

# **STANDARD CHARTERED YATIRIM BANKASI TRK A..**

**Unconsolidated Financial Statements and Related Disclosures  
together with Independent Auditors' Report**

**As at and for the Year Ended 31 December 2021**

*(Convenience Translation of the Independent Auditors' Report Originally  
Issued in Turkish (See Note I.a in Section Three))*

*Convenience Translation of the Independent Auditors' Report Originally Issued in Turkish (See Note I.a in Section Three)*

## **INDEPENDENT AUDITOR'S REPORT**

**To the General Assembly of Standard Chartered Yatırım Bankası Türk A.Ş.**

### **Report on the Unconsolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying unconsolidated financial statements of Standard Chartered Yatırım Bankası Türk Anonim Şirketi ("the Bank") which comprise the statement of unconsolidated statement of financial position as at December 31, 2021, unconsolidated statement of profit and loss and unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity and unconsolidated statement of cash flows for the year then ended and the notes to the unconsolidated financial statements including a summary of significant accounting policies.

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

#### ***Basis for Opinion***

Our audit was conducted in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated April 2, 2015 by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards ("ISA") which are the part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and have fulfilled our other responsibilities in accordance with the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Subject	How the key audit issue was addressed in the audit
<b><i>Recognition and presentation of intragroup advisory service revenues on financial statements and disclosures within the scope of TFRS 15 "Revenue from Contracts with Customers"</i></b>	
<p>As explained in footnote V of the third section, the Bank measures and accounts the intragroup advisory service revenue in accordance with TFRS 15 "Revenue from Customer Contracts" standard. The reasons for disclosing TFRS 15 intragroup advisory service revenues as a key audit matter are as follows:</p> <ul style="list-style-type: none"> <li>- Advisory service revenues within the scope of TFRS 15 standard constitute a significant balance in terms of balance sheet, profit or loss statement and cash flow statement and thus become the most important financial statement item,</li> <li>- Estimations and assumptions used in intragroup advisory service revenues calculations are important,</li> <li>- The existence of the control environment in TFRS 15 processes.</li> </ul>	<p>Our audit procedures in addition to our current audit procedures:</p> <ul style="list-style-type: none"> <li>- Evaluation of compliance of the accounting policies adopted with regard to TFRS 15 and the Bank's practices,</li> <li>- Analysis and testing of processes and controls originated or re-designed in order to calculate advisory service revenues by Process Audit specialists,</li> <li>- Evaluation of the key judgments, assumptions, methods used for calculation of advisory service revenues by the management, and whether the data source is reasonable or not, and their compliance and standard requirements,</li> <li>- Evaluation of the accuracy and completeness of attributes of the data used for the process of calculating the amount of advisory service revenues,</li> <li>- Auditing of disclosures related to TFRS 15.</li> </ul>

### **Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements**

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

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with BRSA Independent Audit Regulation and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### **Report on Other Legal and Regulatory Requirements**

1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities and financial statements for the period January 1 – December 31, 2021 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.

2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The responsible auditor who conducted and finalized this independent audit is Damla Harman.

#### **Additional paragraph for convenience translation to English**

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

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

Damla Harman, SMMM  
Partner

March 14, 2022  
Istanbul, Turkey

## STANDARD CHARTERED YATIRIM BANKASI TRK A.. UNCONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The unconsolidated financial report as at and for the year ended 31 December 2021, prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITORS' REPORT

The unconsolidated financial statements and related disclosures and footnotes in auditors' report are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless otherwise stated, the accompanying unconsolidated financial report is presented in thousands of Turkish Lira (TL) and has been subjected to independent audit and presented attached.

### **Karin FLINSPACH**

Chairperson of the Board of Directors

### **Byung Sung YOON**

Board Member Responsible  
for Financial Reporting

### **Kaşif ATUN**

General Manager

### **Francois Massena**

Financial Reporting  
Manager

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**STANDARD CHARTERED YATIRIM BANKASI TRK A..**  
**NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021**

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

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**SECTION ONE**

**GENERAL INFORMATION ABOUT THE BANK**

**I. Bank’s foundation date, start-up status, history about the changes in this mentioned status:**

Standard Chartered Yatırım Bankası Türk A.., (hereinafter referred to as “Standard Chartered Bank” or “the Bank”), was established in accordance with the Law on Encouragement of Foreign Capital (Law No: 6224) on 9 January 1990 upon statement number 7075 issued by the Undersecretariat of the State Planning Organization on 18 August 1989; statement number 57797 issued by the Ministry of State on August 18, 1989 and a statement number 14502 issued by the Cabinet of Ministers on 1 September 1989 in accordance with the articles numbered 4 and 8 of the Banking Law numbered 3182. The Bank acquired Credit Lyonnais İstanbul, Turkey, Central Branch (“Credit Lyonnais” or “Branch”) with all of its asset and liabilities (excluding deposits) on 18 March 2004.

On 28 December 2007, the title of the Bank “Calyon Bank Türk A..” was changed to “Calyon Yatırım Bankası Türk A..”.

After obtaining the approval of the Banking Regulation and Supervision Agency, dated 6 February 2010 for the amendment of articles of association, the title of the Bank has been changed to “Credit Agricole Yatırım Bankası Türk A..” in the Extraordinary General Meeting held on 26 February 2010, which was held as per the decision of the Board of Directors dated 9 December 2009. This change of title has been registered in the Trade Registry Gazette on 8 March 2010 numbered 7516.

In accordance with the Banking Law Article 18 and upon approval from the Banking Regulation and Supervision Agency through its letter dated 19 October 2012 with the number B.02.1.BDK.0.12.00.00.11.01-21 395, the shareholding structure of the Bank was acquired by Standard Chartered Bank and its affiliates on 4 November 2012.

As approved by the Banking Regulation and Supervision Agency statement dated 8 November 2012 B.02.1BDK.0.12.00.0011.1 – No. 22391 and the statement issued by Republic of Turkey Ministry of Customs and Commerce dated 20 November 2012 and numbered B.21.0.İTG.0.03.00.01/431.02-46310-1186464-87507274 and as approved and amended in the Articles of Association of the Bank, its trade name under Article 3 was amended from “Credit Agricole Yatırım Bankası Türk A..” to “Standard Chartered Yatırım Bankası Türk A..”. Such amendment was approved at the Extraordinary Shareholders General Meeting held on 22 November 2012 and was published on Turkish Trade Registry Gazette on 30 November 2012.

**II. Explanation about the Bank’s capital structure, shareholders of the Bank who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters (if any) and the group the Bank belongs to:**

The paid-in capital of the Bank is TL 40,126. This capital is divided into 40,126,000 registered shares with a nominal value of 1 full TL. The controlling shareholder of the Bank is Standard Chartered Bank Limited.

**GENERAL INFORMATION ABOUT THE BANK (Continued)**

**III Explanation on the Board of Directors, members of the audit committee, president, and executive vice presidents, if available, and the shares of the Bank they possess (if any):**

<b><u>Title</u></b>	<b><u>Name</u></b>	<b><u>Responsibility</u></b>	<b><u>Education</u></b>
<b>Chairman of the Board of Directors:</b>	Karin Flinspach	President	Postgraduate
<b>Member of the Board of Directors:</b>	Byung Sung YOON	Board Member Responsible for Financial Reporting	Graduate
<b>Members of the Board of Directors:</b>	Kaşif Atun	Member and General Manager	Postgraduate
	Belma Özmen	Member	Graduate
	Byung Sung Yoon	Member	Postgraduate
	Folkert Lodewijk		
	Ramon Van Wickevoort Crommelin	Member	Graduate
<b>Audit Committee:</b>	Belma Özmen	President	Graduate
<b>General Manager:</b>	Kaşif Atun	General Manager	Postgraduate

The Bank's chairman and members of the board of directors, the members of the audit committee, general manager and vice general managers do not hold any shareholding in the Bank.

**IV. Information on shareholders having control shares:**

<b><u>Name /Commercial title</u></b>	<b><u>Share amounts</u></b>	<b><u>Share percentage</u></b>	<b><u>Paid-in capital</u></b>	<b><u>Unpaid portion</u></b>
Standard Chartered Bank	Partial	99.99%	40,126	-
Standard Chartered Bank UK Holdings Limited	Partial	0.00%	0,00	-
SCMB Overseas Limited	Partial	0.00%	0,00	-
Standard Chartered Africa Limited	Partial	0.00%	0,00	-
Standard Chartered Holdings (International) B.V.	Partial	0.00%	0,00	-
<b>TOTAL</b>	<b>All</b>	<b>100%</b>	<b>40,126</b>	<b>-</b>

**V. Information on the Bank's service type and field of operation**

The Bank does not accept client deposits based on its investment bank status. The Bank's core business activities are to provide Transaction Banking trade financing support and Origination and Client Coverage lending and Treasury services to its clients. As of 31 December 2021, the number of employees in the Bank is 32 (31 December 2020: 31).

**VI. Explanations on institutions, which are not subject to the difference between Communique on preparation of Banks' Consolidated Financial Statements and consolidation operations based on TAS, and institutions which are subject to full consolidation or proportional consolidation, reduced from equity or not included in these three methods:**

None.

**VII. Current or potential, actual or legal obstacles before the immediate transfer of the equity of subsidiaries with the Bank or repayment of debts:**

None.

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**BALANCE SHEET AS OF 31 DECEMBER 2021**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**SECTION TWO**  
**UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK**

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Note (Section Five)	Audited Current Period (31.12.2021)			Audited Prior Period (31.12.2020)		
ASSESTS			TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (NET)							
1.1.	Cash and Cash Equivalents		153,046	225	153,271	91,058	106	91,164
1.1.1.	Cash and Balances with Central Bank	(1.1.1.)	152,886	225	153,111	90,898	106	91,004
1.1.2.	Banks	(1.1.3.)	72	-	72	50	-	50
1.1.3.	Money Markets	(1.1.1.)	20,168	225	20,393	109	106	215
1.2.	Financial Assets Measured at Fair Value Through Profit or Loss	(1.1.1.)	132,646	-	132,646	90,739	-	90,739
1.2.1.	Government Securities	(1.1.2.)	-	-	-	-	-	-
1.2.2.	Equity Securities		-	-	-	-	-	-
1.2.3.	Other Financial Assets		-	-	-	-	-	-
1.3.	Financial Assets Measured at Fair Value Through Other Comprehensive Income	(1.1.5.)	160	-	160	160	-	160
1.3.1.	Government Securities		-	-	-	-	-	-
1.3.2.	Equity Securities		-	-	-	-	-	-
1.3.3.	Other Financial Assets		160	-	160	160	-	160
1.4.	Derivative Financial Assets		-	-	-	-	-	-
1.4.1.	Derivative Financial Assets Measured at Fair Value Through Profit or Loss		-	-	-	-	-	-
1.4.2.	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income	(1.1.8.)	-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)	(1.1.6.)	-	-	-	-	-	-
2.1.	Loans	(1.2.)	-	-	-	-	-	-
2.2.	Lease Receivables	(1.1.7.)	-	-	-	-	-	-
2.3.	Factoring Receivables		-	-	-	-	-	-
2.4.	Financial Assets Measured At Amortized Cost		-	-	-	-	-	-
2.4.1	Government Securities		-	-	-	-	-	-
2.4.2	Other Financial Assets		-	-	-	-	-	-
2.5.	Non-Performing Loans	(1.2.10.)	17	-	17	17	-	17
2.6.	Specific Provisions (-)	(1.2.9.)	(17)	-	(17)	(17)	-	(17)
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(1.6.)	-	-	-	-	-	-
3.1.	Held for Sale Purpose		-	-	-	-	-	-
3.2.	Related to Discontinued Operations		-	-	-	-	-	-
IV.	EQUITY INVESTMENTS		-	-	-	-	-	-
4.1.	Investments in Associates (Net)	(1.3.1.)	-	-	-	-	-	-
4.1.1.	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2.	Unconsolidated Associates		-	-	-	-	-	-
4.2.	Subsidiaries (Net)	(1.3.2.)	-	-	-	-	-	-
4.2.1.	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2.	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3.	Joint Ventures (Net)	(1.3.3.)	-	-	-	-	-	-
4.3.1.	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2.	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	PROPERTY AND EQUIPMENT (Net)	(1.8.)	5,069	-	5,069	3,889	-	3,889
VI.	INTANGIBLE ASSETS (Net)	(1.9.)	357	-	357	515	-	515
6.1.	Goodwill		-	-	-	-	-	-
6.2.	Other		357	-	357	515	-	515
VII.	INVESTMENT PROPERTY (Net)	(1.4.)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET		-	-	-	-	-	-
IX.	DEFERRED TAX ASSET	(1.5.)	2,105	-	2,105	1,298	-	1,298
X.	OTHER ASSETS	(1.7.)	306	16,394	16,700	27,454	-	27,454
	TOTAL ASSETS		160,883	16,619	177,502	124,214	106	124,320

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

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**BALANCE SHEET AS OF 31 DECEMBER 2021**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Note (Section Five)	Audited Current Period (31.12.2021)			Audited Prior Period (31.12.2020)		
LIABILITIES AND EQUITY			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(II.1.)	-	-	-	-	-	-
II.	FUNDS BORROWED	(II.3.)	-	-	-	-	-	-
III.	MONEY MARKETS		-	-	-	-	-	-
IV.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1.	Bills		-	-	-	-	-	-
4.2.	Asset Backed Securities		-	-	-	-	-	-
4.3.	Bonds		-	-	-	-	-	-
V.	FUNDS		-	-	-	-	-	-
5.1.	Borrower Funds		-	-	-	-	-	-
5.2.	Other		-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	(II.2.)	-	-	-	-	-	-
7.1.	Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	-	-	-	-	-
7.2.	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	FACTORING LIABILITIES		-	-	-	-	-	-
IX.	LEASE LIABILITIES (Net)	(II.5.)	234	-	234	166	-	166
X.	PROVISIONS		12,916	658	13,574	8,797	-	8,797
10.1.	General Provision	(II.7.1.)	555	-	555	415	-	415
10.2.	Restructuring Provisions		-	-	-	-	-	-
10.3.	Reserve for Employee Benefits	(II.7.5.)	12,361	-	12,361	8,382	-	8,382
10.4.	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.5.	Other Provisions	(II.7.4.)	-	658	658	-	-	-
XI.	CURRENT TAX LIABILITY	(II.8.1.)	9,220	-	9,220	22	-	22
XII.	DEFERRED TAX LIABILITY	(II.8.2.)	-	-	-	-	-	-
XIII.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(II.9.)	-	-	-	-	-	-
13.1.	Held for Sale Purpose		-	-	-	-	-	-
13.2.	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS		-	-	-	-	-	-
14.1.	Loans		-	-	-	-	-	-
14.2.	Other Debt Instruments		-	-	-	-	-	-
XV.	OTHER LIABILITIES	(II.4.)	810	2,987	3,797	2,032	-	2,032
XVI.	SHAREHOLDERS' EQUITY		150,677	-	150,677	113,303	-	113,303
16.1.	Paid-in capital	(II.10.1.)	40,126	-	40,126	40,126	-	40,126
16.2.	Capital Reserves		5,913	-	5,913	5,913	-	5,913
16.2.1.	Share Premium		-	-	-	-	-	-
16.2.2.	Share Cancellation Profits		-	-	-	-	-	-
16.2.3.	Other Capital Reserves		5,913	-	5,913	5,913	-	5,913
16.3.	Accumulated Other Comprehensive Income or Loss that will not be Reclassified to Profit or Loss		(38)	-	(38)	185	-	185
16.4.	Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss		-	-	-	-	-	-
16.5.	Profit Reserves		51,718	-	51,718	49,829	-	49,829
16.5.1.	Legal Reserves		9,416	-	9,416	7,527	-	7,527
16.5.2.	Status Reserves		-	-	-	-	-	-
16.5.3.	Extraordinary Reserves		42,302	-	42,302	42,302	-	42,302
16.5.4.	Other Profit Reserves		-	-	-	-	-	-
16.6.	Profit or (Loss)		52,958	-	52,958	17,250	-	17,250
16.6.1.	Prior Periods' Profit or (Loss)		13,841	-	13,841	2,059	-	2,059
16.6.2.	Current Period Profit or (Loss)		39,117	-	39,117	15,191	-	15,191
TOTAL LIABILITIES AND EQUITY			173,857	3,645	177,502	124,320	-	124,320

The accompanying notes are an integral part of these financial statements

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF 31 DECEMBER 2021**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	Note (Section Five)	Audited Current Period (31.12.2021)			Audited Prior Period (31.12.2020)		
		TL	FC	Total	TL	FC	Total
<b>A</b>	<b>OFF-BALANCE SHEET LIABILITIES (I+II+III)</b>						
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>						
1.1.	Letters of Guarantee	-	-	-	-	-	-
1.1.1.	Guarantees Subject to State Tender Law	-	-	-	-	-	-
1.1.2.	Guarantees Given for Foreign Trade Operations	-	-	-	-	-	-
1.1.3.	Other Letters of Guarantee	-	-	-	-	-	-
1.2.	Bank Acceptances	-	-	-	-	-	-
1.2.1.	Import Letter of Acceptance	-	-	-	-	-	-
1.2.2.	Other Bank Acceptances	-	-	-	-	-	-
1.3.	Letters of Credit	-	-	-	-	-	-
1.3.1.	Documentary Letters of Credit	-	-	-	-	-	-
1.3.2.	Other Letters of Credit	-	-	-	-	-	-
1.4.	Preinancing 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 on Marketable Security Issuance	-	-	-	-	-	-
1.7.	Factoring Guarantees	-	-	-	-	-	-
1.8.	Other Guarantees	-	-	-	-	-	-
1.9.	Other Collaterals	-	-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>						
2.1.	Irrevocable Commitments	-	-	-	-	-	-
2.1.1.	Asset Purchase and Sale Commitments	-	-	-	-	-	-
2.1.2.	Deposit Purchase and Sales Commitments	-	-	-	-	-	-
2.1.3.	Share Capital Commitments to Associates and Subsidiaries	-	-	-	-	-	-
2.1.4.	Loan Granting Commitments	-	-	-	-	-	-
2.1.5.	Securities Issue Brokerage Commitments	-	-	-	-	-	-
2.1.6.	Commitments for Reserve Deposit Requirements	-	-	-	-	-	-
2.1.7.	Commitments for Cheques	-	-	-	-	-	-
2.1.8.	Tax and Fund Liabilities from Export Commitments	-	-	-	-	-	-
2.1.9.	Commitments for Credit Card Limits	-	-	-	-	-	-
2.1.10.	Commitments for Credit Cards and Banking Services Promotions	-	-	-	-	-	-
2.1.11.	Receivables from Short Sale Commitments of Marketable Securities	-	-	-	-	-	-
2.1.12.	Payables for Short Sale Commitments of Marketable Securities	-	-	-	-	-	-
2.1.13.	Other Irrevocable Commitments	-	-	-	-	-	-
2.2.	Revocable Commitments	-	-	-	-	-	-
2.2.1.	Revocable Loan Granting Commitments	-	-	-	-	-	-
2.2.2.	Other Revocable Commitments	-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>						
3.1.	Hedging Derivative Financial Instruments	-	-	-	-	-	-
3.1.1.	Transactions for Fair Value Hedge	-	-	-	-	-	-
3.1.2.	Transactions for Cash Flow Hedge	-	-	-	-	-	-
3.1.3.	Transactions for Foreign Net Investment Hedge	-	-	-	-	-	-
3.2.	Trading Transactions	-	-	-	-	-	-
3.2.1.	Forward Foreign Currency Buy/Sell Transactions	-	-	-	-	-	-
3.2.1.1.	Forward Foreign Currency Transactions-Buy	-	-	-	-	-	-
3.2.1.2.	Forward Foreign Currency Transactions-Sell	-	-	-	-	-	-
3.2.2.	Swap Transactions Related to Foreign Currency and Interest Rates	-	-	-	-	-	-
3.2.2.1.	Foreign Currency Swap-Buy	-	-	-	-	-	-
3.2.2.2.	Foreign Currency Swap-Sell	-	-	-	-	-	-
3.2.2.3.	Interest Rate Swap-Buy	-	-	-	-	-	-
3.2.2.4.	Interest Rate Swap-Sell	-	-	-	-	-	-
3.2.3.	Foreign Currency, Interest rate and Securities Options	-	-	-	-	-	-
3.2.3.1.	Foreign Currency Options-Buy	-	-	-	-	-	-
3.2.3.2.	Foreign Currency Options-Sell	-	-	-	-	-	-
3.2.3.3.	Interest Rate Options-Buy	-	-	-	-	-	-
3.2.3.4.	Interest Rate Options-Sell	-	-	-	-	-	-
3.2.3.5.	Securities Options-Buy	-	-	-	-	-	-
3.2.3.6.	Securities Options-Sell	-	-	-	-	-	-
3.2.4.	Foreign Currency Futures	-	-	-	-	-	-
3.2.4.1.	Foreign Currency Futures-Buy	-	-	-	-	-	-
3.2.4.2.	Foreign Currency Futures-Sell	-	-	-	-	-	-
3.2.5.	Interest Rate Futures	-	-	-	-	-	-
3.2.5.1.	Interest Rate Futures-Buy	-	-	-	-	-	-
3.2.5.2.	Interest Rate Futures-Sell	-	-	-	-	-	-
3.2.6.	Other	-	-	-	-	-	-
<b>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>						
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>						
4.1.	Customer Fund and Portfolio Balances	-	-	-	-	-	-
4.2.	Investment Securities Held in Custody	-	-	-	-	-	-
4.3.	Checks Received for Collection	-	-	-	-	-	-
4.4.	Commercial Notes Received for Collection	-	-	-	-	-	-
4.5.	Other Assets Received for Collection	-	-	-	-	-	-
4.6.	Assets Received for Public Offering	-	-	-	-	-	-
4.7.	Other Items Under Custody	-	-	-	-	-	-
4.8.	Custodians	-	-	-	-	-	-
<b>V.</b>	<b>PLEDGES RECEIVED</b>						
5.1.	Marketable Securities	-	-	-	-	-	-
5.2.	Guarantee Notes	-	-	-	-	-	-
5.3.	Commodity	-	-	-	-	-	-
5.4.	Warranty	-	-	-	-	-	-
5.5.	Immovable	-	-	-	-	-	-
5.6.	Other Pledged Items	-	-	-	-	-	-
5.7.	Pledged Items-Depository	-	-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>						
	<b>TOTAL OFF-BALANCE SHEET LIABILITIES (A+B)</b>						

