Annual Report 2021

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2021 Annual Report
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CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the Shareholders of ING Bank Anonim Şirketi

Opinion

We have audited the annual report of ING Bank Anonim Şirketi (the "Bank") for the period between 1 January 2021 and 31 December 2021, since we have audited the complete set consolidated and unconsolidated financial statements for this period.

In our opinion, the consolidated and unconsolidated financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent, in all material respects, with the audited complete set of consolidated and unconsolidated financial statements and information obtained during the audit and provides a fair presentation.

Basis for Opinion

We conducted our audit in accordance with "Regulation on Independent Audit of the Banks" published in the Official Gazette No.29314 dated 2 April 2015 by Banking Regulation and Supervision Agency ("BRSA Auditing Regulation") and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Annual Report section of our report.

We declare that we are independent of the Bank in accordance with the Code of Ethics for Auditors issued by POA (including Independence Standards) (POA's Code of Ethics) and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Opinion on Complete Set of Consolidated and Unconsolidated Financial Statements

We have expressed an unqualified opinion on the complete set of consolidated and unconsolidated financial statements of the Bank for the period between 1 January 2021 and 31 December 2021 on 11 February 2022.

Board of Directors' Responsibility for the Annual Report
In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 ("TCC") and Regulation on the Principles and Procedures Concerning the Preparation of and Publishing Annual Reports by the Bank ("Regulation") published in the Official Gazette dated 1 November 2006 and Numbered 26333, the Bank's management is responsible for the following regarding the annual report:

a) The Bank's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.

b) The Bank's management prepares its annual report in such a way that it reflects the operations of the year and the consolidated and unconsolidated financial position of the Bank accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Bank's consolidated and unconsolidated financial statements. The annual report shall also clearly indicate the details about the Bank's development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.

c) The annual report also includes the matters below:
- Significant events occurred in the Company after the reporting period,
- The Bank's research and development activities.
- Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

Auditor's Responsibility for the Audit of the Annual Report
Our objective is to express an opinion on whether the consolidated and unconsolidated financial information included in the annual report in accordance with the TCC and the Regulation, and analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent with the audited consolidated and unconsolidated financial statements of the Bank and the information obtained during the audit and give a true and fair view and form a report that includes this opinion .

We conducted our audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA. Those standards require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the consolidated and unconsolidated financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent with the consolidated and unconsolidated financial statements and the information obtained during the audit and provides a fair presentation.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Orhan Akova, SMMM
Partner

8 March 2022
İstanbul, Türkiye

CORPORATE PROFILE

The 8th largest(*) private sector bank in Turkey, ING offers its customers multidimensional and highly qualified financial services to global standards.

ING, which has been at the forefront of some of the most important milestones in the Turkish banking sector with the extensive activities which it has carried out since 2008, continues to contribute to the development of the country's economy.

ING is a member of the Netherlands based ING Group, which is one of the world's key financial institutions operating in more than 40 countries in Europe, North and Latin America, Asia and Australia.

The 8th largest(*) private sector bank in Turkey, ING offers its customers multidimensional and highly qualified financial services to global standards.

ING banking model is focused on providing fast and effortless financial solutions to its customers without time and place limitations.

ING operates in the areas of Consumer Banking, Business Banking and Wholesale Banking. The Bank reaches its customers with 3,151 employees in its Istanbul Head Office and 167 branches located throughout Turkey and in its subsidiaries.

In addition to the physical service network, the Bank offers its products, services and solutions over the widely used internet branch, extensive mobile banking applications and call center, as well as its 607 ATMs.

Being a leader in digital banking in the new era is one of ING's main goals. In this context, the Bank is focused on innovative solutions aimed at delivering accurate information at all times and from every channel in order to support its customers in making make efficient and correct financial decisions.

ING's subsidiaries, which it works with in synergy-based cooperation, are elements which increase ING's competitive clout as well as improving its range of products and services.

ING has a portfolio of 4 subsidiaries. ING's subsidiaries provide customers with the products and services they need with a rapid, quality and healthy approach and support their value added production, product diversity and marketing process.

Subsidiaries also contribute to increasing overall operational efficiency and reducing service production costs.

ING's financial subsidiaries are:

- ING European Financial Services (Financial Services)
- ING Factoring (Factoring Services) (**)
- ING Leasing (Leasing Services)
- ING Investment Securities (Securities brokerage services)

ING rounded off 2021 with another year of stable and sustainable growth as it was in previous years.

ING will remain the respected, trusted and leading brand of the Turkish banking sector and international markets thanks to its policies which place as much importance on the risk-reward balance as on profitability, along with accurately defined strategies and efficient business processes.

(*) The ranking is made in consideration of the total assets of the sector member banks as of the 3rd quarter of 2021.

(**) In accordance with the Bank's Board of Directors decision dated 28 December 2020; it has been decided for initiating the liquidation process of its subsidiary, ING Factoring A.Ş., applying for the approval of the BRSA on this matter by taking a decision in the ING Faktoring A.Ş.'s Board of Directors for the liquidation of the company and giving authorization to General Management to carry out the liquidation procedures and processes. The Parent Bank applied to the BRSA on 27 December 2021 for the liquidation of ING Factoring. With the decision of the BRSA Board numbered 10043 and dated 13 January 2022, the cancellation of the operating license of ING Factoring was approved.

