453
Return on Average Tangible Equity	42.2%	12.3%

(1) Reported

1.5. Important Developments and Transactions Affecting the Bank's Financial Performance:

- On 24 February 2022, the debt instrument issued by Yapı Kredi at abroad in the amount of US$600 mn, 5 year maturity was redeemed.
- On 9 November 2021, the purchase agreement of acquiring 18% of Yapı Kredi shares from UniCredit S.p.A. by Koç Holding A.Ş. was announced. As of 1 April 2022, the share transfer have been finalized and Koç Holding's direct share in Yapı Kredi increased from 9.02% to 27.02% whereas Koç Group's direct and indirect shares in Yapı Kredi reached to 67.97%.

1.6. Current Trends and Expectations for the Upcoming Period:

In the first three months of 2022, Yapı Kredi maintained its year-end guidance.

2022 Yapı Kredi Expectations:

- Loans: Turkish Lira loan growth at high twenties
- Net Interest Margin (including swap costs): around +100 basis points expansion
- Fees: high twenties increase
- Costs: below average inflation
- Net Cost of Risk: below 150 basis points
- Return on Tangible Equity: improvement