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

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2021**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

	Note (Section Five)	Audited Current Period (01.01.2021- 31.12.2021)	Audited Prior Period (01.01.2020- 31.12.2020)
<b>STATEMENT OF PROFIT OR LOSS</b>			
<b>INTEREST INCOME</b>		18,146	7,699
Interest on Loans	(IV.1.1.)	-	-
Interest on Reserve Requirements		-	-
Interest on Banks	(IV.1.2.)	86	1,293
Interest on Money Market Transactions	(IV.1.2.)	18,060	6,406
Interest on Marketable Securities Portfolio	(IV.1.3.)	-	-
Fair Value Through Profit or Loss		-	-
Fair Value Through Other Comprehensive Income		-	-
Measured at Amortized Cost		-	-
Financial Lease Income		-	-
Other Interest Income		-	-
<b>INTEREST EXPENSE (-)</b>		36	12
Interest on Deposits	(IV.2.4.)	-	-
Interest on Funds Borrowed	(IV.2.1.)	-	-
Interest Expense on Money Market Transactions		-	-
Interest on Securities Issued	(IV.2.3.)	-	-
Lease interest expense		36	12
Other Interest Expenses		-	-
<b>NET INTEREST INCOME (I - II)</b>		18,110	7,687
<b>NET FEES AND COMMISSIONS INCOME</b>		74,090	45,105
Fees and Commissions Received		74,121	45,129
Non-cash Loans		-	-
Other	(IV.10.)	74,121	45,129
Fees and Commissions Paid		31	24
Non-cash Loans		-	-
Other		31	24
<b>DIVIDEND INCOME</b>		200	90
<b>TRADING INCOME /(LOSS) (Net)</b>	(IV.3.)	10,993	163
Trading Gains / (Losses) on Securities		-	-
Gains / (Losses) on Derivative Financial Transactions		-	-
Foreign Exchange Gains / (Losses)		10,993	163
<b>OTHER OPERATING INCOME</b>	(IV.4.)	714	1,014
<b>GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)</b>		104,107	54,059
<b>LOAN PROVISIONS (-)</b>	(IV.5.)	140	45
<b>PERSONNEL EXPENSE (-)</b>	(IV.6.)	14,740	11,733
<b>OTHER OPERATING EXPENSES (-)</b>	(IV.6.)	36,710	21,902
<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		52,517	20,379
<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-
<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-
<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)</b>	(IV.7.)	52,517	20,379
<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>		(13,400)	(5,188)
Current Tax Provision	(IV.8.)	14,151	4,679
Deferred Tax Income Effect (+)	(IV.8.)	-	(509)
Deferred Tax Expense Effect (-)	(IV.8.)	751	-
<b>CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)</b>	(IV.9.)	39,117	15,191
<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
<b>Income from Non-current Assets Held for Sale</b>		-	-
Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
Income from Other Discontinued Operations		-	-
<b>EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		-	-
<b>Expenses for Non-current Assets Held for Sale</b>		-	-
Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
Expenses for Other Discontinued Operations		-	-
<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)</b>		-	-
<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
<b>Current Tax Provision</b>		-	-
Deferred Tax Expense Effect (+)		-	-
Deferred Tax Income Effect (-)		-	-
<b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)</b>		-	-
<b>NET PROFIT/(LOSS) (XVIII+XXIII)</b>		39,117	15,191
Earning/(Loss) per share		0.97485	0.37858

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

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Note	Audited Current Period (01.01.2021- 31.12.2021)	Audited Prior Period (01.01.2020- 31.12.2020)
<b>I.</b>	<b>CURRENT PERIOD PROFIT/LOSS</b>		39,117	15,191
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>		(223)	(161)
<b>2.1.</b>	<b>Other Income/Expense Items not to be Recycled to Profit or Loss</b>		(223)	(161)
2.1.1.	Revaluation Surplus on Tangible Assets		-	-
2.1.2.	Revaluation Surplus on Intangible Assets		-	-
2.1.3.	Defined Benefit Pension Plan Remeasurement Gain/Loss		(279)	(206)
2.1.4.	Other Comprehensive Income Items Not Reclassified Through Profit or Loss		-	-
2.1.5.	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss		56	45
<b>2.2.</b>	<b>Other Income/Expense Items to be Recycled to Profit or Loss</b>		-	-
2.2.1.	Foreign Currency Translation Differences		-	-
2.2.2.	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income		-	-
2.2.3.	Cash Flow Hedge Income/Loss		-	-
2.2.4.	Foreign Net Investment Hedge Income/Loss		-	-
2.2.5.	Other Comprehensive Income Items Reclassified Through Profit or Losses		-	-
2.2.6.	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss		-	-
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>		38,894	15,030

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

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021**

( Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Other Accumulated Comprehensive Income That Will Not Be Reclassified to Profit or Loss			Other Accumulated Comprehensive Income That Will Be Reclassified to Profit or Loss							
		Note	Paid-in Capital	Share Premium	Share certificate Cancel profits	Other capital reserves	1	2	3	4	5	6	Profit Reserves	Prior period net profit/ (loss)	Current period net profit / (loss)	Total
	31 December 2020															
I.	Balance at the Beginning of the Period (1 January 2020)		40,126	-	-	5,913	-	346	-	-	-	-	30,167	2,060	19,661	98,273
II.	Adjustment in accordance with TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effect of Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (I+II)	(II.10.1)	40,126	-	-	5,913	-	346	-	-	-	-	30,167	2,060	19,661	98,273
IV.	Total comprehensive income (loss)		-	-	-	-	-	(161)	-	-	-	-	-	-	15,191	15,030
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		-	-	-	-	-	-	-	-	-	-	19,661	-	(19,661)	-
11.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to legal reserves		-	-	-	-	-	-	-	-	-	-	19,661	(19,661)	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	19,661	(19,661)	-
	Balance at the end of the period (31 December 2020) (III+IV+.....+X+XI)		40,126	-	-	5,913	-	185	-	-	-	-	49,828	2,060	15,191	113,303

1. Tangible and Intangible Assets Revaluation Reserve

2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans

3. Other (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

5 Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income

6.Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

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



**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021**

( Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

9

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY							Other Accumulated Comprehensive Income That Will Not Be Reclassified to Profit or Loss			Other Accumulated Comprehensive Income That Will Be Reclassified to Profit or Loss			Profit Reserves	Prior period net profit/ (loss)	Current period net profit / (loss)	Total
	Note	Paid-in Capital	Share Premium	Share certificate Cancel profits	Other capital reserves		1	2	3	4	5	6				
<b>31 December 2021</b>																
<b>I. Balance at the Beginning of the Period (1 January 2020)</b>		40,126	-	-	5,913		-	185	-	-	-	-	49,828	2,060	15,191	113,303
<b>II. Adjustment in accordance with TAS 8</b>		-	-	-	-		-	-	-	-	-	-	-	-	-	-
2.1. Effect of adjustment		-	-	-	-		-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policy		-	-	-	-		-	-	-	-	-	-	-	-	-	-
<b>III. New balance (I+II)</b>	(II.10.1)	40,126	-	-	5,913		-	185	-	-	-	-	49,828	2,060	15,191	113,303
<b>IV. Total comprehensive income (loss)</b>		-	-	-	-		-	(223)	-	-	-	-	-	-	39,117	38,894
<b>V. Capital increase in cash</b>		-	-	-	-		-	-	-	-	-	-	-	-	-	-
<b>VI. Capital increase through internal reserves</b>		-	-	-	-		-	-	-	-	-	-	-	-	-	-
<b>VII. Issued capital inflation adjustment difference</b>		-	-	-	-		-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible bonds</b>		-	-	-	-		-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated debt</b>		-	-	-	-		-	-	-	-	-	-	-	-	-	-
<b>X. Increase (decrease) through other changes, equity</b>		-	-	-	-		-	-	-	-	-	-	-	-	-	-
<b>XI. Profit distribution</b>		-	-	-	-		-	-	-	-	-	-	1,890	11,781	(15,191)	(1,520)
11.1 Dividends distributed		-	-	-	-		-	-	-	-	-	-	-	(1,520)	-	(1,520)
11.2 Transfers to legal reserves		-	-	-	-		-	-	-	-	-	-	1,890	(1,890)	-	-
11.3 Other		-	-	-	-		-	-	-	-	-	-	-	15,191	(15,191)	-
<b>Balance at the end of the period (31 December 2020)</b>																
<b>(III+IV+.....+X+XI)</b>		40,126	-	-	5,913		-	(38)	-	-	-	-	51,718	13,841	39,117	150,677

1. Tangible and Intangible Assets Revaluation Reserve

2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans

3. Other (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

5 Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income

6.Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

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

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021**

( Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”). )

STATEMENT OF CASH FLOWS		Note	Audited Current Period (01.01.2021- 31.12.2021)	Audited Prior Period (01.01.2020- 31.12.2020)
	(Section Five)			
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	<b>Operating Profit Before Changes in Operating Assets and Liabilities</b>		46,799	22,896
1.1.1	Interest Received		18,053	7,678
1.1.2	Interest Paid		-	-
1.1.3	Dividend Received		200	90
1.1.4	Fees and Commissions Received		74,168	45,129
1.1.5	Other Income		771	9,261
1.1.6	Collections from Previously Written-off Loans and Other Receivables		-	-
1.1.7	Payments to Personnel and Service Suppliers		(32,009)	(25,636)
1.1.8	Taxes Paid		(7,486)	(4,055)
1.1.9	Other		(6,898)	(9,571)
<b>1.2</b>	<b>Changes in Operating Assets and Liabilities</b>		18,592	6,467
1.2.1	Net (increase) / decrease in Financial Assets at Fair Value Through Profit or Loss		-	-
1.2.2	Net (increase) / decrease in due from banks and other financial institutions		-	-
1.2.3	Net (increase) / decrease in loans		-	-
1.2.4	Net (increase) / decrease in other assets		10,846	5,032
1.2.5	Net increase / (decrease) in bank deposits		-	-
1.2.6	Net increase / (decrease) in other deposits		-	-
1.2.7	Net increase / (decrease) in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8	Net increase / (decrease) in funds borrowed		-	-
1.2.9	Net increase / (decrease) in payables		-	-
1.2.10	Net increase / (decrease) in other liabilities		7,746	1,435
<b>I.</b>	<b>Net Cash Provided from Banking Operations</b>		65,391	29,363
<b>B.</b>	<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
<b>II.</b>	<b>Net Cash Provided from Investing Activities</b>		(1,844)	(1,262)
2.1	Cash paid for acquisition of investments, associates and subsidiaries		-	-
2.2	Cash obtained from disposal of investments, associates and subsidiaries		-	-
2.3	Purchases of property and equipment		(1,825)	(748)
2.4	Disposals of property and equipment		-	-
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		-	-
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		-	-
2.7	Purchase of Financial Assets Measured at Amortized Cost		-	-
2.8	Sale of Financial Assets Measured at Amortized Cost		-	-
2.9	Other		(19)	(514)
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	<b>Net Cash Provided from Financing Activities</b>		(1,630)	(189)
3.1	Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3	Issued Equity Instruments		-	-
3.4	Dividends Paid		(1,520)	-
3.5	Payments for Finance Leases		(110)	(189)
3.6	Other		-	-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		96	12
<b>V.</b>	<b>Net Increase in Cash and Cash Equivalents (I+II+III+IV)</b>		62,013	27,924
<b>VI.</b>	<b>Cash and Cash Equivalents at the Beginning of the Period</b>		90,965	63,041
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the Period</b>	(V)	152,978	90,965

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

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR ENDED 31 DECEMBER 2021**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

		Audited Current period <sup>(1)</sup>	Audited Prior period <sup>(2)</sup>
STATEMENT OF PROFIT DISTRIBUTION		31.12. 2021	31.12.2020
<b>I.</b>	<b>DISTRIBUTION OF CURRENT YEAR PROFIT (1)</b>		
1.1	Current Year Profit / (Loss)	52,517	20,379
1.2	Taxes and Duties Payable (-)	(13,400)	(5,188)
1.2.1	Corporate Tax (Income Tax)	(14,151)	(4,679)
1.2.2	Income Tax Withholding	-	-
1.2.3	Other Taxes and Duties Payable (-) (2)	751	509
<b>A.</b>	<b>NET PROFIT FOR THE YEAR (1.1-1.2)</b>	39,117	15,191
1.3	PRIOR YEAR S' LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	(1,520)
1.5	OTHER STATUTORY RESERVES (-)	-	-
<b>B.</b>	<b>NET PROFIT ATTRIBUTABLE TO [(A-(1.3+1.4+1.5)]</b>	39,117	13,671
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To owners of Ordinary Shares	-	-
1.6.2	To owners of Preferred Shares	-	-
1.6.3	Preferred Shares (Pre-emptive Rights)	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Holders of Profit / Loss Share Certificates	-	-
1.7	Dividends to Personnel (-)	-	-
1.8	Dividends To Board of Directors (-)	-	-
1.9	Second Dividend to Shareholders (-)	-	-
1.9.1	To owners of Ordinary Shares	-	-
1.9.2	To owners of Preferred Shares	-	-
1.9.3	Preferred Shares (Pre-emptive Rights)	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Holders of Profit / Loss Share Certificates	-	-
1.10	Second Legal Reserves (-)	-	-
1.11	Statutory Reserves (-)	-	-
1.12	Extraordinary Reserves	-	-
1.13	Other Reserves	-	-
1.14	Special Funds	-	-
<b>II.</b>	<b>DISTRIBUTION FROM RESERVES</b>		
2.1	Distributed reserves	-	-
2.2	Second legal reserves (-)	-	-
2.3	Dividends to shareholders (-)	-	-
2.3.1	To owners of Ordinary Shares	-	-
2.3.2	To owners of Preferred Shares	-	-
2.3.3	Preferred Shares (Pre-emptive Rights)	-	-
2.3.4	To Profit Sharing Bonds	-	-
2.3.5	To Holders of Profit / Loss Share Certificates	-	-
2.4	Dividends to Personnel (-)	-	-
2.5	Dividends to Board of Directors (-)	-	-
<b>III.</b>	<b>EARNINGS PER SHARE</b>		
3.1	To owners of Ordinary Shares	0.955365	0.378582
3.2	To owners of Ordinary Shares (%)	0.00955365	0.00378582
3.3	To owners of Preferred Shares	-	-
3.4	To owners of Preferred Shares (%)	-	-
<b>IV.</b>	<b>DIVIDEND PER SHARE</b>		
4.1	To owners of Ordinary Shares	-	-
4.2	To owners of Ordinary Shares (%)	-	-
4.3	To owners of Preferred Shares	-	-
4.4	To owners of Preferred Shares (%)	-	-

<sup>(1)</sup> General assembly meeting was not held as of authorization date of the financial statement as of 31 December 2021.

<sup>(2)</sup> The profit distribution table as of 31 December 2020 has been changed according to the actual profit distribution.

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

### **SECTION THREE**

#### **ACCOUNTING POLICIES**

**I. Explanation on basis of presentation:**

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

The Bank prepares its financial statements in accordance with the BRSA Accounting and Reporting Regulation” which includes the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards (“TFRS”) published by the Public Oversight Accounting and Auditing Standards Authority for the matters not regulated by the aforementioned legislations. The format and content of the accompanying unconsolidated financial statements and footnotes have been prepared in accordance with the “Communique” on Publicly Announced Financial Statements Explanations and notes to the Financial Statements” and “Communique on Disclosures About Risk Management to be Announced to Public by Banks.

The financial statements have been prepared with historical cost in TL except for the financial assets which are carried at fair value. The accompanying unconsolidated financial statements and the explanatory footnotes, unless otherwise indicated, are prepared in thousands of Turkish Lira (“TL”).

The preparation of financial statements in conformity with BRSA Accounting and Financial Reporting Regulations requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made, and the effects of these corrections are reflected to the income statement. It is not expected to have any significant impact on the Bank's accounting policies, financial position and performance from the amendments of TAS and TFRS issued as of the date of the financial statements.

The accounting policies and valuation principles used in the 2021 period are presented in the accompanying notes and the accounting policies and valuation principles are explained in Notes II to XXIII below.

As explained in the decision of BRSA numbered 7650 dated December 21, 2017, in the scope of paragraph (6) of Article 9 of the ‘Regulation on Procedures and Principles for the Classification of Loans and the Provisions to be Forwarded’ which entered into force as of 1 January 2018, it is permitted for the Bank to provide provisions in accordance with Articles 10, 11, 13 and 15 of the Regulation instead of TFRS 9. On the other hand, if the transaction volume and diversity of the Bank increase in the following periods, provision should be provided in accordance with TFRS 9 to the loans. Aforementioned exception is only related with provisions.