ING

Retail Banking
Business Banking
Wholesale Banking

HIGHLIGHTS FROM ING

Targeting sustainable growth and profitability, ING continued to generate added value in 2021 by applying its strategies in the most correct way and achieved successful financial and operational results.

TL 51.8 billion

By the end of 2021, the Bank's consolidated net lending volume was TL 51.8 billion.

167 branches

The number of ING branches at the end of the year was 167.

TL 52.6 billion

Expanding its deposit base, the Bank's consolidated deposits reached TL 52.6 billion by the year-end.

TL 1,592 million

ING recorded a consolidated profit before tax of TL 1,592 million in 2021.

3,151 employees

Believing its most fundamental strength is its human capital, ING - including its subsidiaries - had 3,151 employees at the end of 2021.

TL 10.8 billion

ING's consolidated equity reached TL 10.8 billion at the end of 2021.

19.2% CAR

ING's Consolidated Capital Adequacy Ratio was realized as 19.2% at the end of 2021.

TL 88.6 billion

The Bank's total consolidated assets reached TL 88.6 billion in 2021.

The financial information in this annual report, including on this page, represents ING's consolidated figures unless stated otherwise.

STRATEGY

ING believes that sustainable progress will be possible with people who have the vision and determination of a better future for themselves and their relatives.

The goal of ING's strategy is; to bring the current organization to a lean and regular form, to ensure operational excellence and to develop a culture of performance within the organization.

ING believes that sustainable progress is possible thanks to individuals who have dreams and determination for a better future for themselves and their families. In line with this belief, the Bank offers individuals and organizations many opportunities to realize their future visions.

Aiming to always be one step ahead of its employees and customers in their business and private lives, ING moves forward with the goal of becoming Turkey's leading digital institution. ING's brand say "Do your thing" and "Less time for banking, more time for life" motto, minimizes the role of banking in the lives of its customers and encourages them to focus on their priorities and live the life they want. The goal of ING's strategy is; to bring the current organization to a lean and regular form, to ensure operational excellence and to develop a culture of performance within the organization. With this strategy, a roadmap is drawn towards achieving a differentiated customer experience.

ING carries out its activities by giving priority to innovation, focusing on digital leadership and creating its own ecosystem.

In today's world where needs are constantly changing, customers demand a personalized, tailored and seamless experience instantly, everywhere. Acting with this awareness, ING focuses on technology and innovation in its strategies. In this context, the Bank; continues to seek different ways to reach excellence in service with new ideas, new solutions and new approaches.

Within the framework of its vision of being "a technology company with a banking license" and its target of being "the leader digital institution in Turkey", ING prioritizes innovation in its operations, focusing on digital leadership and creating its own eco-system. The Bank maintains its activities in collaboration with FinTechs on a platform open to both its current and potential customers, as well as its business partners.

"ING Values" and "ING Behaviours" are the set of standards that ING employees appreciate and commit to adhere to.

ING is focused on the target of helping employees and customers to be one step ahead in their professional and private lives. In 2015, the Bank published its Orange Code as a manifesto that embodies the road map to achieve this goal, and serves as a declaration of the type of organization that ING represents.

The Orange Code, which consists of "ING Values" and "ING Behaviours" and is a set of standards that ING employees appreciate and commit to adhere to, also defines ING employees' expectations from one another, for every day and for every task.

ING Values are principles ING employees will live up to in all circumstances. These principles are as follows:

- We are honest
- We are prudent
- We are responsible

ING Behaviours, on the other hand, can be described as a way of existence that differentiates ING employees from other individuals. These are the standards that are subject to performance evaluation, informing that ING employees should work in line with common goals, complement each other and work in solidarity in order to maximize their success and contributions.

ING Behaviours have three principles:

- We take it on and make it happen,
- We help others to be successful,
- We are always a step ahead.

AWARDS

Felis
The Films entitled "An Auspicious Farewell" in which ING supports the female athletes which it sponsored and for all athletes taking part in the Olympics, and "The Colour of Support is Orange", won one Felis award and three Achievement Awards. "The Colour of Support is Orange" was produced within the framework of the Basketball Super League sponsorship.

- One Felis award and Three Achievement Awards for An Auspicious Farewell
- Media/Sports Communication (Felis/ An Auspicious Farewell + Achievement / The Colour of Support is Orange)
- Media/ Sponsorship Communication (Achievement / The Colour of Support is Orange)
- PR/Sponsorship (Achievement / The Colour of Support is Orange)

Sardis Awards
ING's "Digital Teachers" project was awarded the Silver Sardis in the "Social Responsibility", "Positive Social Impact" categories within the scope of the Sardis Awards in 2021.

Stevie Awards
ING won a gold award in the "Communication and Public Relations Campaign of the Year" branch and in the "Social Responsibility" category within the scope of the Stevie Awards in 2021 with its "Digital Teachers" project. It won a silver award in the category of "Management, Risk and Compliance Solution" in recognition of its project entitled "A New Era in Tackling Money Laundering".

PSM Awards
The "Digital Teachers" project received the gold award in the "Social Responsibility" category at the PSM Awards, hosted by PSM (Payment Systems Magazine).

Global Business Excellence Awards
The "Digital Teachers" project was awarded in the "Outstanding Community Initiative" and "Outstanding Education Service" categories within the scope of the Global Business Excellence Awards.