In the statement made by the Public Oversight, Accounting and Auditing Standards Authority on January 20, 2022, since the cumulative change in the general purchasing power of the last three years according to the Consumer Price Index (CPI) is 74.41%, TAS 29 Financial Inflationary Economies in 2021 financial statements. It has been stated that there is no need to make any adjustments within the scope of the Reporting Standard. In this respect, while preparing the financial statements as of December 31, 2021, no inflation adjustment was made according to TAS 29.

**Additional paragraph for convenience translation to English**

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

**ACCOUNTING POLICIES (Continued)**

**I. Explanation on basis of presentation (continued):**

**b. Explanation on accounting principles adopted in the preparation of the financial statements and valuation methods:**

The accounting policies and valuation methods applied in the presentation of these financial statements are in accordance with the TFRS. These valuation methods are explained in Notes II to XXIV.

**c. Explanation on accounting principles adopted in the preparation of valuation methods:**

The accounting policies applied in the presentation of these financial statements are in accordance with the TFRS. These accounting policies are explained in Notes II to XXIV.

**II. Explanations on strategy of using financial instruments and explanations on foreign currency transactions:**

Services have been decreased and on and off-balance sheet exposures have been minimized since 2012. The Bank did not grant any new corporate banking loans in current period and prior period. As a result, the credit, market and liquidity risks are at minimum as of 31 December 2021. The Bank's main activity is intra-group advisory services. Bank gives advisory services to Standard Chartered local and foreign subsidiaries for loan granting to companies located in Turkey or their subsidiaries abroad.

On 31 December 2021, all of the monetary assets and liabilities denominated in foreign currency were converted into Turkish Lira using the following foreign exchange rates: USD 13.3290 TL, EUR 15.0867 TL (31 December 2020: USD 7.4194 TL, EUR 9.1164 TL).

**III. Explanations on forward transactions, options, and derivative instruments:**

As of 31 December 2021, and 31 December 2020, the Bank does not have any derivative transactions that are recognized as at fair value through profit or loss.

**IV. Explanations on interest income and expense:**

Interest income is recorded according to the effective interest rate method (rate equal to net present value of future cash flows or financial assets and liabilities) defined in the TFRS 9 “Financial Instruments” standard by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. If the financial asset is impaired and classified as a non-performing receivable, the Bank applies the effective interest rate on the amortized cost of the asset for subsequent reporting periods. Such interest income calculation is made on an individual contract basis for all financial assets subject to impairment calculation. It is used effective interest rate during calculation of loss given default rate in expected credit loss models and accordingly, the calculation of expected credit losses includes an interest amount. Therefore, a reclassification is made between the accounts of “Expected Credit Losses” and “Interest Income from Loans” for calculated amount. If the credit risk of the financial instrument improves to the extent that the financial asset is no longer considered as impaired and the improvement can be attributed to an incident that eventually takes place (such as an increase in the loan's credit rating), interest income at subsequent reporting periods are calculated by applying the effective interest rate to the gross amount. Interest income and expenses are recognized in the income statement for all interest-bearing instruments on an accrual basis using the effective interest method (the rate that equalizes the future cash flows of financial assets and liabilities to the current net book value).

**ACCOUNTING POLICIES (Continued)**

**V. Explanations on fee and commission income and expenses:**

All fees and commissions income/expenses are recognized on an accrual basis, except from certain commission income and fees from various banking services which are recorded as income at the time of collection. Fees and commissions expenses paid to the other institutions are recognized as operational costs and recorded by using the effective interest method. Contract based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection. Commissions earned from loans where the Bank acts as an intermediary is recorded as income at the end of each month on an accrual basis.

The Bank measures and accounts commission income from its advisory services in accordance with TFRS 15 ‘Revenue’ standard. The Bank takes into account the terms and conditions of the service agreement signed with the parent company in order to determine the transaction price. The amount of commission income to be collected by the Bank is calculated on the basis of TL cost and the portion exceeding the determined amount is considered as USD variable cost. While the Bank assesses whether it is probable that there will be no significant reversal in the amount of cumulative revenue recorded in the financial statements when the uncertainty regarding the cost disappears, the Bank considers both the probability and the magnitude of the revenue reversal. In addition, the collection amounts realized after the balance sheet date are considered as events requiring adjustment after balance sheet date and relevant corrections are made. At the end of each calculation period, the Bank updates the estimated transaction price (including updating its assessment of whether a variable price estimate is limited) to accurately reflect the current conditions at the end of the period and the changes in conditions throughout the period. Periodic income accruals arising from the mentioned receivables are accounted under “Other assets” in the balance sheet and “Fees and commissions received” in the profit or loss statement.

**VI. Explanations on financial assets:**

The Bank categorizes its financial assets as fair value through profit/loss, fair value through other comprehensive income or measured at amortized cost. Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated January 19, 2017 by the Public Oversight Accounting and Auditing Standards Authority. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

As per TFRS 9, the Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is 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.

In order to assess whether the element provides consideration for only the passage of time, an entity applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. 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. The bank tests all financial assets within the scope of TFRS 9 "whether the contractual cash flows arise solely from interest and capitals" and assessed the asset classification within the business model.

Measurement categories of financial assets and liabilities

Financial assets are classified compliance with TFRS 9 in four main categories as listed below:

- Financial assets measured at fair value through profit/loss,
- Financial assets measured at fair value through other comprehensive income,
- Loans,
- Financial assets measured at amortized cost.

**ACCOUNTING POLICIES (Continued)**

**VI. Explanations on financial assets (continued)**

**a) Financial assets at fair value through profit or loss:**

Financial assets at fair value through profit or loss are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement

Equity securities, which are classified as financial assets measured at fair value through profit or measured are carried at fair value.

As of 31 December 2021, and 31 December 2020, the Bank has no financial assets at fair value through profit or loss.

**b) Financial assets at fair value through other comprehensive income:**

Financial Assets Measured at Fair Value Through Other Comprehensive Income occur from assets other than “Loans”, “Financial Assets Measured at Amortized Cost” and financial assets that are not derivative financial instruments. Financial Assets Measured at Fair Value Through Other Comprehensive Income are recorded along with the transaction costs directly related to the acquisition costs are recorded along with values from transaction costs directly related to the acquisition costs.

Financial assets at fair value through other comprehensive income are remeasured at fair value after the recognition. Interest income calculated with effective interest rate method arising from debt securities at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

As of 31 December 2021, the Bank has financial assets at fair value through other comprehensive income TL 160 (31 December 2020: TL 160).

**ACCOUNTING POLICIES (Continued):**

**VI. Explanations on financial assets (continued):**

**c) Loans**

Loans are financial assets that are non-derivative financial instruments and cannot be identified, at fair value through profit / loss or at fair value through other comprehensive income, have fixed or determinable payments and are not quoted in an active market. Loans are recognized initially at fair value that reflects the transaction costs of the acquisition cost value and subsequently recognized by the addition of the "Effective interest rate (internal rate of return) method" are measured at amortized cost. Assets received as collateral and other similar expenses incurred for the transaction costs and expenses are not considered as part of the accounts.

TFRS 9 "Financial Instruments" Standard, issued by POA in January 2017, while changing amendments to the existing guidance in TAS 39 "Financial Instruments: Recognition and Measurement", the accounting, classification, measurement and off-balance sheet applications of TAS 39 has been transferred to TFRS 9. The latest version of TFRS 9 includes guidance on the application of a new expected credit loss model for the calculation of impairment on financial assets, as well as guidance on previous release versions of TFRS 9, including updated practices on new general hedge accounting requirements. TFRS 9 entered into force on 1 January 2018. In this context, banks have been required to apply TFRS 9 as of 1 January 2018 with the "Regulation on Procedures and Principles for Classification of Loans and Provisions to be set Aside" published in the Official Gazette dated 22 June 2016 and numbered 29750.

The Bank is allowed to allocate provisions in accordance with the 10th, 11th, 13th and 15th articles of the Regulation instead of TFRS 9 with the BRSA's decision No. 7650 dated 21 December 2017.

In accordance with the Bank's management's evaluations and estimates, if the possibility of collecting any loan becomes limited or suspicious, and / or for the non-performing loans, published in the Official Gazette dated 22 June 2016 and numbered 29750, the principles and procedures for the classification of loans and the provisions to be set aside by considering the Regulation, it sets a special and general provision. Reserves are deducted from the income of that year. Receivables for which provision is provided in the previous periods are deducted from the provisions account when they are collected and reflected in "Other Operating Income" account. In the same year, when receivables are allocated, provisions are deducted from Provision for Loans. Uncollectible receivables are derecognized from the records after all legal procedures are completed.

**d) Financial assets measured at amortized cost:**

Financial assets measured at amortized cost are assets that are not classified under "loans" with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity; initially recognized at transaction prices at acquisition and not defined as financial assets at fair value through other comprehensive income or derivative financial assets. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using "effective interest rate" method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

There are no financial assets that were previously classified as financial assets measured at amortized cost but cannot be subject to this classification for two years due to the violation of classification principles.

As of 31 December 2021, and 31 December 2021, the Bank does not have any financial assets measured at amortized cost.



**ACCOUNTING POLICIES (Continued):**

**VII. Explanations on impairment on financial assets:**

The impairment on financial assets are evaluated whose indicators are carried at fair value in every balance sheet period. If there are any assets which are not carried at fair value, its provisions should be made as explained below.

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the “effective interest method”, or the fair value if one exists is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and is charged against the income for the year.

The principles regarding the accounting of provisions of loans and receivables are explained in detail in Note VI of Section Three.

The COVID-19 epidemic, which has emerged in China, has spread to various countries around the world, causing potentially fatal respiratory infections, affects both regional and global economic conditions negatively, as well as causing malfunctions in operations, especially in countries exposed to the epidemic. As a result of the spread of COVID-19 around the world, various measures have been taken in our country as well as in the world in order to prevent the transmission of the virus and it is still being taken. In addition to these measures, economic measures are also taken to minimize the economic impact of the virus outbreak on individuals and businesses in our country and worldwide. Bank did not grant any corporate loan exposures in the current and the previous periods. Since the main activity of the Bank is intra-group advisory services, the commission income from these advisory services may be affected by economic conditions.

**VIII. Explanations on offsetting financial instruments:**

Financial assets and liabilities are included in this balance sheet if the Bank has a legal right and sanction power for netting and has an intention to collect / pay the related financial asset and liability over their net amount or realizing and paying the related financial asset and debt simultaneously. shown over their net amount.

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

Securities subject to repurchase agreements (“Repo”) are classified as “financial assets measured at fair value through profit or loss”, “financial assets measured at fair value through other comprehensive income” and “financial assets measured at amortized 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 “Funds Provided under Repurchase Agreements” in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the “effective interest method”.

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

**X. Explanation on assets held for resale, discontinued operations and liabilities related with these assets:**

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing loans and receivables and are accounted in the financial statements in accordance with the regulations of “Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations (TFRS 5)”. The assets that meet the criteria of being classified under assets held for sale are measured at the lower of their book values or fair value less costs to be incurred for sale, depreciation for these assets is ceased and these assets are presented separately in the balance sheet. In order for an asset to be classified as an asset held for sale, the related asset (or the asset group to be disposed) shall be ready to be sold immediately under usual conditions and should have a high possibility to be sold. To have a high possibility of sale, a plan should have been made for the sale of the asset (or the asset group to be disposed) and an active program should have been started by the management, aiming to complete the plan and determine the buyers.

The properties obtained from the Group’s receivables are shown at the fixed assets held for sale line according to the execution of the forward sales agreement. A discontinued operation is a part of an entity which is classified as to be disposed or held for sale. The results related to discontinuing operations are presented separately in the income statement.

**ACCOUNTING POLICIES (Continued):**

**XI. Explanations on goodwill and other intangible assets:**

The intangible assets are classified by adding their direct cost and production costs. After recognizing their cost, intangible assets are recorded by the value which is calculated over the deducting accumulated depreciation and provision for value decrease.

Other intangible assets are amortized using the straight-line method over the approximate useful lives of the related assets. The useful life is five years for other intangible assets which are mainly software programs. The useful life of the asset is determined by assessing the expected useful time of the asset, technical, technological, and other types of worn-out and all required maintenance expenses done to utilize the economic benefit from the asset.

The Bank does not have any goodwill as of 31 December 2021 and 31 December 2020.

**XII. 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. Subsequently, property and equipment is carried at cost less accumulated depreciation and provision for value decrease, if any.

Depreciation is calculated over of the cost of property and equipment using the straight-line method based on expected useful lives. The expected useful lives are stated below:

Buildings	50 years
Vehicles (Leasing Assets)	3 years
Other	3-15 years

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

On the case of where cost of tangible assets is higher than “net realizable value”, value of the asset is reduced to “net realizable value” and impairment loss provision is associated with expense accounts.

Gains and losses on the disposal of tangible assets are determined by deducting the net book value of tangible assets from its sales revenue.

Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase 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, the quality of the product or to decrease the costs.

There are no pledge, mortgage and other measures or commitments related to the purchase, or another issue that limits their usage rights on tangible assets.

The Bank does not expect any changes in accounting estimations, or changes in subsequent period, that have significant impact related to tangible assets.

**ACCOUNTING POLICIES (Continued)**

**XII. Explanations on property and equipment (Continued):**

Investment property is kind of property which is held by the Bank to earn rent. These are listed in the attached financial statements at acquisition costs less accumulated amortization and impairment provisions. Depreciation is calculated over of the cost of property and equipment using the straight-line method based on expected useful lives.

While assets that are considered as right-of-use assets in tangible fixed assets are subject to depreciation, depreciation are applied within the scope of TAS 16 Tangible Assets standard.

As of 31 December 2021, and 31 December 2021, there is no investment property in the financial statements.

**XIII. Explanations on leasing transactions:**

In accordance with the "TFRS 16 Leases" Standard assets acquired under finance lease agreements are capitalized at the inception of the lease at the "lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a "Provision for value decrease" has been recognized. Liabilities arising from the leasing transactions are included in "Financial lease payables" on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Bank does not have any leasing transactions as lessor.

The amount of the lease to the financial statement, measurement and presentation of the leases is shown in the gross balance of the balance sheet as equal to the total of all cash payments under the contract and netted with the interest expense arising from the contract. The right of use arising from leasing transactions is capitalized on the date when the leasing is commenced by measuring the present value of the lease payments that have not been paid at that date. In this measurement, the alternative borrowing interest rate given by the Asset Liability Management Department is used if it can be easily determined. During the first application, the Bank has recorded a lease obligation as an operating lease. These liabilities are measured at the present value of the remaining lease payments discounted using the Bank's average borrowing rate.

"TFRS 16 Leases" Standard published by Public Oversight Accounting and Auditing Standards Authority ("POA") in the Official Gazette numbered 29826 dated 16 April 2018 starting from 1 January 2019. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The purpose of the standard is to ensure that the lessees and lessors present these transactions in a truthful way and provide the information appropriate to the need. This information constitutes the basis for the evaluation of the effects of leases on the financial position, financial performance and cash flows of the financial statement users. With the "TFRS 16 Leases" Standard effective as of 1 January 2019, the difference between operating lease and financial leasing has disappeared, and leasing transactions are terminated by lessees as "Property and equipment" in assets (right-of-use assets) and Liabilities from the transactions has started to be shown under the item as "Lease Liabilities". The Bank started to apply the Standard as of 1 January 2019. The Bank applied TFRS 16 with a simplified approach and did not restate the previous year. The mentioned standard has a transition effect amounting to TL 489 in "tangible assets" and "lease liability" in the Bank's financial statements.

The Bank has applied TFRS 16 with a simplified retrospective approach.

**ACCOUNTING POLICIES (Continued)**

**XIII. Explanations on leasing transactions (continued):**

The new accounting policies of the Bank regarding to application TFRS 16 are stated below:

**Right-of-use assets**

The Bank recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes:

- (a) the amount of lease liabilities recognized,
- (b) lease payments made at or before the commencement date less any lease incentives received and
- (c) initial direct costs incurred.

Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

**Lease Liabilities**

At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include;

- a) fixed payments (including in-substance fixed payments) less any lease incentives receivable,
- b) variable lease payments that depend on an index or a rate,
- c) amounts expected to be paid under residual value guarantees.
- d) the exercise price of a purchase option reasonably certain to be exercised by the Company / the Group and payments of penalties for terminating a lease,
- e) if the lease term reflects the Company / the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company / the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the effective date of the lease, the Bank measures the lease obligation as follows:

- a) The book value is increased to reflect the accretion of interest of lease liabilities
- b) The book value is reduced to reflect the lease payments made

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Bank applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

**ACCOUNTING POLICIES (Continued)**

**XIV. Explanations on provisions and contingent liabilities:**

Provisions and contingent liabilities are accounted in accordance with “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets” (“TAS 37”).

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the matching principle. When the amount of the obligation cannot be estimated and there is no possibility of outflow of resources from the Bank, it is considered that a “Contingent” liability exists, and it is disclosed in the related notes to the financial statements.

**XV. Explanations on contingent assets:**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized.

Contingent assets are disclosed 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 in which the change occurs.

**XVI. Explanations on obligations related to the employee rights:**

**a) Defined benefit plans:**

Under the Turkish Labor Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated due to reasons other than those specified in the Turkish Labor Law. The reserve for employment termination benefits represents the present value of the estimated total future probable obligation of the Bank arising from the retirement of all employees in accordance with the Turkish Labor Law, the termination of the employment without due cause who has completed at least one year of service, military service obligation and death. The reserve for employment termination benefit has been calculated and recognized in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) in the financial statements. In accordance with the amendment in the TAS 19, effective from 1 January 2015, the actuarial gains/(losses) related to employee benefits are recognized under equity other profit reserves.

**b) Defined contribution plans:**

The Bank shall pay contributions to the Social Security Institution (Institution) on behalf of its employees at the amounts determined by the law. Other than the contributions being paid, the Bank is not liable to pay any amount to its employees or the Institution. These premiums are charged to personnel expenses in the period when they accrue.

**c) Short term benefits for employees:**

The liabilities arising from the vacation payments defined as “short-term benefits provided to employees” within the framework of TAS 19 shall be accrued in the period when they are granted, and they shall not be discounted. Within the scope of “TAS 19-Employee Benefits”, the Bank allocates to rights obligations for employee benefits.

**ACCOUNTING POLICIES (Continued)**

**XVII. Explanations on taxation:**

**a) Current tax:**

According to the Corporate Tax Law No. 5520 which is starting from 1 January 2006 and valid after being published in Official Gazette No. 26205, dated 21 September 2006, the corporate tax is applied 20% from financial income. The corporate tax rate is applied to tax base which is calculated by adding certain non-deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and exclusion of deductions on accounting income. If there is no dividend distribution, no further tax charges are made. With reference to the 14th article of the Law on the Amendment of the Law on the Collection of Public Claims and Some Laws submitted to the Grand National Assembly of Turkey on April 2, 2021, the current 20% corporate tax rate has been proposed to be implement at a rate of 25% for the corporate earnings of 2021 and 23% for the corporate earnings of 2022. Amendment was published in the Official Gazette dated April 22, 2021 and numbered 31462. The corporate tax rate, which is 20% with the adopted law, will be applied at the rate of 25% for corporate earnings in 2021 and 23% for corporate earnings in 2022. This article has entered into force on the date of publication, starting from the declarations that must be submitted as of 1 July 2021 and being valid for the corporate earnings for the taxation period starting from 1 January 2021.

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 thus does not incur withholding tax.

Advance tax is declared by the 14th day and paid by the 17th day of the second month following each calendar quarter end regard to 25% of the financial income. Advance tax paid during current period will be offset from the following year's calculated corporation tax. 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.

According to 5.1.e. article of Corporation Tax Law which is important tax exemption that is applied by banks, corporations' 50% of revenues that occur from selling of their real estates, are in assets, that belong to the corporations at least two years (730 days), 75% of revenues that occur from selling their founding bonds that are belong to the corporations as long as time of participation stocks, redeemed shares and option to call are exempted from Corporation Tax. (It was changed with 89th article of code 7061 that entries into force on 5 December 2017. According to dated 23 December 2017 3rd article of Corporation Tax Code (CTC) 14 annunciation this exemption will apply as ratio of 75% for selling that made till the 5 December 2017, after this date it will apply as ratio of 50%.)

This exemption applies to the period the sale is made and the part of return on sales that benefits from the exemption is held in a special fund in the liabilities account until the end of the fifth year started from the following year sale is made. However, the sales payment must be collected until the end of the second calendar year following the year in which the sale is made. Taxes which are not realized in time due to the exemption that hits uncollected sales payment are considered tax loss.

Taxes which do not accrue on time because the applying exemption for the transfer of the expected part of revenue to the other accounts with other ways out of capitalizing in five years or withdrawn from company or transferring from limited taxpayer corporations to the headquarters, are considered as tax loss. This is also be applicable in the condition of liquidation of business (Except transfers and divisions that make according to this code).

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. However, losses cannot be off settled from retained earnings.

In Turkey, there is not a procedure for an agreement on taxes payable with the tax authorities. 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. Tax returns are open for five 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.

Current tax related to items recognized directly in equity is also credited or charged directly to equity.

With the "Law Amending the Tax Procedure Law and the Corporate Tax Law", which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from December 31, 2023.

**ACCOUNTING POLICIES (Continued)**

**XVII. Explanations on taxation (Continued):**

**b) Deferred tax:**

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Turkish Accounting Standard for Income Taxes” (“TAS 12”). In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized. Deferred tax asset is not provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

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

Deferred tax related to items recognized directly in equity is also credited or charged directly to equity.

Due to the completion of the advance tax rate change at the rate of 22% with the "Law on the Amendment of Some Tax Laws and Some Other Laws" numbered 7061 as of 2020, 23% for the temporary differences expected to be realized or closed by the end of 2022, for the temporary differences that are expected to be realized or closed in 2023 and after, the Bank has used a 20% tax rate while preparing the financial statements as of 31 December 2021.

**c) Transfer Pricing**

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of “Disguised Profit Distribution by Way of Transfer Pricing”. “The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing” was published on 18 November 2007, explains the application related issues on this topic. 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 stated in the “7.1 Annual Documentation” 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.

**XVIII. Explanations on borrowings:**

Trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at amortized cost using the effective interest method.

**XIX. Explanations on issuance of share certificates:**

Transaction costs regarding the issuance of share certificates are accounted under shareholders’ equity after eliminating the tax effects.

The Bank does not have any share certificates issued as of 31 December 2021 and 31 December 2020.

**XX. Explanations on drafts and acceptances:**

Avalized drafts and acceptances shown as liabilities against assets are included in the “off-balance sheet commitments”.

**XXI. Explanations on government incentives:**

As of 31 December 2021 and 31 December 2020, the Bank has no government incentives.

**XXII. Explanations on segment reporting:**

An operating segment is a component of an entity:

- a. that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- b. whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- c. for which discrete financial information is available.

Information about operating segments is disclosed in Note VII of Section Four.

**XXIII. Explanations on classification:**

Significant changes in accounting policies are applied retrospectively and previous period financial statements are rearranged. The unconsolidated financial statements of the Bank are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. Comparative information is rearranged when necessary in order to comply with the presentation of the current period unconsolidated financial statements. The Bank has restated the previous period cash flow statement in order to comply with the presentation of the current period unconsolidated financial statements.

As of 31 December 2021, the Bank reclassified its intra-group commission income amounting to TL 45,120 which was previously classified under "Other Operating Income", under "Fees and Commissions Received". In order to comply with the presentation of the current period financial statements, the Bank has restated the profit or loss statement as of 31 December 2020 and the cash flow statement.

**XXIV. Explanations on other matters:**

The Bank transferred its 2020 profits to previous years' profits after allocating legal reserves.

**Profit reserves and profit distribution:**

Legal reserves consist of first and second reserves as prescribed in the Turkish Commercial Code ("TCC"). The Turkish Commercial Code stipulates that the first legal reserve should be divided by 5% from the profit up to 20% of the total paid capital. The second legal reserve is appropriated at the rate of 10% on all cash dividend distributions in excess of 5% of the paid-in capital. Holding companies are not subject to this practice. Under the provisions of the Turkish Commercial Code, the legal reserves can only be used to cover losses and are not available for profit distribution unless they exceed 50% of the paid-in capital.



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**SECTION FOUR**

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK**

**I. Explanation on equity:**

Total capital amount is calculated pursuant to "Regulation on Equity of Banks" and capital adequacy ratios are calculated pursuant to "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". As of 31 December 2021, capital adequacy standard ratio calculated based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" is 109.78% and above the minimum rate specified in the relevant legislation (31 December 2020: 105.51%).

Based on the announcement of BRSA as of 23 March 2020 banks are entitled to use the year-end exchange rates in calculating of the amount of subject to credit risk while calculation on amounts valued in accordance with TAS and the related specific provision except of monetary and non-monetary items in foreign currency measured in terms of the historical cost in accordance with Regulation on Measurement and Assessment of Capital Adequacy of calculation in accordance with the Regulation on Banks' Equity and used for capital adequacy ratio due to the fluctuations in the financial markets as a result of the COVID-19 epidemic. The Bank did not use this measure in its capital adequacy standard ratio calculation.

	<b>Current Period 31 December 2021</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>	
Paid-in capital following all debts in terms of claim in liquidation of the Bank	40,126
Share issue premiums	-
Reserves	51,718
Gains recognized in equity as per TAS	5,875
Profit	76,715
Current Period Profit	39,117
Prior Period Profit	37,598
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be movable within profit for the period	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>174,434</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	<b>-</b>
Common Equity as per the 1 <sup>st</sup> clause of Provisional Article 9 of the Regulation on the Equity of Banks	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	23,757
Improvement costs for operating leasing	-
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	357
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,105
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-
Gains arising from securitization transactions	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined-benefit pension fund net assets	-
Direct and indirect investments of the Bank in its own Common Equity	-
Shares obtained contrary to the 4 <sup>th</sup> clause of the 56th Article of the Law	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-
Excess amount arising from mortgage servicing rights	-
Excess amount arising from deferred tax assets based on temporary differences	-
Other items to be defined by the BRSA	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>26,219</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>148,215</b>

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

**I. Explanation on equity (continued):**

<b>Additional Tier I Capital</b>	
<b>Preferred Stock not Included in Common Equity and the Related Share Premiums</b>	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-
Additional Tier I Capital before Deductions	-
<b>Deductions From Additional Tier I Capital</b>	-
<b>Direct and indirect investments of the Bank in its own Additional Tier I Capital</b>	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
<b>Transition from the Core Capital to Continue to deduce Components</b>	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on 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 (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<b>Total Deductions From Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	-
<b>Total Tier I Capital (Tier I Capital=Common Equity + Additional Tier I Capital)</b>	148,215
<b>TIER II CAPITAL</b>	
Debt instruments and share issue premiums deemed suitable by the BRSA	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	227
<b>Tier II Capital Before Deductions</b>	227
<b>Deductions From Tier II Capital</b>	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Other items to be defined by the BRSA (-)	-
<b>Total Deductions From Tier II Capital</b>	-
<b>Total Tier II Capital</b>	227
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	148,442
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-
Other items to be defined by the BRSA (-)	-
<b>In Transition From Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	-
The Sum of net long positions of investments (the portion which exceeds the %10 of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity 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 (-)	-
The Sum of net long positions of 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, where the bank does not own more than 10% of the issued common share capital of the entity 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 (-)	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences 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 (-)	-

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

**I. Explanation on equity (continued):**

<b>TOTAL CAPITAL</b>	
Total Capital	148,442
Total risk weighted amounts	135,215
<b>CAPITAL ADEQUACY RATIOS</b>	
Tier I Capital Adequacy Ratio	109.62
Core Capital Adequacy Ratio	109.62
Capital Adequacy Ratio	109.78
<b>BUFFERS</b>	
Total buffer requirement	2.50
Capital conservation buffer requirement (%)	2.50
Bank specific counter-cyclical buffer requirement (%)	-
Systemic significant bank buffer ratio (%)	101.61
The ratio of Additional Common Equity Tier I 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 (%)	-
<b>Amounts below the Excess Limits as per the Deduction Principles</b>	
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Other intangibles other than mortgage-servicing rights	-
Amount arising from deferred tax assets based on temporary differences	-
<b>Limits related to provisions considered in Tier II calculation</b>	
General provisions for standard based receivables (before ten thousand twenty-five limitation)	555
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	227
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqu� on the Calculation	-
Excess amount of total provision amount to %0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqu� on the Calculation	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2019 and January 1, 2022)</b>	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

(\*) Amounts considered within transition provisions

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

**I. Explanation on equity (continued):**

The equity is calculated on the capital adequacy ratio calculation basis having reduced deductible assets on equity from the sum of core capital and supplementary capital within the scope of "Regulation on Equities of Banks" (Regulation).

	<b>31 December 2020</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>	
Paid-in capital following all debts in terms of claim in liquidation of the Bank	40,126
Share issue premiums	-
Reserves	49,829
Gains recognized in equity as per TAS	6,098
Profit	41,008
Current Period Profit	15,191
Prior Period Profit	25,817
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be movable within profit for the period	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>137,061</b>
<b>Deductions From Common Equity Tier 1 Capital</b>	
Common Equity as per the 1 <sup>st</sup> clause of Provisional Article 9 of the Regulation on the Equity of Banks	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	23,757
Improvement costs for operating leasing	-
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	515
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,298
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-
Communique Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-
Gains arising from securitization transactions	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined-benefit pension fund net assets	-
Direct and indirect investments of the Bank in its own Common Equity	-
Shares obtained contrary to the 4 <sup>th</sup> clause of the 56th Article of the Law	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-
Excess amount arising from mortgage servicing rights	-
Excess amount arising from deferred tax assets based on temporary differences	-
Other items to be defined by the BRSA	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-
<b>Total Deductions from Common Equity Tier 1 Capital</b>	<b>25,570</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>111,491</b>

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

**I. Explanation on equity (continued):**

<b>Additional Tier I Capital</b>	-
<b>Preferred Stock not Included in Common Equity and the Related Share Premiums</b>	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-
<b>Deductions From Additional Tier I Capital</b>	-
<b>Direct and indirect investments of the Bank in its own Additional Tier I Capital</b>	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
<b>Transition from the Core Capital to Continue to deduce Components</b>	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on 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 (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<b>Total Deductions From Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	-
<b>Total Tier I Capital (Tier I Capital=Common Equity + Additional Tier I Capital)</b>	111,491
<b>TIER II CAPITAL</b>	
Debt instruments and share issue premiums deemed suitable by the BRSA	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	231
<b>Tier II Capital Before Deductions</b>	231
<b>Deductions From Tier II Capital</b>	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Other items to be defined by the BRSA (-)	-
<b>Total Deductions From Tier II Capital</b>	-
<b>Total Tier II Capital</b>	231
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	111,722
<b>The sum of Tier I Capital and Tier II Capital (Total Capital)</b>	111,722
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-
Other items to be defined by the BRSA (-)	-
<b>In transition From Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	
The Sum of net long positions of investments (the portion which exceeds the %10 of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity 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 (-)	-
The Sum of net long positions of 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, where the bank does not own more than 10% of the issued common share capital of the entity 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 (-)	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences 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 (-)	-

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

**I. Explanation on equity (continued):**

<b>TOTAL CAPITAL</b>	
Total Capital	111,722
Total risk weighted amounts	105,883
<b>CAPITAL ADEQUACY RATIOS</b>	
Tier 1 Capital Adequacy Ratio	105.30
Core Capital Adequacy Ratio	105.30
Capital Adequacy Ratio	105.51
<b>BUFFERS</b>	
Total buffer requirement(a+b+c)	2.50
a) Capital conservation buffer requirement (%)	2.50
b) Bank specific counter-cyclical buffer requirement (%)	-
c) Systemically important bank buffer rate (%) **	97.30
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 (%)	
	-
<b>Amounts below the Excess Limits as per the Deduction Principles</b>	
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Other intangibles other than mortgage-servicing rights	-
Amount arising from deferred tax assets based on temporary differences	-
<b>Limits related to provisions considered in Tier II calculation</b>	
General provisions for standard based receivables (before ten thousand twenty-five limitation)	415
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	231
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to %0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

\* Amounts to be considered within the scope of transitional provisions

\*\* Consolidated financial transactions within the scope of the 4th paragraph of Article 4 of the Regulation on Systemically Important Banks only

It will be filled by systemically important banks that do not have the obligation to prepare tables and will be reported as zero by other banks.

**Explanations on borrowing instruments to be included in equity calculation:**

None.

**Explanations on reconciliation of equity items and balance sheet amounts:**

The principal difference between the equity amount in the statement of shareholders' equity and the shareholders' equity the unconsolidated balance sheet is related to the general provisions. The portion of general provisions up to 1.25% of the amount subject to credit risk is considered as Contribution Capital in the calculation of the Equity amount given in the statement of shareholders' equity. In the balance sheet, intangible assets and deferred tax liabilities are taken into consideration in the calculation of Equity as values to be deducted from capital.

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**II. EXPLANATIONS ON CREDIT RISK:**

Board of Directors determines the credit risk appetite and sets the credit limits to ensure that Bank's exposure is aligned with its risk appetite. Credit limits are determined while taking into consideration customers' financial strength, commercial capacities, credit needs, the Bank's lending credit policies and macro-economic conditions are carried out.

Credit limits approved by Board of Directors are made available to credit clients only upon completion of required credit documentation and satisfaction of conditions precedent. In addition, the unavoidable calculation conditions for the loans are audited from the place where it is predicted in the existing deposit and it updated in case of necessity.

Since the Bank is operating under investment banking license, it is not subject to Article 54 of the Banking Law about the regulatory lending limits. All credit limits are reviewed at least once a year. Credit clients belonging to the same risk group are analysed and reviewed together with taking into consideration total exposure and limits on the group.

All the on and off-balance sheet credit utilizations are controlled and monitored by the Risk Management Unit in terms of concentration of the credit risk by country, sectors, company/group, maturity profile, collaterals and internal credit grades.

The credit default events, classification of the doubtful credits and related provision levels are determined by the Bank in line with BRSA regulation published No. 26333, dated 1 November 2006, "Procedures & Principles for Determination of Qualification of Loans and Other Receivables by Banks and Provisions to Be Set Aside". The Bank calculates and records general and specific provisions in accordance with the Provisions regulation under the value adjustments and provisions.

<b>Classes of risk</b>	<b>Current Period Risk Amount (*)</b>	<b>Average Risk Amount (**)</b>
Conditional and Non-Contingent Receivables from Central Governments or Central Banks	132,672	112,350
Contingent and Non-Contingent Receivables from Regional or Local Authorities	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-
Contingent and Unconditional Receivables from Banks and Intermediary Institutions	36,833	24,128
Contingent and Non-Contingent Corporate Receivables	-	-
Contingent and Non-Contingent Retail Receivables	-	-
Contingent and Non-Contingent Real Estate Mortgage-Secured Receivables	-	-
Overdue Receivables	-	-
Receivables Determined as High Risk by the Board	-	-
Mortgage Covered Securities	-	-
Securitization Positions	-	-
Short-Term Receivables from Banks and Intermediary Institutions and Short-Term Corporate Receivables	-	-
Investments in the Qualification of Collective Investment Institutions	-	-
Stock Investments	160	160
Other Receivables	7,837	6,981
<b>Total</b>	<b>177,502</b>	<b>143,619</b>

(\*) Credit risk refers to the amount of total risk reduction and pre-loan.

(\*\*) Average risk amount is determined by taking the arithmetic average of the values in the reports prepared on a monthly basis.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**II. EXPLANATIONS ON CREDIT RISK (Continued):**

<b>Classes of risk</b>	<b>Prior Period Risk Amount (*)</b>	<b>Average Risk Amount (**)</b>
Conditional and Non-Contingent Receivables from Central Governments or Central Banks	90,750	77,047
Contingent and Non-Contingent Receivables from Regional or Local Authorities	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-
Contingent and Unconditional Receivables from Banks and Intermediary Institutions	27,473	35,553
Contingent and Non-Contingent Corporate Receivables	-	-
Contingent and Non-Contingent Retail Receivables	-	-
Contingent and Non-Contingent Real Estate Mortgage-Secured Receivables	-	-
Overdue Receivables	-	-
Receivables Determined as High Risk by the Board	-	-
Mortgage Covered Securities	-	-
Securitization Positions	-	-
Short-Term Receivables from Banks and Intermediary Institutions and Short-Term Corporate Receivables	-	-
Investments in the Qualification of Collective Investment Institutions	-	-
Stock Investments	160	160
Other Receivables	5,937	7,046
<b>Total</b>	<b>124,320</b>	<b>119,806</b>

(\*) It refers to the total risk amount before credit risk mitigation and credit conversion.

(\*\*) The average risk amount is determined by taking the arithmetic average of the values in the reports prepared at the end of the month.

- a. The Bank does not have international banking operations and credit transactions. The Bank does not have any significant credit risk concentration (31 December 2020: None).
- b.
  1. As of 31 December 2021, The Bank does not have cash loan receivables (31 December 2020: None).
  2. As of 31 December 2021, The Bank does not have non-cash loans and receivables (31 December 2020: None).
  3. As of 31 December 2021, The Bank does not have cash loans and receivables (31 December 2020: None).
  4. As of 31 December 2021, The Bank does not have restructured loan (31 December 2020: None).
  5. As of 31 December 2021, The Bank does not have forward transactions, options and similar type of transactions (31 December 2020: None).
- c. As of 31 December 2021, general loan loss provision is amounting to TL 555 (31 December 2020: TL 415).



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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**
**II. EXPLANATIONS ON CREDIT RISK (Continued):**
**d. Concentration of credit risk based on borrowers and geographical regions:**

<i>Current Period</i> <sup>(*)</sup>	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Other	Total
Domestic	132,804	20,242	-	-	-	-	7,837	160,883
European Union (EU) Countries	-	1,819	-	-	-	-	-	1,819
OECD Countries <sup>(**)</sup>	-	6,828	-	-	-	-	-	6,828
Off-Shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	-	1,832	-	-	-	-	-	1,832
Other Countries	-	6,140	-	-	-	-	-	6,140
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities <sup>(***)</sup>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>132,804</b>	<b>36,861</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,837</b>	<b>177,502</b>

<sup>(\*)</sup> Includes risk amounts before the effect of credit risk mitigation but after the credit conversion.

<sup>(\*\*)</sup> Includes OECD countries other than EU countries, USA and Canada.

<sup>(\*\*\*)</sup> Includes assets and liability items that cannot be allocated on a consistent basis

<i>Prior Period</i> <sup>(*)</sup>	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Other	Total
Domestic	90,789	269	-	-	-	-	5,937	96,995
European Union (EU) Countries	-	4,386	-	-	-	-	-	4,386
OECD Countries <sup>(**)</sup>	-	10,045	-	-	-	-	-	10,045
Off-Shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	-	9,838	-	-	-	-	-	9,838
Other Countries	-	3,056	-	-	-	-	-	3,056
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities <sup>(***)</sup>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>90,789</b>	<b>27,594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,937</b>	<b>124,320</b>

<sup>(\*)</sup> Includes risk amounts before the effect of credit risk mitigation but after the credit conversion.

<sup>(\*\*)</sup> Includes OECD countries other than EU countries, USA and Canada.