TEGEP Learning and Development Awards
ING won the gold award in the "Development Program providing Social Contribution" category of the TEGEP Learning and Development Awards in 2021 in recognition of its "Digital Teachers" project.

Contact Center World Awards
The ING Customer Contact Center was awarded a gold medal in the "Best Technology Innovation In-house Solution" and "Green Call Center" categories in the 2021 Top Performers Awards held by the Contact Center World.

IMI - Turkey Contact Center Awards
With its Customer Call Center work, ING won first prize in the "Best Contact Center with Less than 500 Seats" category in the Turkey Contact Center Awards 2021, organized by the IMI Conferences organization.

Efma - Accentura Banking Innovation Awards
ING won a silver award in the "Analytical and Artificial Intelligence" category of the 2021 Efma - Accentura Banking Innovation Awards in recognition of its project entitled "The New Approach Is a New Era of AML", which includes three AI models. ING developed the models in order to prevent and detect money laundering and financing activities.

SIA
The communication activities implemented by ING to strengthen the mental health and morale in society during the pandemic, Orange Microphone + Sertab Erener's "There is a Remedy" song project, were awarded in the "Coronavirus Communications" category.

MMA Smarties
The "The Remote Advice" service which ING featured within the film to mark the launch of the "do your thing" product was awarded in the "Customer Experience" and "Technology Innovation" categories.

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IDC Turkey Financial Technology Awards

ING received awards in two categories at the IDC Turkey Finance Technology Awards. ING won first prize in the Management, Risk and Compliance category with its "The New Approach Is a New Era of AML" project and won third prize in the Technology Service Distribution category with its "Effective and Secure Management of (ING-Next) Remote Office End-User Systems" project.

CX Awards Turkey

ING Turkey won the Productive Project Award at the CX Awards Turkey Customer Experience Awards with its "Valuing People" program.

Bonds & Loans Awards Turkey

Two financing transactions involving ING won two different awards within the scope of "Bonds & Loans Turkey Awards 2021" organized by the GFC Media Group. The sustainability-related Denizbank DPR (Diversified Payments Right) securitization Transaction, in which ING is a lender, won the "Structured Financing Deal of the Year" award. The Istanbul Metropolitan Municipality Bond Issuance, which ING supported as one of the co-leader regulatory banks, was selected as the "Best Corporate Transaction of the Year".

Golden Leaders Awards 2021

One of Turkey's prestigious leadership awards events, the General Manager of ING Turkey, Mr. Alper Gökgöz was included in the list of the 50 most admired CEOs within the scope of the Golden Leader Awards 2021. The Human Resources Deputy General Manager of ING Turkey, Ms. Meltem Kalender Öztürk was selected as the Golden Leader, being included in the list of the 50 most admired CHROs.

Crystal Apple Awards

The Crystal Apple Awards is one of the most prestigious organizations in the advertising industry. ING won three awards with the Colour of Support is Orange and the An Auspicious Farewell communication activities at the Crystal Apple Awards, where creative works are rewarded. ING won the Silver Apple in the Banking and Finance Media Usage category and the Bronze Apple in the Sponsorship Application - Media category with the Colour of Support is Orange project. ING won the Bronze Apple in the Media category with its An Auspicious Farewell project.

PSM Awards 2021

The Payment Systems Magazine (PSM) Awards have been held since 2018 in order to support innovative products and services in the finance and technology sector, to feature innovative projects and encourage creativity in the sector. ING Turkey won the Silver award by competing in the Most Innovative Product category with the Remote Advice project at the Payment Systems Magazine (PSM) Awards.

ING FROM PAST TO PRESENT

1984
The foundations of ING Bank A.Ş. are laid in 1984 when the Istanbul Branch of the First National Bank of Boston was opened.

1990
In 1990, the Bank of Boston Istanbul Branch is given the title of the First National Bank of Boston A.Ş. 75% of the Bank's shares are sold to Turkish investors. OYAK becomes the biggest shareholder, with a 34.25% stake.

1991
The Bank's name is changed to Türk Boston Bank A.Ş. in 1991.

1993
In 1993, OYAK purchases all of the Bank's shares.

1996
In 1996, the Bank's name is changed to Oyak Bank A.Ş.

2001
In August 2001, OYAK purchases Sümerbank A.Ş., which incorporates Egebank A.Ş., Bank Kapital T.A.Ş., Türkiye Tütüncüler Bankası (Yaşarbank A.Ş.), Yurt Ticaret ve Kredi Bankası A.Ş. and Ulusal Bank T.A.Ş., from the Savings Deposit Insurance Fund.

2002
A merger with Sümerbank A.Ş. takes place in 2002 under Oyak Bank, setting the stage for a rapid and healthy growth process for the Bank.

2007
At the end of 2007, OYAK sells all of its shares in Oyak Bank to the ING Group.

2008
Oyak Bank's name is changed to ING Bank A.Ş. in 2008. With its renewed corporate identity, strategy and goals, ING Bank A.Ş. successfully continues its operations.

2013
The Kahramanmaraş Operation and Call Center, which is ING Bank A.Ş. Turkey's banking base, is opened.

2017
ING Bank A.Ş. celebrates its 10th year in Turkey.

2018
The transition to new branch concept starts in line with the digitalization target. Counter and Retail roles are combined as part of the digital transformation process.

2019
With the focus of digitalization, the use of mobile banking becomes widespread. With the understanding of the future of banking, the business name of the company changes to ING in Turkey while the title of the company remains the same, as ING Bank A.Ş.

2020
ING focuses on digital leadership, increasing savings and supporting exports. It provides support to its employees, customers and society in order to mitigate the effects of the pandemic. It carries out community investments in education with a focus of digitalization.

2021
ING introduces its new brand promise "do your thing" with the motto "Less time for banking, more time for life". Moving forward with the goal of becoming Turkey's leading digital institution, ING also implements the Remote Advice service, which brings a human touch to digital, and activates the remote customer acquisition service.


hard
together

SUMMARY FINANCIAL INFORMATION FOR THE LAST FIVE YEARS

ING's Capital Structure, Changes in the Capital Structure and Articles of Association

Paid in capital of the Bank amounted to TL 3,486,267,797 as of 31 December 2021 and ING N.V. exercises full control over the capital.

No changes were made to the Bank's Articles of Association in the given accounting period.

During the Annual General Meeting dated 25 March 2021, the decision was taken to distribute the profit written in 2020 as follows. Dividend distribution was made on 29 March 2021.

2020 Profit Distribution Table (TL thousand) [*]

2020 net profit for the year	626,645
A- Legal reserve (TCC 519/A) 5%	(31,332)
B- First dividend to shareholders	(62,000)
C- Extraordinary reserves	(525,858)
D- Special funds	(7,455)

[*] Profit distribution is based on the Bank's unconsolidated financial statements.

Unconsolidated Summary Financial Information for the Last Five Years (TL million)

	31.12.21	31.12.20 [3]	31.12.19 [3]	31.12.18	31.12.17
Balance Sheet					
Loans, Net [1]	45,697	36,725	32,816	38,061	38,467
Securities Portfolio [1]	7,126	4,940	3,576	1,870	1,778
Deposits [1]	53,082	40,205	39,208	32,339	27,686
Equity	10,809	9,412	8,539	7,422	5,769
Total Assets	82,644	61,683	57,453	58,519	52,882
Income Statement					
Interest Income	6,380	4,896	6,964	6,793	4,957
Interest Expense	(3,688)	(2,095)	(3,810)	(3,441)	(2,267)
Interest Income (Net)	2,692	2,801	3,154	3,352	2,690
Fees and Commissions (Net)	435	426	589	584	536
Profit Before Tax	1,552	968	1,942	1,345	1,064
Net Profit	1,200	768	1,542	1,062	844

Ratios	31.12.21	31.12.20 [3]	31.12.19 [3]	31.12.18	31.12.17
Equity					
CAR (%)	20.2	25.1	26.8	21.7	19.9
Equity/Total Assets (%)	13.1	15.3	14.9	12.7	10.9
Balance Sheet					
Loans/Total Assets (%)	55.3	59.5	57.1	65.0	72.7
Deposits/Total Assets (%)	64.2	65.2	68.2	55.3	52.4
Asset Quality					
Fixed Assets/Total Assets (%)	0.9	1.4	1.8	1.6	1.4
NPL/Total Loans (%)	3.6	5.7	8.5	5.2	4.2
Profitability [2] [4]					
Net Profit/Average Equity (%)	12.0	7.2	18.5	16.1	15.6
Net Profit/Average Assets (%)	1.8	1.1	2.5	1.9	1.6
Net Profit/FTE (TL thousand)	388	182	395	235	171
Cost/Income Ratio (%)	56.5	57.1	42	44.1	47

[1] To be in line with the financial statements, loans, securities and deposits were presented including their accrual balances in the table above, and the ratios involving these items were calculated based on their balances including accruals.

[2] Average assets and average equity values were calculated as an average of the year-end figure and prior year figures.

[3] The Bank decided to account for its financial subsidiaries in the unconsolidated financial statements as of 31 December 2021 according to the equity method within the scope of TAS 27 and implemented the application retrospectively within the framework of TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

[4] TAS 27 accounting policy change applied in the unconsolidated financial statements of the Bank as of 31 December 2021 has not been reflected in the previous period Profitability Ratio calculations.

In 2021, when ING further strengthened its position in the sector, it achieved a successful operational and financial performance in line with its expectations.

Consolidated Summary Financial Information for the Last Five Years (TL million)

	31.12.21	31.12.20	31.12.19	31.12.18	31.12.17
Balance Sheet					
Loans, Net (1)	51,804	41,211	40,816	47,220	44,868
Securities Portfolio (1)	7,128	4,942	3,578	1,872	1,780
Deposits (1)	52,617	40,131	38,970	32,277	27,598
Equity	10,809	9,412	8,539	7,658	5,914
Total Assets	88,636	66,188	65,434	68,412	61,524
Income Statement					
Interest Income	6,617	5,225	7,424	7,273	5,269
Interest Expense	(3,691)	(2,170)	(3,962)	(3,612)	(2,358)
Interest Income (Net)	2,926	3,055	3,462	3,661	2,911
Fees and Commissions (Net)	411	368	488	486	452
Profit Before Tax	1,592	987	1,976	1,454	1,127
Net Profit	1,200	768	1,542	1,141	888