<sup>(\*\*\*)</sup> Includes assets and liability items that cannot be allocated on a consistent basis

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**II. EXPLANATIONS ON CREDIT RISK (Continued):**

**e. Risk profile by industry or counterparties:**

<i>Current Period (*)</i>	Conditional and unconditional exposures to central governments or central banks	Receivables from banks and brokerage houses	Corporate receivables	Retail receivables	Claims secured with real estate mortgages	Overdue receivables	Other Receivables	Total
<b>Agriculture</b>	-	-	-	-	-	-	-	-
Farming and Livestock	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
<b>Industry</b>	-	-	-	-	-	-	-	-
Mining and Quarrying	-	-	-	-	-	-	-	-
Manufacturing Industry	-	-	-	-	-	-	-	-
Electricity, Water, Gas	-	-	-	-	-	-	-	-
Build	-	-	-	-	-	-	-	-
<b>Services</b>	-	-	-	-	-	-	-	-
Wholesale and Retail Trade	-	-	-	-	-	-	-	-
Hotel and Restaurant Services	-	-	-	-	-	-	-	-
Transport and Communication	-	-	-	-	-	-	-	-
Financial Institutions	132,804	36,861	-	-	-	-	7,837	177,502
Real Estate and Rental Services	-	-	-	-	-	-	-	-
Self-Employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total</b>	132,804	36,861	-	-	-	-	7,837	177,502

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**II. EXPLANATIONS ON CREDIT RISK (Continued):**

**f. Distribution of risk bearing maturities according to the remaining maturities:**

Current Period	Time to Maturity				
Classes of risk	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year
1. Contingent and non-contingent receivables from central bank or government	152,732	-	-	-	-
2. Regional governments or local authorities and non-contingent receivables	-	-	-	-	-
3. Administrative units and non-trade initiative contingent liabilities and receivables	-	-	-	-	-
4. Multilateral development banks and non-contingent receivables	-	-	-	-	-
5. International organizations and non-contingent receivables	-	-	-	-	-
6. Banks and brokerage firms and non-contingent receivables	-	-	16,394	-	-
7. Corporate Receivables which are contingent and non-contingent	-	-	-	-	-
8. Retail Receivables which are contingent and non-contingent	-	-	-	-	-
9. Retail Receivables which are contingent and non-contingent	-	-	-	-	-
10. Retail Receivables which are contingent and non-contingent	-	-	-	-	-
11. Overdue Receivables	-	-	-	-	-
12. Receivables identified as high risk by the Board	-	-	-	-	-
13. Mortgage covered bonds	-	-	-	-	-
14. Banks and brokerage firms and short-term corporate receivables are short term receivables	-	-	-	-	-
15. Securitization positions	-	-	-	-	-
16. The nature of collective investments in investment companies	-	-	-	-	-
17. Other Receivables	-	-	-	-	-
Totals	152,732	-	16,394	-	-

Prior Period	Time to Maturity				
Classes of risk	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year
1. Contingent and non-contingent receivables from central bank or government	90,739	-	-	-	-
2. Regional governments or local authorities and non-contingent receivables	-	-	-	-	-
3. Administrative units and non-trade initiative contingent liabilities and receivables	-	-	-	-	-
4. Multilateral development banks and non-contingent receivables	-	-	-	-	-
5. International organizations and non-contingent receivables	-	-	-	-	-
6. Banks and brokerage firms and non-contingent receivables	-	-	27,219	-	-
7. Corporate Receivables which are contingent and non-contingent	-	-	-	-	-
8. Retail Receivables which are contingent and non-contingent	-	-	-	-	-
9. Retail Receivables which are contingent and non-contingent	-	-	-	-	-
10. Retail Receivables which are contingent and non-contingent	-	-	-	-	-
11. Overdue Receivables	-	-	-	-	-
12. Receivables identified as high risk by the Board	-	-	-	-	-
13. Mortgage covered bonds	-	-	-	-	-
14. Banks and brokerage firms and short-term corporate receivables are short term receivables	-	-	-	-	-
15. Securitization positions	-	-	-	-	-
16. The nature of collective investments in investment companies	-	-	-	-	-
17. Other Receivables	-	-	-	-	-
Totals	90,739	-	27,219	-	-

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**II. EXPLANATIONS ON CREDIT RISK (Continued):**

**g. Explanation on credit risk:**

The Bank did not designate any CDA approved by BRSA for domestic credit customers. In this respect, the RAV calculation for domestic resident credit customers takes into account the risk weights specified for institutions that are not rated in the legislation. Credit ratings of S&P, Moody's and Fitch are used for the customers resident abroad.

A risk of 0% is applied for receivables from the T.C. Central Administration or CBRT, which are denominated in TL and payable in TL.

**h. Exposures by risk weights**

*Current Period*

Risk Weight	0%	10%	20%	50%	75%	100%	150%	200%	1250%	Equity excluded
Exposures Before Credit Conversion Factor and Credit Risk Mitigation	134,777	-	20,439	16,394	-	5,892	-	-	-	2,462
Exposures Post-Credit Conversion Factor and Credit Risk Mitigation	134,777	-	20,439	16,394	-	5,892	-	-	-	2,462

*Prior Period*

Risk Weight	0%	10%	20%	50%	75%	100%	150%	200%	1250%	Equity excluded
Exposures Before Credit Conversion Factor and Credit Risk Mitigation	92,048	-	254	27,219	-	4,799	-	-	-	1,298
Exposures Post-Credit Conversion Factor and Credit Risk Mitigation	92,048	-	254	27,219	-	4,799	-	-	-	1,298

**i. Information about classification concentration:**

None (31 December 2020: None).

**j. Overdue loans and other receivables**

None (31 December 2020: None).

**k. Debt securities, treasury bills and other bonds:**

As of 31 December 2021, the Bank does not have debt securities, treasury bills or other bonds (31 December 2020: None).

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

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**
**III. EXPLANATIONS ON CURRENCY RISK:**

The Bank does not carry structural foreign currency risk. The board of directors has set limits for positions monitored on a daily basis. Foreign currency risk is monitored whether it is within regulatory limits. The Bank's spot foreign exchange bid rates as of the date of the financial statements and for the five days prior to that date are as follows:

	<u>USD</u>	<u>EUR</u>
<b>Balance Sheet Evaluation Rate (31 December 2021):</b>	<b>13.3290</b>	<b>15.0867</b>
As of 30 December 2021	12.9775	14.6823
As of 29 December 2021	12.2219	13.8011
As of 28 December 2021	11.8302	13.4000
As of 27 December 2021	11.3900	12.8903
As of 26 December 2021	11.7278	13.2926

The simple arithmetical average of the Bank's foreign exchange bid rates for the last thirty days are TL 13.5216 for 1 US dollar and TL 15.2864 for 1 EUR.

As of 31 December 2020;

	<u>USD</u>	<u>EUR</u>
<b>Balance Sheet Evaluation Rate</b>	<b>7.4194</b>	<b>9.1164</b>

<b>31 December 2021</b>	<b>EUR</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	6	212	7	225
Banks	-	-	-	-
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	-
Loans	-	-	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Net)	-	-	-	-
Financial Assets Measured at Amortized Cost (Net)	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets (Net)	-	-	-	-
Intangible Assets (Net)	-	-	-	-
Other Assets	-	16,394	-	16,394
<b>Total Assets</b>	<b>6</b>	<b>16,606</b>	<b>-</b>	<b>16,619</b>
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds from Interbank Money Market	-	-	-	-
Borrowings	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-
Miscellaneous Payables	-	-	-	-
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	-	3,645	-	3,645
<b>Total Liabilities</b>	<b>-</b>	<b>3,645</b>	<b>-</b>	<b>3,645</b>
Net On-balance Sheet Position	<b>6</b>	<b>12,961</b>	<b>7</b>	<b>12,974</b>
Net Off-balance Sheet Position	-	-	-	-
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
<b>Non-Cash Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**III. EXPLANATIONS ON CURRENCY RISK (Continued):**

<b>31 December 2020</b>	<b>EUR</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>Total</b>				
Total Assets	-	101	5	106
Total Liabilities	-	-	-	-
<b>Net On-balance Sheet Position</b>	<b>-</b>	<b>101</b>	<b>5</b>	<b>101</b>
<b>Net Off-balance Sheet Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
<b>Non-Cash Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**IV. EXPLANATIONS ON INTEREST RATE RISK**

Interest rate sensitivity of the assets, liabilities and off-balance sheet items is monitored by the market risk monitoring unit and interest rate sensitive assets and liabilities are managed to minimize the interest rate sensitivity of assets and liabilities. Daily interest rates are monitored by the treasury department and transactions are performed by considering risk/return relationship.

**Information related to the interest rate mismatch of the Bank**

Current year interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	<b>Up to 1</b>	<b>1-3</b>	<b>3-12</b>		<b>Over 5</b>	<b>Non- Interest</b>	
	<b>Month</b>	<b>Months</b>	<b>Months</b>	<b>1-5 years</b>	<b>Years</b>	<b>Bearing</b>	<b>Total</b>
<b>31 December 2021</b>							
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT	-	-	-	-	-	72	72
Banks	20,086	-	-	-	-	307	20,393
Financial Assets at F.V. Through Profit/Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	132,646	-	-	-	-	-	132,646
Financial Assets at F.V. Through Other Comprehensive Income (Net)	-	-	-	-	-	160	160
Loans	-	-	-	-	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-	-	-	-	-
Other Assets (*)	-	-	-	-	-	24,231	24,231
<b>Total Assets</b>	<b>152,732</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,770</b>	<b>177,502</b>
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds from Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	817	35	-	-	-	176,650	177,502
<b>Total Liabilities</b>	<b>817</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176,650</b>	<b>177,502</b>
Balance Sheet Long Position	151,915	-	-	-	-	-	151,915
Balance Sheet Short Position	-	(35)	-	-	-	(151,880)	(151,915)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
<b>Total Position</b>	<b>151,915</b>	<b>(35)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(151,880)</b>	<b>-</b>

(\*) "Other Assets" line includes Miscellaneous Receivables, Tangible Assets, Intangible Assets and Other Assets.

(\*\*) Equity, employee termination benefits, other provisions and general provisions are presented under "Other Liabilities" item in the "Non-Interest Bearing" column.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**IV. EXPLANATIONS ON INTEREST RATE RISK (Continued):**

<b>31 December 2020</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Year</b>	<b>Over 5 Years</b>	<b>Non- Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT	-	-	-	-	-	50	50
Banks	-	-	-	-	-	215	215
Financial Assets at F.V. Through Profit/Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	90,739	-	-	-	-	-	90,739
Financial Assets at F.V. Through Other Comprehensive Income (Net)	-	-	-	-	-	160	160
Loans	-	-	-	-	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-	-	-	-	-
Other Assets (*)	-	-	-	-	-	33,156	33,156
<b>Total Assets</b>	<b>90,739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,581</b>	<b>124,320</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds from Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	1,772	305	121	-	-	122,122	124,320
<b>Total Liabilities</b>	<b>1,772</b>	<b>305</b>	<b>121</b>	<b>-</b>	<b>-</b>	<b>122,122</b>	<b>124,320</b>
Balance Sheet Long Position	88,967	-	-	-	-	-	88,967
Balance Sheet Short Position	-	(305)	(121)	-	-	(88,541)	(88,967)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
<b>Total Position</b>	<b>88,967</b>	<b>(305)</b>	<b>(121)</b>	<b>-</b>	<b>-</b>	<b>(88,541)</b>	<b>-</b>

(\*) “Other Assets” line includes Miscellaneous Receivables, Tangible Assets, Intangible Assets and Other Assets.

(\*\*) Equity is presented under “Other Liabilities” item in the “Non-Interest Bearing” column.

**Average interest rates for monetary financial instruments:**

<b>31 December 2021</b>	<b>EUR (%)</b>	<b>USD (%)</b>	<b>TL (%)</b>
<b>Assets</b>			
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-
Banks	-	-	15.50
Financial Assets at Fair Value Through Profit/Loss (Net)	-	-	-
Interbank Money Market Placements	-	-	12.50
Financial Assets at F.V. Through Other Comprehensive Income (Net)	-	-	-
Loans	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-
<b>Liabilities</b>			
Bank Deposits	-	-	-
Other Deposits	-	-	-
Funds from Interbank Money Market	-	-	-
Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued (Net)	-	-	-
Funds Borrowed from Other Financial Institutions	-	-	-

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**IV. EXPLANATIONS ON INTEREST RATE RISK (Continued):**

**Average interest rates for monetary financial instruments:**

<b>31 December 2020</b>	<b><u>EUR (%)</u></b>	<b><u>USD (%)</u></b>	<b><u>TL (%)</u></b>
<b>Assets</b>			
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-
Banks	-	-	-
Financial Assets at Fair Value Through Profit/Loss (Net)	-	-	-
Interbank Money Market Placements	-	-	15.50
Financial Assets at FVTOCI (Net)	-	-	-
Loans and receivables	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-
<b>Liabilities</b>			
Bank Deposits	-	-	-
Other Deposits	-	-	-
Funds from Interbank Money Market	-	-	-
Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued (Net)	-	-	-
Funds Borrowed from Other Financial Institutions	-	-	-

**Banking book interest rate risk arising from the nature of the deposits other than time deposits and loan repayments and significant assumptions, including those related to the movement of interest rate risk measurement frequency:**

In Official Gazette No. 28756, dated 5 September 2013 "Regulation on Measurement Capital of Banks" monitored items are published, which are taken into account in the calculation of shareholders' equity in accordance with the items excluding subordinated liabilities, with the exception of all balance sheet and off-balance sheet items sensitive to interest arising from the interest rate risk calculation. Calculations are made early repayments of loans made any assumptions for demand and time deposits. Arising from the banking book; interest rate risk is calculated on a monthly basis and reported to the BRSA.



**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**IV. EXPLANATIONS ON INTEREST RATE RISK (Continued):**

**Economic value differences because of Interest Rate Risk in the Banking Accounts from the Regulation on Measurement and Assessment of Standard Shock Method:**

Interest rate risk in the Banking Accounts from Standard Shock Method in accordance with the Regulation on Measurement and Assessment of the economic value differences arising from interest rate fluctuations is as follows:

<b>Current Period</b>			
<b>Currency</b>	<b>Shock applied (+/- basis points) *</b>	<b>Gains / Losses</b>	<b>Gains/Equity – Losses/Equity</b>
TL	500 (400)	(258.10) 214.69	(17.39%) 14.46%
EUR	200 (200)	- -	- -
USD	200 (200)	- -	- -
<b>Total (for negative shocks)</b>		(258.10)	(%17.39)
<b>Total (for positive shocks)</b>		214.69	%14.46
<i>*Applied to a currency different intensity and direction are entered in separate lines for each shock.</i>			
<b>Prior Period</b>			
<b>Currency</b>	<b>Shock applied (+/- basis points) *</b>	<b>Gains / Losses</b>	<b>Gains/Equity – Losses/Equity</b>
TL	500 (400)	(160.37) 133.63	(%14.35) %11.96
EUR	200 (200)	- -	- -
USD	200 (200)	- -	- -
<b>Total (for negative shocks)</b>		(160.37)	(14.35)
<b>Total (for positive shocks)</b>		133.63	%11.96

*\*Applied to a currency different intensity and direction are entered in separate lines for each shock.*

**V. EXPLANATIONS ON THE POSITION RISK OF SHARES**

As of 31 December 2021, the Bank does not have the position risk of shares (31 December 2020: None). The Bank only has 15,971,094 shares with a nominal value of TL 160 which is transferred by Borsa İstanbul A.Ş. as free of charge in its financial assets at fair value through other comprehensive income portfolio.

**VI. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO**

Liquidity risk is the risk where the Bank cannot meet its obligations on time or reaches financial resources with high cost due to the lack of sufficient financial resources. Liquidity risk of the Bank is monitored by the Finance Department within the liquidity limits determined by the BRSA. In the Asset Liability Committee, the liquidity position of the Bank is assessed on a monthly basis, and actions are taken when deemed necessary. In order to pay the liabilities due on time, sufficient cash and cash equivalents are held. The impact of tenor mismatches on profitability is minimized through effective monitoring of liquidity risk. The Bank's short and long-term liquidity needs are mainly provided by the main shareholder, Standard Chartered Bank Limited.

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**VI. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):**

The Bank relies on its existing liquid pool of capital and undistributed profits to meet its operational needs. The liquidity buffer of the Bank consists of the cash surplus available for allocation to the Central Bank of the Republic of Turkey (“TCMB”), the SCB or the local bank. The Bank has very few liquidity outflows and its liquidity ratios are well above the legal liquidity limits.

As a result of the financial uncertainty caused by the coronavirus epidemic, liquidity management has been one of the main priorities of the Bank. According to the regulation dated March 26, 2020 published by the BRSA, the obligation to report the Liquidity Coverage Ratio (LCR) to the Agency has been suspended until 31.12.2020 in order to reduce the operational burden for investment banks. On the other hand, as of 01.01.2021, the aforementioned obligation was put into practice again.

The liquidity level of the Bank is well above the legal ratios. In accordance with the "Regulation on Calculation of Banks' Liquidity Coverage Ratio", published by the BRSA in the Official Gazette dated March 21, 2014 and numbered 28948, the lowest and highest values and relevant weeks of the weekly calculated foreign currency and total liquidity coverage ratios are as follows:

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31.12.2021		
	FC	FC+TL
Average (%)	-	18,409.61
Max (%)	-	37,945.90
Week		22 October 2021
Min (%)	-	5,985.88
Week		10 December 2021

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**Liquidity Coverage Ratio:**

According to the "Regulations on the Banks' Liquidity Coverage Ratio Calculation" published by the BRSA, calculated foreign currency and total liquidity coverage ratio are monitored to ensure that banks keep high levels of liquid assets to cover net cash outflows.