Ratios	31.12.21	31.12.20	31.12.19	31.12.18	31.12.17
Equity					
CAR (%)	19.2	24.2	25.6	21.1	19.2
Equity/Total Assets (%)	12.2	14.2	13.0	11.2	9.6
Balance Sheet					
Loans/Total Assets (%)	58.4	62.3	62.4	69.0	72.9
Deposits/Total Assets (%)	59.4	60.6	59.6	47.2	44.9
Asset Quality					
Fixed Assets/Total Assets (%)	0.8	1.3	1.5	1.3	1.1
NPL/Total Loans (%)	3.2	5.1	6.9	4.3	3.7
Profitability (2)					
Net Profit/Average Equity (%)	12.0	8.4	18.8	16.8	16.1
Net Profit/Average Assets (%)	1.6	1.2	2.3	1.8	1.5
Net Profit/FTE (TL thousand)	381	218	403	246	176
Cost/Income Ratio (%)	54.3	55.2	41.5	43.6	46.5

(1) To be in line with the financial statements, loans, securities and deposits, including their accrual balances, were presented in the table above, and the ratios involving these items were calculated based on their balances including accruals. The cash loans amount include "factoring receivables" and "receivables from leasing transactions".

(2) Average assets and average equity values were calculated as an average of the year-end figure and prior year figures.

ING'S SUBSIDIARIES

ING has 4 subsidiaries offering products and solutions in financial services by developing a synergetic cooperation.

ING European Financial Services Plc.

ING European Financial Services PLC, which operates in Dublin, the capital of Ireland, offers financial services to its customers since 1994. All of the Company's operations are subject to Irish laws and regulations.

ING European Financial Services PLC operates in the fields of corporate finance, certificate of deposit issuance and treasury services.

At the end of 2021, the Company had a loan portfolio of EUR 403 million and a net profit of EUR 5.4 million.

ING Factoring (*)

ING Factoring was established in 2008 for the purpose of engaging in import, export and local factoring activities.

ING Factoring's asset size was TL 175 million as of 31 December 2021 while it had a net profit of TL 17.1 million.

ING Leasing

ING Leasing was established in 2008, and received official authorization to offer services in the area of leasing on 3 March 2010.

The Company's field of activity is to carry out domestic and international financial leasing activities and to make all kinds of leasing transactions, and all its activities are carried out domestically.

ING Leasing's net profit realized as TL 38 million in 2021 while its leasing receivables were TL 815 million.

ING Securities

Starting operations in 1991 under the name of Universal Menkul Değerler A.Ş., ING Investment Securities was acquired by ING on 15 August 2012.

The Company's primary activity is to perform brokerage activities covering securities and negotiable instruments other than securities and documents representing financial value or containing the financial obligations of the issuer, which are only included within the scope of the second hand market in accordance with the provisions of the Capital Markets Law numbered 6362 and the relevant legislation.

The total assets of ING Investment Securities was TL 398 million at the end of 2021, while the trading volume under its management had reached TL 39.2 billion in the BIST Derivatives Exchange Market, and TL 28.9 billion in the BIST Shares Market.

(*) In accordance with the Bank's Board of Directors decision dated 28 December 2020; it has been decided for initiating the liquidation process of its subsidiary, ING Factoring A.Ş., applying for the approval of the BRSA on this matter by taking a decision in the ING Faktoring A.Ş.'s Board of Directors for the liquidation of the company and giving authorization to General Management to carry out the liquidation procedures and processes. The Parent Bank applied to the BRSA on 27 December 2021 for the liquidation of ING Factoring. With the decision of the BRSA Board numbered 10043 and dated 13 January 2022, the cancellation of the operating license of ING Factoring was approved.

Synergetic Collaboration

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International Experience and Expertise

ING GROUP

Based in the Netherlands, the ING Group provides financial services to global standards with the support derived from its experience and expertise.

Total Assets

The ING Group's total assets were EUR 951 billion.

EUR **951** billion

Total Loans

The ING Group's total loans amounted EUR 628 billion.

EUR **628** billion

Total Deposit

The ING Group's total deposits stood at EUR 702 billion.

EUR **702** billion

Total Equity

ING Group's total equity was EUR 54.7 billion.

EUR **54.7** billion

Net Profit

The ING Group booked a net profit of EUR 4.8 billion.

EUR **4.8** billion

As one of the world's leading financial services institutions, ING Group operates in the retail banking, wholesale and mid-Business Banking, investment banking and portfolio management segments. ING Group was established in 1991 as a result of a merger between NMB Postbank and the Netherlands' leading insurance company, Nationale-Nederlanden.

Both companies were providing services in international markets before the merger, but ING became a leading global financial service provider with the merger.

ING's strategy is built on providing an easy and effortless service to its customers anytime, anywhere and empowering them to stay one step ahead. In its goal of excellent customer experience, ING has four strategic priorities: Utilizing advanced data capabilities to better understand its customers and meet their changing needs, innovate faster, think beyond traditional banking to develop new services and business models, and establish a primary relationship with customers with a core customer focus.

With the support it derives from its strong brand, sound financial structure, multichannel distribution strategy and international service network, ING Group aims to deliver value to its shareholders by reaching its target of offering more growth and higher returns than its competitors.

Operating in more than 40 countries that have developed or developing markets, ING Group serves around 38 million customers with a workforce of approximately 57 thousand employees. The Group helps its customers manage their financial futures by placing its customers at the heart of its activities in line with its mission. The Group realizes this mission by carefully applying principles such as efficient cost, risk and reputation management in addition to customer satisfaction.

As of 31 December 2021, ING Group had
EUR 951 billion of total assets,
EUR 628 billion of total lending,
EUR 702 billion of total deposits,
EUR 54.7 billion of equity and
EUR 4.8 billion net profit.

ING Group shares are traded in the Amsterdam (with the tickers of INGA NA, INGA.AS), Brussels and New York stock exchanges (with tickers of ADRs: ING US, ING.N).

For detailed information regarding ING Group: www.ing.com

MESSAGE FROM CHAIRMAN

Valued stakeholders,

The world has experienced unprecedentedly rapid change.
The Covid-19 pandemic has triggered massive changes on a global scale. Just as masks, vaccines, variants, and social distancing have come to preoccupy our agendas over the last two years, so too have online shopping, remote working and videoconferencing come to dominate the ways in which we live and work.

This has all deeply affected the global economy as well. In order to fend off the probable recessionary effects of the pandemic, governments focused on supporting households and other economic actors by means of stimulus and lending programs unlike anything witnessed in recent history. However none of these measures or handouts were ultimately sufficient to prevent the end-to-end disruption and impairment of supply and logistics chains; meanwhile, energy and raw-material prices soared and production-side supply/demand imbalances were to be observed in most sectors.

In a nutshell, the last two years have sorely tested the endurance of every member of the global community. To say that no one alive today has ever had to put up with conditions as extraordinary or with changes as rapid as these would be both correct and appropriate.

However many risks this process may have posed for humanity, it has also led to some very important gains. The speed and effectiveness with which Covid-19 vaccines and drugs were developed through the extraordinary efforts of the scientific and medical communities are achievements worthy of being underscored and remembered in the future. Such achievements fuel hopes about many other human afflictions–such as cancer– for which the medical sciences are seeking solutions.

Returning to the path of growth
Following its strong rebound last year, the world economy was beset with downside growth and inflation risks as it embarked upon 2022. A surge in new cases resulting from the emergence of the Omicron variant had a constrictive effect on economic activity while costlier energy and supply bottlenecks spurred inflation in the US and many other countries.

Worldwide inflation in 2021 is put at over 5%. Not just developed countries but also developing economies such as Turkey found themselves confronted by severe price-stability risks, some national currencies suffered from significant bouts of depreciation.

Having expanded by 5.9% in 2021, world economic growth is expected to lose momentum and to contract to 4.4% in 2022. Taken from the IMF’s January 2022 update, this forecast is half a percentage point below the one that appeared in the fund’s October forecast. The IMF also said global growth would continue lose momentum and slow to 3.8% in 2023.

ING rapidly transitioned to market conditions which it had long been anticipating and for which it was thus prepared. Through its superior ability to cope with such conditions, the bank continued to create added value both for its shareholder and for its other stakeholders.

ING quickly adapted to change and the new normal
ING rapidly transitioned to market conditions which it had long been anticipating and for which it was thus prepared. Through its superior ability to cope with such conditions, the bank continued to create added value both for its shareholder and for its other stakeholders.

Despite the volatilities that beset and buffeted the world economy in 2021, ING continued to stand by its customers at all times and to supply them with the products, services, and solutions they required. At the same time our bank also continued to contribute to and support Turkey's economy, banking industry, and real sector.

While our key performance indicators, not least of them those of our loan portfolio, held firm, we also maintained the high standards of quality with which we serve our approximately two million customers.

That we should be so able to cope with the new normal is no accident. Last year's successful financial and operational results are the outcome of a systematically-structured and phased-in growth strategy that is invigorated by the strong support of the ING Group.

Our goal of being Turkey's leading digital institution inspires confidence among our customers.
As a bank that makes the best and most effective use of digital channels, ING aims to be Turkey's leading digital institution. Continuing once again to acquire new customers in 2021, ING played a role in the construction of people's financial futures by supplying value-propositions to an ever-growing customer base.

The innovative digital financial products and services that we offer are sources of inspiration for other market players, who quickly respond with similar ones of their own. We regard this as a successful outcome of our leadership and standing as a market-shaper and we are happy to fulfil our promises to our customers.

Our main goals for the future are to offer the digital solutions that have long been part of our product line in easy-to-use and easily-accessible formats, to provide a smart and personalized experience and to transcend new horizons in the delivery of an excellent customer experience by constantly developing the user-friendliness of our digital channels.

Our shareholder is satisfied with our performance and their support for their investment in Turkey is strong.
We are a leading member of a global financial services group that employs 57 thousand people in the service of 38 million customers in more than 40 countries around the world. It gives me pleasure to note that in 2021 our bank achieved a level of performance that has earned the praise of our global headquarters and took place as one of the leading members of ING Group in terms of its return on equity and assets.

Although combating inflation will be policymakers' most important concern in the short term, a substantial drop in inflation is anticipated during the last two months of the current year. This outlook is fully compatible with our shareholder's own expectations as to the strength of the Turkish market and its medium to long-term growth potential.

The ING Group maintains its strong belief in the Turkish market and is committed to supporting its investment in it.

Sustainability is a value on the rise.
Another serious risk and issue on the current agenda is the climate crisis along with the environmental, social, and economic consequences to which it gives rise.