**Therefore, these ratios are affected by cash inflows and outflows occurred by level of liquid assets, which can be liquid at any moment and are not subject to any guarantee, assets, liabilities and off-balance sheet items.**

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**VI. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):**

		Total Unweighted Value <sup>(*)</sup>		Total Weighted Value <sup>(*)</sup>	
		TL+FC	FC	TL+FC	FC
<b>Current Period</b>					
<b>High Quality Liquid Assets</b>					
1	High Quality Liquid Assets			110,000	-
<b>Cash Outflows</b>					
2	Retail and Small Business Customers, of which;	-	-	-	-
3	Stable Deposits	-	-	-	-
4	Less Stable Deposits	-	-	-	-
5	Unsecured wholesale funding, of which;	1,151	-	1,151	-
6	Operational Deposits	-	-	-	-
7	Non-operational Deposits	-	-	-	-
8	Other Unsecured Funding	1,151	-	1,151	-
9	Secured Funding			-	-
10	Other cash outflows, of which;	-	-	-	-
11	Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other	-	-	-	-
12	Obligations related to structured financial products	-	-	-	-
13	Commitments related to debts to financial markets and other off-balance sheet	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	-	-	-	-
16	<b>Total Cash Outflows</b>			1,151	-
<b>Cash Inflows</b>					
17	Secured Lending	-	-	-	-
18	Unsecured Lending	949	113	949	113
19	Other Cash Inflows	-	-	-	-
20	<b>Total Cash Inflows</b>	949	113	949	113
				<b>Total Adjusted Value</b>	
21	<b>Total HOLA Stock</b>			110,000	-
22	<b>Total Net Cash Outflows</b>			202	-
23	<b>Liquidity Coverage Ratio (%)</b>			54,455.45	-

<sup>(\*)</sup> The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**VI. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):**

- a. Significant elements affecting the result of the liquidity coverage ratio and the change in time of the items considered in calculating the ratio:**  
The Bank's liquidity coverage ratio is above the limits which is defined in the regulation.  
Money market placements held for the Central Bank of the Republic of Turkey which are among the high-quality liquid assets ensure that the total of liquidity coverage ratio to be above the limits defined in the law.
- b. Information about of which items consists the high-quality liquid assets:**  
The high-quality assets stock consists money market placements held for the Central Bank of The Republic of Turkey.
- c. The items which consist in the fund resources and their density in all funds:**  
As of 31 December 2021, the Bank's fundamental fund resource is the capital from the main partner bank.
- d. Information about cash out based on the derivative transactions and margin call transactions:**  
None.
- e. Information about counterparties fund sources on the basis of products and concentrical limits about warranties:**  
As of 31 December 2021, the Bank's fundamental funds source is the capital taken from the main partner bank.
- f. Liquidity risk occurred by the funding need of the bank's foreign branches and partners which are consolidated and the bank considering the prohibitor to the liquidity transaction operational and legal factors.**  
There is no risk associated with this issue when the current situation of the Bank is considered such that it has no foreign branches and consolidated partnership.
- g. Information on other cash inflows and cash outflows that are included in the calculation of the liquidity coverage ratio but are not included in the public disclosure template table above and are believed to be related to the liquidity profile of the bank**  
In this case, there are no cash inflows and cash outflows that are not included in the related table.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**VI. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):**

**h. Presentation of assets and liabilities according to their outstanding maturities:**

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	Over 5 Years	Unclassified	Total
<b>31 December 2021</b>	50	-	-	-	-	-	-	50
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT	72	-	-	-	-	-	-	72
Banks	307	20,086	-	-	-	-	-	20,393
Financial Assets at F.V. Through Profit / Loss (Net)	-	-	-	-	-	-	-	-
Interbank Money Market Placements	-	132,646	-	-	-	-	-	132,646
Financial Assets at F.V. Through Other Comprehensive Income (Net)	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-	-	-	-	160	160
Other Assets (*)	7,837	-	-	16,394	-	-	-	24,231
<b>Total Assets</b>	<b>8,216</b>	<b>152,732</b>	<b>-</b>	<b>16,394</b>	<b>-</b>	<b>-</b>	<b>160</b>	<b>177,502</b>
<b>Liabilities</b>								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-	-
Other Liabilities (**)	-	817	35	-	-	-	176,650	177,502
<b>Total Liabilities</b>	<b>-</b>	<b>817</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176,650</b>	<b>177,502</b>
<b>Liquidity (Gap) / Surplus</b>	<b>8,216</b>	<b>151,915</b>	<b>(35)</b>	<b>16,394</b>	<b>-</b>	<b>-</b>	<b>(176,490)</b>	<b>-</b>
<b>Net off balance sheet position</b>								
Derivative financial assets	-	-	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-	-
<b>Non-cash loans</b>								
<b>31 December 2020</b>								
Total Assets	6,202	90,739	-	27,219	-	-	160	124,320
Total Liabilities	-	1,772	305	121	-	-	122,122	124,320
<b>Liquidity (Gap) / Surplus</b>	<b>6,202</b>	<b>88,967</b>	<b>(305)</b>	<b>27,098</b>	<b>-</b>	<b>-</b>	<b>(121,962)</b>	<b>-</b>
<b>Net off balance sheet position</b>								
Derivative financial assets	-	-	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-	-
<b>Non-cash loans</b>								

(\*) "Other Assets" include Miscellaneous Receivables, Tangible Assets, Intangible Assets and Other Assets.

(\*\*) Equity is presented under "Other liabilities" item in the "Unclassified" column.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**VII. EXPLANATIONS ON OPERATING SEGMENTS**

The Bank's main commercial business units are financing corporate customers and trading finance activities and treasury.

Corporate banking provides financial solutions and banking services to corporate clients. Information on operating segments as of 31 December 2021 and 31 December 2020 are presented in the table below.

**Balance sheet and income statement items based on operating segments:**

<b>31 December 2021</b>	<b>Transaction Banking and OCC</b>	<b>Global Markets</b>	<b>Other</b>	<b>Total Operations of Bank</b>
Operating Income	85,797	18,110	-	103,907
General Loan Provision (-)	-	-	(140)	(140)
Operating Costs (-)	(51,205)	(245)	-	(51,450)
<b>Net Operating Profit</b>	34,592	17,865	(140)	52,317
General Loan Provision (-)	200	-	-	200
<b>Profit / (Loss) before tax</b>	34,392	17,865	(140)	52,517
Tax expense (-)	-	-	(13,400)	(13,400)
<b>Net Profit / (Loss)</b>	34,392	17,865	(13,540)	39,117
Segment Assets	16,394	153,111	7,997	177,502
Unallocated Assets	-	-	-	-
<b>Total Assets</b>	16,394	153,111	7,997	177,502
Segment Liabilities	234	150,677	26,591	177,502
Unallocated Liabilities	-	-	-	-
<b>Total Liabilities</b>	234	150,677	26,591	177,502

  

<b>31 December 2020</b>	<b>Transaction Banking and OCC</b>	<b>Global Markets</b>	<b>Other</b>	<b>Total Operations of Bank</b>
Operating Income	46,282	7,687	-	53,969
General Loan Provision (-)	-	-	(45)	(45)
Operating Costs (-)	(33,350)	(285)	-	(33,635)
<b>Net Operating Profit</b>	12,932	7,402	(45)	20,289
General Loan Provision (-)	90	-	-	90
<b>Profit / (Loss) before tax</b>	13,022	7,402	(45)	20,379
Tax expense (-)	-	-	(5,188)	(5,188)
<b>Net Profit / (Loss)</b>	13,022	7,402	(5,233)	15,191
Segment Assets	27,219	91,004	6,097	124,320
Unallocated Assets	-	-	-	-
<b>Total Assets</b>	27,219	91,004	6,097	124,320
Segment Liabilities	166	113,304	10,850	124,320
Unallocated Liabilities	-	-	-	-
<b>Total Liabilities</b>	166	113,304	10,850	124,320

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**VIII. EXPLANATIONS ON LEVERAGE RATIO:**

**a. Explanations on Differences Between Current and Prior Years' Leverage Ratios:**

The unconsolidated leverage ratio calculated by the Bank in accordance with the "Regulation on Measurement and Evaluation of Leverage Level of Banks" was realized as 87.07% (31 December 2020: 90.54%). The regulation stipulated the minimum leverage ratio as 3%. On-balance sheet asset amount increased by 30.87% compared to the previous period.

**b. Information on leverage ratio:**

	<b>31 December 2021 (*)</b>	<b>31 December 2020 (*)</b>
<b>On-Balance Sheet Items</b>		
On-balance sheet items (excluding derivatives and SFTs, but including collateral)	164,015	125,330
Assets that are deducted from core capital	(2,210)	(2,309)
Total on balance sheet exposures	161,805	123,021
<b>Derivative exposures and credit derivatives</b>		
Replacement cost associated with derivative financial instruments and credit derivatives	-	-
The potential amount of credit risk with derivative financial instruments and credit derivatives	-	-
The total amount of risk on derivative financial instruments and credit derivatives	-	-
<b>Investment securities or commodity collateral financing transactions</b>		
The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items)	-	-
Risk amount of exchange brokerage operations	-	-
Total risks related with securities or commodity financing transactions	-	-
<b>Off -Balance Sheet Items</b>		
Gross notional amount of off-balance sheet items	-	-
Adjustments for conversion to credit equivalent amounts	-	-
The total risk of off-balance sheet items	-	-
<b>Capital and Total Exposures</b>		
Tier 1 Capital	140,886	111,389
Total Exposures	161,805	123,021
<b>Leverage Ratio</b>		
Leverage Ratio	%87.07	%90.54

(\*) Three-month average of the amounts in the table.

**IX. Explanations regarding the presentation of financial assets and liabilities at their fair values:**

The following table summarizes the carrying values and fair values of some financial assets and liabilities of the Bank. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the current market interest rates for the fixed loans with fixed interest rates. For the loans with floating interest rates, it is assumed that the carrying value approaches to the fair value.

The fair values of due from banks and other financial institutions and funds borrowed from other financial institutions are determined by calculating the discounted cash flows using the current market interest rates.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**IX. Explanations regarding the presentation of financial assets and liabilities at their fair values (Continued):**

	Carrying Value		Fair Value	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>Financial Assets</b>				
Due from Money Market	132,646	90,739	132,646	90,739
Due from Banks	20,393	215	20,393	215
Available-for-Sale Financial Assets	160	160	160	160
Held-to-maturity Investments	-	-	-	-
Loans	-	-	-	-
<b>Financial Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Borrowings	-	-	-	-
Marketable Securities Issued	-	-	-	-

TFRS 7 "Financial Instruments: Disclosures", requires classification of line items at fair value presented at the financial statements according to the defined levels. These levels depend on the observability of data used for fair value calculations. Classification for fair value is generated as followed below:

<b>Current Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	160	160
Financial Assets Measured at Fair Value through Profit/Loss	-	-	-	-
Derivative Financial Assets Held for Trading	-	-	-	-
Derivative Financial Assets Held for Hedging Purpose	-	-	-	-
<b>Financial Assets at Fair Value</b>	-	-	160	160
Derivative Financial Liabilities Held for Trading	-	-	-	-
Funds Borrowed (*)	-	-	-	-
Derivative Financial Liabilities Held for Hedging Purpose	-	-	-	-
<b>Financial Liabilities at Fair Value</b>	-	-	-	-

<b>Prior Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	160	160
Financial Assets Measured at Fair Value through Profit/Loss	-	-	-	-
Derivative Financial Assets Held for Trading	-	-	-	-
Derivative Financial Assets Held for Hedging Purpose	-	-	-	-
<b>Financial Assets at Fair Value</b>	-	-	160	160
Derivative Financial Liabilities Held for Trading	-	-	-	-
Funds Borrowed (*)	-	-	-	-
Derivative Financial Liabilities Held for Hedging Purpose	-	-	-	-
<b>Financial Liabilities at Fair Value</b>	-	-	-	-

Level 1: Assets or liabilities with prices recorded (unadjusted) in active markets

Level 2: Assets or liabilities that are excluded in the Level 1 of recorded prices directly observable by prices or indirectly observable derived through prices observable from similar assets or liabilities

Level 3: Assets and liabilities where no observable market data can be used for valuation

**X. EXPLANATIONS REGARDING TRANSACTIONS ON BEHALF OF OTHERS AND FIDUCIARY TRANSACTIONS:**

The Bank does not have any transaction on behalf of others and fiduciary transactions.



**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**XI. EXPLANATIONS ON RISK MANAGEMENT AND RISK WEIGHTED AMOUNTS:**

The notes and explanations prepared in accordance with the Communiqué published in the Official Gazette no. 29511 on 23 October 2015 and which came into force as of 31 March 2016 are given in this section.

**a. The Bank's Risk Management Strategy and Risk Weighted Amounts:**

The Board of Directors is responsible for determining the Bank's risk management structure and monitoring the effective using of the risk management tools. Operations of risk management are performed by the Risk Management Department according to the regulations and independently from the executive units. The Risk Management Department reports directly to the Board of Directors via the Audit Committee. The Board of Directors is ultimately responsible for ensuring that risk management strategies that are consistent with the Bank's capital and risk level are established, implemented and sustained efficiently.

The Bank has a strong internal control structure that determines the procedures and limitations to be taken with regard to the risks and strives to ensure that the risks taken in this regard remain within the risk appetite and that no financial stratification is entered. The effectiveness of the risk management processes ensuring that the Bank's risk level remains within the risk appetite is provided through permanent controls at three levels ("level") by the internal control system. Each of the "control level" represents a different responsible area of risk management and control.

The "Risk Appetite Declaration", which determines the level of risk that the Bank wants to take in order to achieve its strategic targets, has been approved by the Board of Directors and the definition is as follows:

**General:** The Bank will not give up its risk appetite in order to increase its income or achieve high earning.

**Credit Risk:** The Bank manages its credit risk by following the principles which aim to vary customers, sectors and products.

**Market Risk:** The Bank prevents big losses (financial or nominal) in the Group's brand value which arising from the market risk by controlling the Bank's trading portfolio and operations.

**Country Risk:** The Bank manages its country risk by following the principles which aim to vary countries and monitor its activities by considering compliance with regulations.

**Capital and Liquidity Risk:** The Bank should continue its strong capital position which involves management buffers that support the Bank's strategic purposes. The Bank should be able to ensure its payments and warranty commitments without applying to the Central Bank's (or its Group's) extraordinary support in the case of the strong but reasonable liquidity stress scenario.

**Operational Risk:** The Bank prevents significant losses (financial or nominal) in its or Group's brand value which arise from the operational losses including related operation transactions by controlling the Bank's operational risks.

**Financial Crimes:** The Bank has no tolerance for violations of laws and regulations related to Financial Crimes although these cases cannot be completely prevented.

**Compliance:** The Bank does not have any tolerance for violations of laws and regulations, and the Group endeavours to minimize these risks due to the fact that legal non-compliance cannot be completely eliminated.

**Code of Ethics:** The Bank strives to maintain the standards set out in Code of Ethics and to continuously demonstrate our ethical structure with the principle of "Do the Right Thing" at the heart of our way of doing business.

**Information Systems and Cyber Security:** The Bank aims to avoid risk and uncertainty for our critical information assets and systems. Considering the Bank's comprehensive activities and reputation, its tolerance is very low, which may lead to significant losses that may affect them.

**Reputational Risk:** The Bank will protect its reputation without damaging its and Group's brand value significantly.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**XI. EXPLANATIONS ON RISK MANAGEMENT AND RISK WEIGHTED AMOUNTS (Continued):**

**a. Overview of Risk Weighted Amounts**

		<b>Risk Weighted Amounts</b>		<b>Minimum Capital Requirements</b>
		<b>31 December 2021</b>	<b>31 December 2020</b>	<b>31 December 2021</b>
<b>1</b>	<b>Credit risk (excluding counterparty credit risk) (CCR)</b>	18,177	<b>18,459</b>	1,454
2	Standardized approach (SA)	18,177	18,459	1,454
3	Internal rating-based (IRB) approach	-	-	-
<b>4</b>	<b>Counterparty credit risk</b>	-	-	-
5	Standardized approach for counterparty credit risk (SA-	-	-	-
6	Internal model method (IMM)	-	-	-
<b>7</b>	<b>Basic risk weight approach to internal models equity position in the banking account</b>	-	-	-
<b>8</b>	<b>Investments made in collective investment companies – look-through approach</b>	-	-	-
<b>9</b>	<b>Investments made in collective investment companies – mandate-based approach</b>	-	-	-
<b>10</b>	<b>Investments made in collective investment companies -</b>	-	-	-
<b>11</b>	<b>Settlement risk</b>	-	-	-
<b>12</b>	<b>Securitization positions in banking accounts</b>	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
<b>16</b>	<b>Market risk</b>	13,632	106	1,091
17	Standardized approach (SA)	13,632	106	1,091
18	Internal model approaches (IMM)	-	-	-
<b>19</b>	<b>Operational Risk</b>	103,406	87,318	8,272
20	Basic Indicator Approach	103,406	87,318	8,272
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
<b>23</b>	<b>The amount of the discount threshold under the equity (subject to a 250% risk weight)</b>	-	-	-
<b>24</b>	<b>Floor adjustment</b>	-	-	-
<b>25</b>	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	135,215	105,883	10,817

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**XI. EXPLANATIONS ON RISK MANAGEMENT AND RISK WEIGHTED AMOUNTS (Continued)**

**c. Qualitative explanations on remuneration policies:**

The Committee is held twice a year and if deemed necessary by the Committee Chairman. The duties and responsibilities of the Committee are as follows:

- To carry out the monitoring and auditing process in order to ensure that the remuneration policy and procedures are carried out in accordance with the relevant laws and regulations as well as the risk management principles,
- Regularly (at least once a year in any case) to evaluate the Bank's approach to pricing and to propose any changes it deems appropriate,
- Ensuring fair remuneration of Board Members with and without executive duties and ensuring that members of the Board who are not executive members have only fixed salaries,
- To follow up the update requirements in the policies, procedures and regulations for the areas that they are responsible for, to take action to keep them current.

The basic principles of remuneration policy apply to all bank employees. In accordance with the Bank's measurement principle, bank personnel, who are considered to perform a function that has a significant effect on board members, senior management and bank risk profile, have been evaluated within the scope of the qualifying employee. The Bank's remuneration approach is supported by the following principles in line with effective risk management and strategy:

- Provides competitive pricing opportunities that enable personnel to choose, motivate and sustain their loyalty.
- A clearly defined performance management framework ensures that staff have clear objectives and take feedbacks in line with the Bank's strategy.
- The principles on how to conduct remuneration, including how performance objectives and feedback are conducted, are clearly defined. In line with these principles, fixed and variable remuneration and benefits are related to the performance of the individuals and the work they are responsible for.
- Employees are supported through flexible working practices to ensure optimum balance of business requirements and personal living conditions.
- An appropriate mix of fixed and variable wages is provided, and the fixed salary level is determined in accordance with the employee's role and the risk profile of the job.
- Variable remuneration considers the success, behaviour and ethics of each individual and ensures that the award is consistent with the Bank's performance.
- Pricing should be fair and transparent. Work on equal pay is considered as part of a global review of paid wages and in accordance with the standards of equality we are committed to comply with.
- The main benefit for all employees is to maintain reputation and ensure the safety of personnel.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**XII. RELATION BETWEEN FINANCIAL STATEMENTS AND RISK AMOUNTS:**

**a. Differences and Matching Between Asset and Liabilities' Carrying Values in Financial Statements and In Capital Adequacy Calculation**

			Carrying values of items in accordance with Turkish Accounting Standards				
	Carrying values in financial statements prepared as per TAS	Asset carrying value amount under scope of regulatory consolidation	Credit Risk	Counterparty credit risk	Securitization positions	Market Risk	Not subject to capital requirements or subject to deduction from capital
<b>Assets</b>							
Cash and Balances with the Central Bank	72	72	72	-	-	-	-
Banks	20,393	20,393	20,393	-	-	225	-
Financial assets at fair value through profit and loss	-	-	-	-	-	-	-
Financial Assets At Fair Value Reflected In Other Comprehensive Income	160	160	160	-	-	-	-
Receivables from Money markets	132,646	132,646	132,646	-	-	-	-
Derivative Financial Assets	-	-	-	-	-	-	-
Loans (Net)	-	-	-	-	-	-	-
Subsidiaries (Net)	-	-	-	-	-	-	-
Associates (Net)	-	-	-	-	-	-	-
Assets Held For Sale and Discontinued Operations (Net)	-	-	-	-	-	-	-
Jointly Controlled Partnerships (Business Partnerships) (Net)	-	-	-	-	-	-	-
Tangible Assets (Net)	5,069	5,069	5,069	-	-	-	-
Intangible Assets (Net)	357	357	357	-	-	-	-
Real estate for investment purpose (Net)	-	-	-	-	-	-	-
Tax asset	2,105	2,105	2,105	-	-	-	2,105
Other assets	16,700	16,700	16,700	-	-	16,394	-
<b>Total Assets</b>	<b>177,502</b>	<b>177,502</b>	<b>177,502</b>	<b>-</b>	<b>-</b>	<b>13,632</b>	<b>2,105</b>

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**XII. RELATION BETWEEN FINANCIAL STATEMENTS AND RISK AMOUNTS (Continued):**

**a. Differences and Matching Between Asset and Liabilities' Carrying Values in Financial Statements and In Capital Adequacy Calculation (Continued):**

Liabilities	Carrying values in financial statements prepared as per TAS	Asset carrying value amount under scope of regulatory consolidation	Carrying values of items in accordance with Turkish Accounting Standards				Not subject to capital requirements or subject to deduction from capital
			Credit Risk	Counterparty credit risk	Securitization positions	Market Risk	
Deposits	-	-	-	-	-	-	-
Derivative financial liabilities held for trading	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Money market borrowings	-	-	-	-	-	-	-
Securities issued	-	-	-	-	-	-	-
Funds	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	-	-
Other liabilities	3,797	3,797	-	-	-	-	-
Factoring payables	-	-	-	-	-	-	-
Lease payables	234	234	-	-	-	-	-
Derivative financial liabilities held for risk management	-	-	-	-	-	-	-
Provisions	13,574	13,574	-	-	-	-	-
Tax Liability	9,220	9,220	-	-	-	-	-
Liabilities regarding assets held for sale and discontinued operations (net)	-	-	-	-	-	-	-
Subordinated Loans	-	-	-	-	-	-	-
Shareholders' equity	150,677	150,677	-	-	-	-	-
<b>Total liabilities</b>	<b>177,502</b>	<b>177,502</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**b. Main Sources of Differences between Regulatory Exposure Amounts and Carrying Values in Financial Statements**

		Total	Credit risk	Securitization positions	Counterparty credit risk	Market Risk
1	Asset carrying value amount under scope of regulatory consolidation	177,502	177,502	-	-	13,632
2	Liabilities carrying value amount under regulatory scope of consolidation	177,502	177,502	-	-	-
3	Total net amount under regulatory scope of consolidation	-	-	-	-	13,632
4	Off-balance Sheet Amounts	-	-	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to prudential filters	-	-	-	-	-
<b>10</b>	<b>Risk Amounts</b>	<b>177,502</b>	<b>177,502</b>	<b>-</b>	<b>-</b>	<b>13,632</b>

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**XII. RELATION BETWEEN FINANCIAL STATEMENTS AND RISK AMOUNTS (Continued):**

**c. Explanations of differences between accounting and regulatory exposure amounts:**

There is no material difference between the carrying values in financial statements and the risk amounts in capital adequacy calculation of assets and liabilities.