The current pandemic not only raises a loud alarm on the future and viability of mankind but is also a forceful reminder that we need to carefully consider the limits and the sustainability of our relationships with the natural world.

There are some who now think that the so-called "black swan" risks arising from financial markets are being pushed aside by the "green swan" risks posed by the climate crisis. As perceptions of the short, medium and long-term physical and transition risks arising from the climate crisis grow stronger, effective policy-based management of such risks both by public authorities and by private concerns gains increasingly greater importance.

Particularly evident in 2021 were initiatives and the introduction of new laws and regulations in support of efforts to combat climate change.

We believe that urgent fulfilment of strong and lasting partnerships and cooperation proposed by the UN's 17 Sustainable Development Goals, has become more crucial to the future of our planet than ever before.

MESSAGE FROM CHAIRMAN

In a world in which the importance of civil society has grown stronger, every platform which focuses on cooperation and solutions and which brings all actors together to that end is worthy of support. While the road that lies ahead will be a long and arduous one, there is also hope insofar as we possess the knowledge, competence, skill, and technology needed to solve the problems that must be overcome.

Another important gain in 2021 is what we achieved in sustainability.
In 2021 ING initiated investments on the sustainability front.

The ING Group lays out its sustainability roadmap along the main axes of climate and financial health. We are in the process of fulfilling our own responsibilities as a local actor and stakeholder in the fulfilment of our parent group's global commitments.

Within the ING Board of Directors a committee has been formed and charged with focusing on and being responsible for sustainability issues at our bank. This committee brings together representatives of all of the bank's primary functions from frontline customer-service and operations teams on the one hand to human resources and information technologies units on the other.

Having taken this strong step in addressing sustainability issues, our first objective is to control our environmental footprint and take measures to improve it.

ING has also set itself the goal of achieving net zero CO_2 emissions by 2050.

Our aim is to increase the effectiveness of this systematic effort by extending its reach beyond our own organization. This will begin by interacting with economic actors along our customer value chain and by serving as a source of inspiration as we support others' increasingly greater efforts to internalize sustainability themselves.

Seeking to expand the scope of the sustainable financing that we introduced in corporate banking and appeal to a wider audience, we are currently working on such projects and loan products for our commercial, SME, and retail customers as well. In another development on this front, we are pleased to note that ING has been mandated as the joint structuring advisor in establishment and publication of the first Sustainable Finance Framework of the Republic of Turkey by the Ministry of Treasury and Finance.

We are also committed to deploying our lending policies in order to encourage our customers to take initiatives that support sustainability, especially with respect to environmental matters.

Our social responsibility projects continue successfully.
A solar panel system installed at our Operations & Call Center in Kahramanmaraş generates 30% of the electrical power that the center uses. Such energy conservation and use of renewable resources is something in which we may justifiably take pride.

One area in which we are heavily involved is financial literacy for children. In 2013 ING set out with the aim of raising a financially-literate generation of children, our bank has been providing such instruction in primary schools ever since. ING's Orange Drop social responsibility project is the first financial-literacy course of instruction created for primary-school pupils in Turkey. The project's aims are to foster a sense of saving in children at an early age and to create appropriate behavioral changes accordingly.

Yet another issue on the sustainability front to which we give importance is volunteerism. ING encourages its employees to voluntarily take part in social responsibility projects like Orange Drop and provides them with sufficient time and resources to contribute to society in such ways.

As part of our commitment to support education and financial literacy, we engage in various activities aimed at empowering young women. We also contribute towards training teachers and readying them for life in a digital society.

The support that we provided for ten female athletes preparing to compete in the 2021 Tokyo Olympics is another project in which we may take pride.

ING remains committed to being a good corporate citizen and to sharing what it produces with society.

The success of our human resources is another matter in which we may take pride.

The success of the managers in our operations in Turkey continues to earn them promotions to positions elsewhere in the ING Group. This upward mobility of our human resources has become something of a tradition at our bank. It is an indication that ING's ability to provide talented professionals with opportunities to develop themselves and to pursue international careers makes it an attractive employer.

This fact positions us in the market and reinforces our identity as a strong and highly-preferred employer who provides employees with valuable opportunities to be productive and innovative.

Concerning the future

2022 is likely to be a year in which combating inflation is the primary concern and in which economic policies are shaped accordingly. The Russia-Ukraine crisis, which has boiled over to actual war as this report goes to print, may exert economic pressures at both the local and global levels by driving up energy and raw-material prices. We should all wish and hope that a durable peace will be restored as soon as possible so that our world can focus once again on building a sustainable future.

When making its lending decisions in 2022, ING will once again prioritize the contributions it is capable of making to its stakeholders, Turkish society and to environmental and overall sustainability.

Speaking now both personally and on behalf of the members of all of our teams and of the ING Board of Directors, I close this message by extending our deepest condolences to the families and friends of colleagues whose lives were ended by the Covid-19 pandemic.

With hopes that the future looks brighter and the world is more livable when next I come before you, I remain.

Sincerely,

John T. Mc Carthy
Chairman

MESSAGE FROM CEO

Dear Stakeholders,

In line with our digitalization vision, at ING we develop out of ordinary solutions which bring ease to peoples' lives and take firm steps towards our goal of becoming Turkey's leading digital institution. We maintain our operations in order to provide an easy, smart and personal experience to our customers at any time and any place, and with a hassle-free banking approach. We aim to help people stay one step ahead in their work and personal lives.