**XIII. EXPLANATIONS RELATED TO CREDIT RISK:**

**a. Information related to Credit Risk**

Credit risk refers to the risk that the bank may be exposed to because of its counterparty cannot fulfil its payment obligations by not meeting the contractual requirements. In terms of credit risk, the Standard Approach is applied to capital adequacy calculation according to Basel II. The Bank's risk appetite is determined by the Board of Directors. The Board of Directors has not delegated the authority to determine credit limits to any sub-credit committee. Each loan proposal / application is submitted to the Board of Directors for approval. The limits approved by the Board are allocated to the customers.

All credit risks are reviewed at least once a year. Clients involved in the same risk group are assessed together taking into account the total risk / limits on the group.

The distribution of credit portfolio is continuously monitored by the Risk Management Department in terms of country, sector, customer / customer groups, maturity, collateral received and credit rating.

**b. Credit Risk Disclosures**

**Credit quality of assets:**

		Gross Carrying Values of TAS		Allowances/ Impairments	Net Values
		Defaulted exposures	Non-defaulted exposures		
1	Loans	17	-	17	-
2	Debt Securities	-	-	-	-
3	Off-balance exposure	-	-	-	-
<b>4</b>	<b>Total</b>	<b>17</b>	<b>-</b>	<b>17</b>	<b>-</b>

**Changes in stock of defaulted loans and debt securities**

1	Defaulted loans and debt securities at end of the previous reporting period	17
2	Loans and debt securities that have defaulted since the last reporting period	-
3	Returned to non-defaulted status	-
4	Amounts written off	-
5	Other changes	-
<b>6</b>	<b>Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)</b>	<b>17</b>

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**XIII. EXPLANATIONS RELATED TO CREDIT RISK (Continued):**

**Credit risk mitigation techniques – overview**

	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1 Loans	-	-	-	-	-	-	-
2 Debt Securities	-	-	-	-	-	-	-
<b>3 Total</b>	-	-	-	-	-	-	-
4 Default	17	-	-	-	-	-	-

**Standardised approach – credit risk exposure and Credit Risk Mitigation (CRM) effects**

Current Period		Exposures before Credit Conversion Factor and Credit Risk Mitigation		Exposures post-Credit Conversion Factor and Credit Risk Mitigation		Risk Weighted Average and Risk Weighted Average Density	
Asset Classes/Risk Weight		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	132,672	-	132,672	-	-	-
2	Non-central government public sector entities	-	-	-	-	-	-
3	Regional governments or local authorities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organizations	-	-	-	-	-	-
6	Banks and intermediary institutions	36,833	-	36,833	-	12,285	-
7	Corporates	-	-	-	-	-	-
8	Regulatory retail portfolios	-	-	-	-	-	-
9	Secured by residential property	-	-	-	-	-	-
10	Secured by commercial real estate	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-
12	Higher-risk categories	-	-	-	-	-	-
13	Secured by mortgages	-	-	-	-	-	-
14	Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
15	Undertakings for collective investments in mutual funds	-	-	-	-	-	-
16	Other assets	7,837	-	7,837	-	5,732	-
17	Investment on securities	160	-	160	-	160	-
<b>18</b>	<b>Total</b>	<b>177,502</b>	<b>-</b>	<b>177,502</b>	<b>-</b>	<b>18,177</b>	<b>-</b>

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**XIII. EXPLANATIONS RELATED TO CREDIT RISK (continued):**

Prior Period		Exposures before Credit Conversion Factor and Credit Risk Mitigation		Exposures post-Credit Conversion Factor and Credit Risk Mitigation		Risk Weighted Average and Risk Weighted Average Density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	90,750	-	90,750	-	-	-
2	Non-central government public sector entities	-	-	-	-	-	-
3	Regional governments or local authorities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organizations	-	-	-	-	-	-
6	Banks and intermediary institutions	27,473	-	27,473	-	13,660	-
7	Corporates	-	-	-	-	-	-
8	Regulatory retail portfolios	-	-	-	-	-	-
9	Secured by residential property	-	-	-	-	-	-
10	Secured by commercial real estate	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-
12	Higher-risk categories	-	-	-	-	-	-
13	Secured by mortgages	-	-	-	-	-	-
14	Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
15	Undertakings for collective investments in mutual funds	-	-	-	-	-	-
16	Other assets	5,937	-	5,937	-	4,639	-
17	Investment on securities	160	-	160	-	160	-
18	<b>Total</b>	124,320	-	124,320	-	18,459	-



**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**XIII. EXPLANATIONS RELATED TO CREDIT RISK (continued):**

**i. Standardised approach – exposures by asset classes and risk weights**

**Current Period**

	<b>Asset Classes/ Risk weight</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>Others</b>	<b>Total credit exposures amount (post CCF and post-CRM)</b>
1	Sovereigns and their central banks	132,672	-	-	-	-	-	-	-	-	132,672
2	Non-central government public sector entities	-	-	-	-	-	-	-	-	-	-
3	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	International organizations	-	-	-	-	-	-	-	-	-	-
6	Banks and intermediary institutions	-	-	20,439	16,394	-	-	-	-	-	36,833
7	Corporates	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail portfolios	-	-	-	-	-	-	-	-	-	-
9	Secured by residential property	-	-	-	-	-	-	-	-	-	-
10	Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-	-	-	-	-
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Secured by mortgages	-	-	-	-	-	-	-	-	-	-
14	Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-	-
15	Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-	-
16	Investment on securities	-	-	-	-	-	160	-	-	-	160
17	Other Receivables	2,105	-	-	-	-	5,732	-	-	-	7,837
<b>18</b>	<b>Total</b>	<b>134,777</b>	<b>-</b>	<b>20,439</b>	<b>16,394</b>	<b>-</b>	<b>5,892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177,502</b>

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**XIII. EXPLANATIONS RELATED TO CREDIT RISK (continued):**

**i. Standardised approach – exposures by asset classes and risk weights (continued):**

**Prior Period**

	<b>Asset Classes/ Risk weight</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>Others</b>	<b>Total credit exposures amount (post CCF and post-CRM)</b>
1	Sovereigns and their central banks	90,750	-	-	-	-	-	-	-	-	90,750
2	Non-central government public sector entities	-	-	-	-	-	-	-	-	-	-
3	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	International organizations	-	-	-	-	-	-	-	-	-	-
6	Banks and intermediary institutions	-	-	254	27,219	-	-	-	-	-	27,473
7	Corporates	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail portfolios	-	-	-	-	-	-	-	-	-	-
9	Secured by residential property	-	-	-	-	-	-	-	-	-	-
10	Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-	-	-	-	-
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Secured by mortgages	-	-	-	-	-	-	-	-	-	-
14	Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-	-
15	Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-	-
16	Investment on securities	-	-	-	-	-	160	-	-	-	160
17	Other Receivables	1,298	-	-	-	-	4,639	-	-	-	5,937
<b>18</b>	<b>Total</b>	<b>92,048</b>	<b>-</b>	<b>254</b>	<b>27,219</b>	<b>-</b>	<b>4,799</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124,320</b>

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**XIV. EXPLANATIONS ON MARKET RISK**

**a. Qualitative disclosures related to market risk**

Market risk refers to a probable loss that may occur in revenues or in economic value due to unfavourable changes in rates or prices in financial markets. In terms of market risk, the Standard Approach is applied to capital adequacy calculation according to Basel II.

The Board of Directors determines the risk appetite and sets market risk limits to ensure that the Bank's risk exposure is within the specified risk appetite. Exchange rate and interest rate risk are measured and controlled by the Risk Management Department in terms of positions, risk exposures and stress tests. Market risk limits are reviewed at least once a year, taking into account the Bank's strategy and risk appetite.

**b. Market risk under standardized approach**

<b>Current Year</b>		<b>RWA</b>
<b>Outright products</b>		
	Interest rate risk (general and specific)	-
	Equity risk (general and specific)	-
	Foreign exchange risk	13,632
	Commodity risk	-
<b>Options</b>		
	Simplified approach	-
	Delta-plus method	-
	Scenario approach	-
	Securitization	-
<b>Total</b>		<b>13,632</b>
<b>Prior Year</b>		<b>RWA</b>
<b>Outright products</b>		
	Interest rate risk (general and specific)	-
	Equity risk (general and specific)	-
	Foreign exchange risk	106
	Commodity risk	-
<b>Options</b>		
	Simplified approach	-
	Delta-plus method	-
	Scenario approach	-
	Securitization	-
<b>Total</b>		<b>106</b>

**XV. EXPLANATIONS ON OPERATIONAL RISK**

**a. Qualitative disclosures related to operational risk**

The "Basic Indicator Method" was used in the Bank's operational risk calculation. The amount subject to operational risk has been calculated using the "Basic Indicator Method" by using the Bank's year-end 2021, 2020 and 2019 year-end gross incomes for the last 3 years, in accordance with the "Calculation of the Amount Subject to Operational Risk" section of the "Regulation on the Measurement and Evaluation of Banks' Capital Adequacy".

<b>Current Year</b>	<b>2 PP Amount</b>	<b>1 PP Amount</b>	<b>CP Amount</b>	<b>Total/ No. of Years of Positive Gross</b>	<b>Rate (%)</b>	<b>Total</b>
Gross Income	56,919	54,071	104,107	71,699	15	8,272
Value at Operational Risk (Total x % 12.5)						103,406
<b>Prior Year</b>	<b>2 PP Amount</b>	<b>1 PP Amount</b>	<b>CP Amount</b>	<b>Total/ No. of Years of Positive Gross</b>	<b>Rate (%)</b>	<b>Total</b>
Gross Income	54,459	56,919	54,071	55,150	15	6,985
Value at Operational Risk (Total x % 12.5)						87,318

**SECTION FIVE**

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS:**

**1.1. Explanations on cash and the account of the CBRT:**

**1.1.a Information related to cash and the account of the CBRT:**

	<b>31 December 2021</b>		<b>31 December 2020</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Cash/Foreign Currency	-	-	-	-
CBRT	72	-	50	-
Other	-	-	-	-
<b>Total</b>	<b>72</b>	<b>-</b>	<b>50</b>	<b>-</b>

**1.1.b Information on the account of the CBRT:**

	<b>31 December 2021</b>		<b>31 December 2020</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Demand Unrestricted Amount	72	-	50	-
Time Deposit Amount	-	-	-	-
Non - Time Deposit Amount*	132,646	-	90,739	-
Reserve Requirements	-	-	-	-
<b>Total</b>	<b>132,718</b>	<b>-</b>	<b>90,789</b>	<b>-</b>

(\*) The balance of money market transactions made with the CBRT.

**Information on reserve requirements**

As of 31 December 2021, there is no liabilities subjected to reserve requirements (31 December 2020: None).

As per the Communiqué No. 2005/1 "Reserve Deposits" of the Central Bank of the Republic of Turkey (CBRT), banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the Communiqué. According to Communiqué that the CBRT published, "Reserve Deposits" can be kept as a TRY, USD and/or EUR and standard gold. Interest has been paid to required reserves kept in Turkish Lira since November 2014 and to reserve options and free accounts held in USD as of May 2015.

The reserve deposit rates vary according to their maturity compositions; the reserve deposit rates are realized in TRY at the rates between 3 % and 8 % according to their maturities (31 December 2020: between 1 % and 6 % according to their maturities), foreign currency liabilities in USD, EUR and/or standard gold at the rates between 5% and 26% according to their maturities (31 December 2020: between 5% and 22% according to their maturities).

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**1. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)**

**1.1. Explanations on financial assets at fair value through profit or loss:**

- i. As of 31 December 2021, there are not any financial assets through profit or loss given as collateral/blocked (31 December 2021: None).
- ii. Positive differences related to trading derivative financial assets: None

**1.2. Information on banks:**

- i. Information on banks and other financial institutions:

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Banks				
Domestic	20,168	-	109	-
Foreign	-	225	-	106
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	20,168	225	109	106

- ii. Information on foreign banks and other financial institutions:

	Unrestricted Amount		Restricted Amount	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
EU Countries	7	-	-	-
USA, Canada	212	101	-	-
OECD Countries (*)	6	5	-	-
Off-shore Banking Regions	-	-	-	-
Other	-	-	-	-
<b>Total</b>	225	106	-	-

(\*) OECD countries except EU countries, USA and Canada.

**1.3. Explanations on financial assets at fair value through profit or loss, net of difference and net present value, which are subject to repurchase agreements and given as collateral / blocked:**

None (31 December 2020 : None).

**1.4. Explanations on financial assets at fair value through other comprehensive income:**

As of 31 December 2021, the Bank's financial assets measured at fair value through other comprehensive income amounting to TL 160 which is transferred to Borsa İstanbul A.Ş. It consists of 15,971,094 shares with a nominal value of 160 TL transferred free of charge (31 December 2020: 160 TL).

**1.5. Explanations on financial assets measured at amortized cost:**

None (31 December 2020: None).

**1.6. Receivables from leasing transactions:**

None (31 December 2020: None).

**1.7. Positive differences related to hedging derivative financial assets:**

None (31 December 2020: None).

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

**2. Explanations on loans:**

**2.1. Information on all types of loan or advance balances given to shareholders and employees of the Bank:**

None (31 December 2020: None).

**2.2. Information on first and second group loans and restructured or rescheduled loans and other receivables:**

None (31 December 2020: None).

**2.3. Information on maturity structure of the loans:**

None (31 December 2020: None).

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

None (31 December 2020: None).

As of 31 December 2021, the Bank has no personnel loans (31 December 2020: None).

**2.5. Information on commercial instalment loans and corporate credit cards:**

As of 31 December 2021, the Bank has no commercial instalment loans and corporate credit cards (31 December 2020: None).

**2.6. Loans according to type of borrowers:**

None (31 December 2020: None).

**2.7. Domestic and foreign loans:**

None (31 December 2020: None).

**2.8. Loans granted to investments in associates and subsidiaries:**

None (31 December 2020: None).

**2.9. Special provisions for loans:**

	<b>31 December 2021</b>	<b>31 December 2020</b>
Loans and Other Receivables with Limited Collectability	-	-
Loans and Other Receivables with Doubtful Collectability	-	-
Uncollectible Loans and Other Receivables	17	17
<b>Total</b>	<b>17</b>	<b>17</b>

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

**2.10 Information on non-performing loans (Net):**

(i) Information on non-performing loans and restructured loans:

	<b>III. Group</b> Loans and other receivables with limited collectability	<b>IV. Group</b> Loans and other Receivables with doubtful collectability	<b>V. Group</b> Uncollectible loans and other receivables
Current period	-	-	17
Gross Amounts Before Provisions	-	-	17
Restructured Loans	-	-	-
Previous period	-	-	17
Gross Amounts Before Provisions	-	-	17
Restructured Loans	-	-	-

(ii). Information on the movement of total non-performing loans:

	<b>III. Group</b> Loans and other receivables with limited collectability	<b>IV. Group</b> Loans and other Receivables with doubtful collectability	<b>V. Group</b> Uncollectible loans and other receivables
<b>31 December 2021</b>			
<b>Balance at the Beginning of the Period</b>	-	-	17
Additions (+)	-	-	-
Transfers from Other Categories of Non-performing Loans (+)	-	-	-
Transfers to Other Categories of Non-performing Loans (-)	-	-	-
Collections (-)	-	-	-
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Balance at the End of the Period</b>	-	-	17
Specific Provision (-)	-	-	17
<b>Net Balance on Balance Sheet</b>	-	-	-



**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

(iii). Information on non-performing loans based on types of borrowers in gross and net amounts:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other Receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>31 December 2021 (Net)</b>			
Loans Given to Real Persons and Legal Persons (Gross)	-	-	17
Specific Provision Amount (-)	-	-	17
Loans Given to Real Persons and Legal Persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>31 December 2020 (Net)</b>	-	-	-
Loans Given to Real Persons and Legal Persons (Gross)	-	-	17
Specific Provision Amount (-)	-	-	17
Loans Given to Real Persons and Legal Persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

(iv) Information on non-performing loan receivables granted in foreign currency: None.

(v) Information on non-performing loans restructured or rescheduled and other receivables: None.

(vi) Explanations on the write-off policy:

After all kinds of legal proceedings are carried out, the loans that cannot be collected in any way are deleted from the Bank's records. The Bank does not have any loans that were deleted from its records in 2021 (a loan amounting to TL 4,965, which was fully provisioned in 2020, was deleted from the assets).

(vii) The policy followed-up for the collection of uncollectible loans and other receivables:

The Bank is prudent with regards to lending and follow-up policies for doubtful loans. Early precautions have been taken for problematic transactions and the Bank attempts to solve customers' problems via consultative or advisory approach. In cases where no solution can be found to the customer's problem, the Bank tries to collect the receivable with cash-convertible guarantees for loans secured.

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

**3. Explanations on investments in associates (Net):**

**3.1. Explanations on associates (Net):**

The Bank does not have any subsidiaries as of December 31, 2021. (31 December 2020: None).

**3.2. Explanations on subsidiaries:**

The Bank does not have any subsidiaries as of December 31, 2021. (31 December 2020: None).

**3.3. Explanations on joint ventures:**

The Bank does not have any joint ventures as of December 31, 2021. (31 December 2020: None).

**4. Explanations on investment properties (Net):**

The Bank does not have investment properties as of December 31, 2021. (31 December 2020: None).

**5. Explanations on deferred tax asset:**

As of 31 December 2021, the Bank has TL 2.105 deferred tax assets (31 December 2020: TL 1.298). Temporary differences subject to deferred tax calculation mainly arise from the differences between the book value and tax value of fixed assets, financial assets and liabilities, and the provision for employee rights.

	Accumulated Temporary Differences		Deferred Tax Assets/ (Liabilities)	
	31 December 2021	31 December 2020	31 December 2021	31 A December 2020
Reserve for Employee Benefits	8,676	6,353	1,995	1,270
Difference between the carrying amount of fixed assets and the tax base	291	163	67	33
Other	194	-	45	-
<b>Deferred Tax Assets</b>	<b>8,966</b>	<b>6,516</b>	<b>2,107</b>	<b>1,303</b>
<b>Deferred Tax Liabilities</b>	<b>(9)</b>	<b>(26)</b>	<b>(2)</b>	<b>(5)</b>
Other	(9)	(26)	(2)	(5)
<b>Deferred Tax Assets/ (Liabilities) (Net)</b>	<b>8,957</b>	<b>6,490</b>	<b>2,105</b>	<b>1,298</b>

**6. Explanations on assets held for sale:**

As of December 31, 2021, the Bank does not have fixed assets for sale purposes and discontinued operations. (31 December 2020: None).

**7. Explanations on other assets:**

Other assets on the balance sheet amount to TL 16.700 (December 31, 2020: TL 27,454), of which TL 16,394 (December 31, 2020: TL 27,219) are comprised of intra-group receivables arising from the consultancy services provided to the Group.

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

**8. Explanations on tangible assets:**

	Balance at the Beginning of the Year	Acquisitions	Disposals	Transfers	Balance at the End of the Year
<b>31.12.2021 (Current Period)</b>					
<b>Acquisition Cost</b>					
Real Estates	5,766	-	-	-	5,766
Right Of Use Assets	489	279	-	-	768
Vehicles	-	-	-	-	-
Other Tangible Assets	2,494	1,186	-	-	3,680
<b>Total Acquisition Cost</b>	<b>8,749</b>	<b>1,465</b>	<b>-</b>	<b>-</b>	<b>10,214</b>
<b>Accumulated Depreciation (-)</b>					
Real Estates	2,827	71	-	-	2,898
Right Of Use Assets	378	214	-	-	592
Vehicles	-	-	-	-	-
Other Tangible Assets	1,655	-	-	-	1,655
<b>Accumulated Depreciation (-)</b>	<b>4,860</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>5,145</b>
<b>Net Carrying Value</b>	<b>3,889</b>	<b>1,180</b>	<b>-</b>	<b>-</b>	<b>5,069</b>

	Balance at the Beginning of the Year	Acquisitions	Disposals	Transfers	Balance at the End of the Year
<b>31.12.2020 (Prior Period)</b>					
<b>Acquisition Cost</b>					
Real Estates	5,766	-	-	-	5,766
Usage Right Assets	489	-	-	-	489
Vehicles	-	-	-	-	-
Other Tangible Assets	1,746	748	-	-	2,494
<b>Total Acquisition Cost</b>	<b>8,001</b>	<b>748</b>	<b>-</b>	<b>-</b>	<b>8,749</b>
<b>Accumulated Depreciation (-)</b>					
Real Estates	2,707	120	-	-	2,827
Usage Right Assets	189	189	-	-	378
Vehicles	-	-	-	-	-
Other Tangible Assets	1,353	302	-	-	1,655
<b>Accumulated Depreciation (-)</b>	<b>4,249</b>	<b>611</b>	<b>-</b>	<b>-</b>	<b>4,860</b>
<b>Net Carrying Value</b>	<b>3,752</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>3,889</b>

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):

9. Explanations on intangible assets:

	Balance at the Beginning of the Year	Acquisitions	Disposals	Transfers	Balance at the End of the Year
<b>31.12.2021 (Current Period)</b>					
<b>Acquisition Cost</b>					
Intangible Assets	553	19	-	-	572
<b>Total Acquisition Cost</b>	553	19	-	-	572
<b>Accumulated Depreciation (-)</b>					
Intangible Assets	38	177	-	-	215
<b>Accumulated Depreciation (-)</b>	38	177	-	-	215
<b>Net Carrying Value</b>	515	158	-	-	357

	Balance at the Beginning of the Year	Acquisitions	Disposals	Transfers	Balance at the End of the Year
<b>31.12.2020 (Prior Period)</b>					
<b>Acquisition Cost</b>					
Intangible Assets	39	514	-	-	553
<b>Total Acquisition Cost</b>	39	514	-	-	553
<b>Accumulated Depreciation (-)</b>					
Intangible Assets	37	1	-	-	38
<b>Accumulated Depreciation (-)</b>	37	1	-	-	38
<b>Net Carrying Value</b>	2	513	-	-	515

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES:**

**1. Explanations on maturity structure of deposits:**

The Bank does not accept client deposits due to its investment bank status.

**2. Explanations on trading derivative financial liabilities:**

As of 31 December 2021, schedule of negative differences for trading derivative financial liabilities: None.  
(31 December 2020: None)

**3. Explanations on borrowings:**

a. Information on banks and other financial institutions: None (31 December 2020: None).

b. As of 31 December 2021, maturity of borrowing amount: None (31 December 2020: None).

**4. Explanations on other liabilities:**

There is TL 3,797 other liabilities amount as of 31 December 2021 (31 December 2020: 2.031 TL). This amount does not exceed 10% of total assets.

**5. Explanations on finance leasing agreements:**

As of 31 December 2021, the Bank has 234 TL finance lease payable (31 December 2020: 116).

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	290	234	489	166
Between 1-4 Years	-	-	-	-
Longer than 4 Years	-	-	-	-
<b>Total</b>	<b>290</b>	<b>234</b>	<b>489</b>	<b>166</b>

**6. Explanations on hedging derivative instruments:**

As of 31 December 2021, the Bank has no hedging derivative instruments (31 December 2020: None).

**7. Explanations on provisions:**

**7.1. Information on general provisions:**

With the decision of the BRSA dated 21 December 2017 and numbered 7650, in the scope of paragraph (6) of Article 9 of the "Regulation on Procedures and Principles for the Classification of Loans and the Provisions to Be Forwarded" which entered into force as of 1 January 2018, it is permitted for the Bank to allocate provisions in accordance with Articles 10, 11, 13 and 15 of the Regulation instead of TFRS 9.

As a result of the non-implementation of TFRS 9, general provision is made within the framework of Article 10 of the Regulation. With the new application, the general provision rate, which was 1% in the prior period, became 1,5% and the general loan ratio of close monitoring of 2% is started to be applied as 3%.

	31 December 2021	31 December 2020
<b>General Provisions</b>	-	-
Provisions for Group I loans and receivables	-	-
Provisions for Group II loans and receivables	-	-
Provisions for non-cash loans	-	-
Other	555	415
<b>Total</b>	<b>555</b>	<b>415</b>

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued):**

**7.2. Explanations on provisions related with foreign currency difference of foreign indexed loans:**

As of 31 December 2021, there is no provision for foreign currency difference of foreign indexed loans (31 December 2020: None).

**7.3. Specific provisions for non-cash loans that is non-funded and non-transformed into cash:**

As of 31 December 2021, the Bank has no specific provision for non-cash loans (31 December 2020: None).

**7.4. Explanations on other provisions:**

As of 31 December 2021, the Bank has TL 658 as other provision (31 December 2020: None).

**7.5. Explanations on reserve for employee benefits:**

The reserve has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	<b>31 December 2021</b>	<b>31 December 2020</b>
Discount rate (%)	18.50	13.30
Rate for the Probability of Retirement (%)	15.00	11.00

The (full) price ceiling of retirement pay liability is TL 8,284 as of 31 December 2021 (31 December 2020: TL 7,117)

Movements in the reserve for employment termination benefits during the periods are as follows:

	<b>31 December 2021</b>	<b>31 December 2020</b>
Balance at prior period end	2,074	1,485
Interest costs	244	275
Service costs	108	108
Payments during the period (-)	425	-
Cancelled provision	-	-
Actuarial loss / (gains) (*)	279	206
<b>Balance at the end of the period</b>	<b>2,280</b>	<b>2,074</b>

(\*) The actuarial gains/(losses) are recognized under the equity.

	<b>Current Period</b>	<b>Prior Period</b>
Termination Pay Liability	2,280	2,074
Severance Pay Provision	4,229	3,075
Personnel Performance Bonus Liability	3,685	2,029
Provision for Unused Vacation Liability	1,718	1,121
Share Price	449	83
<b>Total</b>	<b>12,361</b>	<b>8,382</b>

The Bank calculates and accounts for severance pay using actuarial method in accordance with TAS 19 - Employee Benefits.

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued):**

**8. Explanations on current tax liability:**

i. Information on current tax liability:

As of 31 December 2021, the Bank has TL 6,690 corporate tax payable (31 December 2020: the Bank has TL 669 corporate tax receivable).

ii. Information on taxes payable:

	31 December 2021	31 December 2020
Corporate Tax Payable	6,690	(669)
Taxes on Returns of Marketable Securities	-	-
Real Property Income Tax	789	341
Payroll Tax	1,145	119
Banking Insurance Transaction Tax (BITT)	-	-
Foreign Exchange Transaction Tax	336	45
Value Added Tax Payable	10	8
<b>Total</b>	<b>8,970</b>	<b>(156)</b>

iii. Information on premiums:

	31 December 2021	31 December 2020
Social Security Premiums - Employee	102	72
Social Security Premiums - Employer	127	92
Bank Social Aid Pension Fund Premiums – Employee	-	-
Bank Social Aid Pension Fund Premiums – Employer	-	-
Pension Fund Contributions and Provisions – Employee	-	-
Pension Fund Contributions and Provisions – Employer	-	-
Unemployment Insurance - Employee	7	5
Unemployment Insurance – Employer	14	9
Other	-	-
<b>Total</b>	<b>250</b>	<b>178</b>

**8.2. Explanations on deferred tax liability:**

The Bank does not have net deferred tax liabilities as of December 31, 2021 and December 31, 2020.

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued):**

**9. Explanations on liabilities regarding assets held for sale and discontinued operations:**

As of December 31, 2021, the Bank does not have any debts regarding fixed assets for sale. (31 December 2020: None).

**10. Explanations on Equity:**

**10.1 Presentation of paid-in capital:**

	31 December 2021	31 December 2020
Common Stock	40,126	40,126
Preferred Stock	-	-

**10.2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling (As nominal; inflation unadjusted balances):**

The Bank does not have registered capital system.

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

None

**10.4. Information on transfers from revaluation funds to capital during the current period:**

There are no transfers from revaluation funds to capital during the current period (31 December 2020: None).

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

None (31 December 2020: None).

**10.6. Information on the effects of estimations made considering the banks income, profitability, prior period indicators on liquidity and uncertainty on these indicators:**

There are not any negative indicators as to the profitability and the liquidity of the Bank.

**10.7. Privilege on the corporate stock:**

None (31 December 2020: None).

**10.8. Information on marketable securities value increase fund:**

None

**10.9. Information on minority shares:**

None



**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**III. EXPLANATIONS AND NOTES RELATED TO OFF BALANCE SHEET ACCOUNTS:**

**1. Explanations and notes related to off balance sheet commitments:**

**1.1. Type and amount of irrevocable credit commitments:**

As of December 31, 2021, the Bank does not have any irrevocable loan commitments. (31 December 2020: None).

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

- i) Non-cash loans including guarantees, bank avals and acceptance loans, collaterals that are accepted as financial commitments and other letters of credit:

None (31 December 2020: None).

- ii) Guarantees, contingencies and other similar commitments:

None (31 December 2020: None).

**1.3 Explanations on non-cash loans:**

None (31 December 2020: None).

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT:**

**1. Information on interest income:**

**1.1. Information on interest income on loans:**

None (31 December 2020: None).

**1.2. Information on interest income on banks:**

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
From the CBRT	18,060	-	6,406	-
From Domestic Banks	86	-	26	-
From Foreign Banks	-	-	1,267	-
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>18,146</b>	<b>-</b>	<b>7,699</b>	<b>-</b>

**1.3. Information on interest income on marketable securities:**

None (31 December 2020: None).

**1.4. Information on interest income received from investments in associates and subsidiaries:**

The Bank does not have investments in associates or subsidiaries.

**2. Information on interest expense:**

**2.1. Information on interest expense on borrowings:**

None (31 December 2020: None).

**2.2. Information on interest expense paid to investments in associates and subsidiaries:**

None (31 December 2020: None).

**2.3. Information on interest expenses to debt securities issued:**

None (31 December 2020: None).

**2.4. Maturity structure of the interest expense on deposits:**

None (31 December 2020: None).

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (Continued):**

**3. Explanations on trading loss/income (Net):**

	31 December 2021	31 December 2020
<b>Profit</b>	1,271,848	322,652
Profit on capital market operations	-	-
Profit on derivative financial instruments	-	-
Other	-	-
Foreign exchange gains	1,271,848	322,652
<b>Loss</b>	1,260,855	322,489
Loss on capital market operations	-	-
Loss on derivative financial instruments	-	-
Other	-	-
Foreign exchange gains	1,260,855	322,489
<b>Net trading income/loss</b>	10,993	163

**4. Explanations on other operating income:**

As of 31 December 2021, other operating income amount is TL 714 (31 December 2020: TL 1,014).

**5. Provision for impairment of loans and other receivables:**

The depreciation provisions of the Bank for loans and other receivables as of December 31, 2021 are 140 TL. (31 December 2020: There is a General Loan Equivalent of 45 TL).

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (Continued):**

**6. Information related to other operational expenses:**

	<b>31 December 2021</b>	<b>31 December 2020</b>
Provision for employment termination benefits	2,050	1,308
Bank social aid pension fund deficit provision	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	505	422
Impairment expenses of intangible assets	-	-
Impairment expenses of goodwill	-	-
Amortization expenses of intangible assets	124	-
Impairment expenses of equity participations for which equity method is applied	-	-
Impairment expenses of assets held for resale	-	-
Depreciation expenses of assets held for resale	-	-
Impairment expenses of fixed assets held for sale and discontinued operations	-	-
Other operating expenses	17,425	12,334
Rental expenses related to TFRS 16 exceptions	110	189
Maintenance and repair expenses	1,298	1,070
Advertising expenses	12	9
Computer Usage Expenses	6,444	7,487
Other expenses	9,561	3,579
Loss on sale of assets	-	-
Other (*)	31,346	19,571
<b>Total</b>	<b>51,450</b>	<b>33,635</b>

(\*) In Other, personnel expenses amounting to TL 14,740 (31 December 2020: TL 11,733), other taxes and fees paid amounting to TL 4,937 (31 December 2020: TL 3,066), dues amounting to TL 134 (December 31, 2020: TL 92), representation and entertainment expenses amounting to TL 355 (31 December 2020: 124 TL), corrections for previous years amounting to TL 5,600 (31 December 2020: TL 1,333), BRSA contribution share and TBB cost share amounting to 721 TL (31 December 2020 677 TL), 4 TL There are expenses that are not legally accepted (31 December 2020: TL 169) and provisions amounting to TL 4,855 (December 31, 2020: TL 2,377).

**7. Explanations on profit and loss from continuing and discontinued operations before tax:**

For the year ended 31 December 2021; the Bank’s profit from continuing operations before tax is TL 52,517 (31 December 2020: TL 20,379).

**8. Explanation on tax provision for continued and discontinued operations:**

For the period ended 31 December 2021, the Bank has TL 751 deferred tax income (31 December 2020: 509 deferred tax expense).

**9. Explanations on net profit and loss from continuing and discontinued operations**

The Bank’s net profit from continuing operations is TL 39,117 (31 December 2020: TL 15,191).

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (Continued):**

**10. Explanations on net profit/(loss):**

- i. **If explanation of the quality, size and repetition rate of income and expense items from ordinary banking transactions are necessary for understanding the Bank's performance in the period, quality and amount of these items:**

The main field of activity of the Bank; To provide support/consultancy services within the scope of the banking transactions of Standard Chartered Group with its customers residing in Turkey and to generate consultancy service income from the Group in return for these consultancy services. As of 31 December 2021, 74,121 TL of the profit before tax from the continued operating income (31 December 2020: 45,129 TL) consists of the mentioned income.

**If it's possible that a change in the estimation on financial statements effecting the profit/loss has an impact on next periods, explanations on covering next periods are:**

None.

- ii. **Profit/(loss) related to minority:**

None.

**11. Other income statement items, sub-accounts constituting at least 20% of these balances exceeding 10% of the total income statement:**

For the year ended 31 December 2021, the total amount of other operating income in the income statement is 714 TL (31 December 2020: 1,014 TL).

**V. Explanations and footnotes on cash flow statement:**

**1. Elements that make up cash and cash equivalent assets, and the accounting policy used in determining these elements:**

The Central Bank deposits in banks including the Central Bank as "Cash"; Interbank money market placements with an original maturity of less than three months and time deposits in banks are defined as "cash equivalent assets".

	Current Period	Prior Period
<b>Cash</b>	21,008	265
Cash and effective warehouse	-	-
Cash and balances with central bank	72	50
Banks	20,306	215
<b>Cash equivalents</b>	132,600	90,700
Money market placements	132,600	90,700
<b>Total cash and cash equivalents</b>	152,978	90,965

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. EXPLANATIONS AND NOTES RELATED TO BANK'S RISK GROUP:

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

31 December 2021:

Banks' Risk Group (*)	Investments in 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	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	27,219	-	106	-
Balance at the End of the Period	-	-	16,394	-	225	-
Interest and Commission Income Received	-	-	74,121	-	-	-

(\*) Defined in the 49th Article of subsection 2 of the Banking Law No. 5411.

31 December 2020:

Banks' Risk Group (*)	Investments in 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	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	39,985	-	99	-
Balance at the End of the Period	-	-	27,219	-	106	-
Interest and Commission Income Received	-	-	46,396	-	-	-

(\*) Defined in the 49th Article of subsection 2 of the Banking Law No. 5411.

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

None (31 December 2020: None).

3. Information about the placements of the Banks' risk group:

Banks' Risk Group	Investments in 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
Banks						
Balance at the Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Interest Income Received	-	-	-	1,267	-	-

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

None.

5. Information regarding benefits provided to the Bank's key management:

As of 31 December 2021, benefits provided to the Bank's key management amount to TL 2,047 (31 December 2020: TL 2,253).

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**VII. Other explanations related to the Bank's activities:**

None.

**VIII. Explanations and notes related to the domestic, foreign and off-shore branches and foreign representatives of the bank:**

	Number (*)	Number of Employees			
Domestic Branch	1	32			
			Country of Incorporation		
Foreign Rep. Offices	-	-	-		
				Total Assets	Statutory Share Capital
Foreign Branch	-	-	-	-	-
Off-Shore Banking Region Branch	-	-	-	-	-

(\*) Head-office included domestic branch number.

**IX. Explanations and Footnotes Regarding Issues After the Balance Sheet Date**

The tension between Russia and Ukraine since January 2022 has turned into a crisis and a hot conflict as of the date of the report. The Bank does not carry out any activities in the two countries that are subject to the crisis. Considering the geographies in which the Bank operates, no direct impact is expected on the Bank's operations. However, due to the uncertain course of the crisis as of the report date, the effects of the developments that may occur on a global scale and the possible repercussions of these developments on the global and regional economy on the Bank's operations cannot be reasonably estimated.

**SECTION SIX**

**OTHER EXPLANATIONS**

**I. Other disclosures on activities of the bank:**

None.

**II. Fee information regarding the services received by the Bank from the Independent Audit Firm:**

In accordance with the decision of the Public Oversight Authority dated March 26, 2021, the fee information for the reporting period for the services received from the independent audit firm is given in the table below, over VAT excluded amounts.

	Current Period	Prior Period
Independent audit fee for the reporting period	628	369
Total	628	369

**SECTION SEVEN**

**I. Disclosure on independent auditors’ report**

The Bank's financial statements and footnotes as of 31 December 2021 have been independently audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Ernst & Young Global Limited), and the independent audit report dated 14 March 2022 is presented in the introduction to this report.

**II. Disclosures and footnotes prepared by independent auditors**

None.