Digital leadership, which is at the heart of our strategy, means offering the easiest solutions which make a difference to customers as securely as possible. At ING, we work to the motto of "innovation for all, anywhere, anywhere". In this respect, we maintain our investments to offer flexible, time-saving innovative solutions.

We consider digitalization holistically and invest in both technological infrastructure and human resources. Digitization will no longer be a differentiating factor for the financial sector on its own. Organizations that combine digitalization with meeting the changing needs of customers, which process data correctly, provide an experience which sets them apart and demonstrate that they are a reliable partner which will stand out among the competition. In this context, we view technology as an effective tool to further improve the customer experience and we digitalize our business processes by prioritizing also reliability.

At ING Turkey, we focused on the areas of digital leadership, increasing savings, supporting exports and sustainability in 2021, and we took strong steps forward in these areas.

A financial performance which confirms ING Turkey's success and effectiveness in balance sheet management

We rounded off 2021 with a successful performance in line with our business targets from a finance point of view. Based on our year-end consolidated financial statements, our Bank's consolidated total assets amounted to TL 88.6 billion with a profit before tax of TL 1,592 million. At the end of the year, our consolidated shareholders' equity stood at TL 10.8 billion and our consolidated capital adequacy ratio stood at 19.22%. As of the end of 2021, we had provided a total of TL 63.2 billion in loan support to the Turkish economy, TL 53.6 billion of which was in the form of cash.

These results once again stand as testament to ING Turkey's success and effectiveness in balance sheet management. We recorded 61% growth in our profit before tax and 31% growth in deposits year-on-year. In addition, we were delighted to have increased the loan support which we extended to the national economy by 22% year on year.

We continued to support our customers financially during the normalization period

The steps taken towards normalization in the world and in Turkey, in parallel with the acceleration in the vaccination rollout, had positive effects in many aspects. At ING Turkey, we continued to contribute to the country's economy during this time and continued to support the adaptation process to the normalization with the products and services we offered to both our individual and corporate customers.

In line with our digitalization vision, at ING we develop out of ordinary solutions which bring ease to peoples' lives and take firm steps towards our goal of becoming Turkey's leading digital institution.

During this period, we prepared loan packages and campaigns at affordable conditions in order to contribute to our customers, businesses and the country's economy. We supported them to access to finance with our strong capital structure. We developed a zero-interest consumer loan campaign for our new individual customers, who joined the ING family through remote customer acquisition. With this campaign, the first 5,000 new customers of ING benefited from the opportunity of zero-interest consumer loans up to TL 5,000. We support businesses with our products and services aimed at the SMEs, we also launched the POS Extra campaign, with no business fee charged to our new SME customers, who become members of ING for the first time, for three months.

We maintained our digital investments to provide an easy, personal and smart customer experience

At ING, we continued to take firm steps in our digitalization journey in addition to continuing our contribution to the economy. By putting digital transformation at the core of our strategy, we use digitalization as an effective tool with the investments we make in our digital channels. In this context, in 2021, we also launched new products and services. While designing new products and services, we aim to enable our customers to perform all transactions, which they can perform at the branch, digitally. While doing this, we brought a human touch to digital technologies and implemented the "Remote Advice", a service where ING customers may obtain information on matters such as investments, savings, insurance and loans and take action by making video calls with experts over ING Mobile.

We also implemented the remote customer acquisition application, which we believe represents a milestone for the banking industry. With this application, anyone can become an ING member at any time and in a few simple steps through the "Become an ING Member" feature on ING Mobile. Between 1 May, when remote customer acquisition became a part of our lives, and the end of the year, three in every ten people who became ING customers did so through remote customer acquisition. As an institution which believes the future is in mobile technology, we also continued to develop ING Mobile in order to put customer satisfaction at the heart of our strategy and offer a simplified banking experience. The mobile active customer ratio among the customers using digital channels amounted to 99% in 2021, when a total of 10 million messages were sent in INGo, our artificial intelligence and NLP supported banking assistant with correspondence, and approximately TL 500 million in loans were approved.

We also maintained strategic business partnerships in order to position customer experience at the core of our strategy and to provide customers with hassle free and easy service. We signed a new strategic business partnership within the scope of the ING Shopper platform, which offers customers the opportunity to pay in instalments in online shopping and facilitates the use of online loans. With this cooperation, everyone may easily and quickly use a loan with a single click on Hepsiburada, which is an online shopping website whenever they need it, whether nor not they are ING customers.

During this period, we also supported our exporters on their digital journeys. With the service we have developed to provide digital convenience in export transactions, ING customers may now perform their Export Fee Acceptance Certificate requests through the ING Corporate Internet Branch. We believe that exports as the driving force of our country's economy, and we will continue to support the growth of our exporters.

A clutch of awards in recognition of our excellence in digital leadership and the customer experience

At ING, we put customer satisfaction at the heart of our strategy, we listen to our customers and design processes that meet their needs. We use new generation technologies such as robotics and artificial intelligence as our most effective tools to achieve perfection in the customer experience. The year 2021 was a year in which our digital leadership and excellence in customer experience were recognized with a clutch of awards.

With the "The New Approach Is a New Era of AML" project which we developed, we won first place in the Management, Risk and Compliance category at the IDC Turkey Awards. We won the silver award in the Management, Risk and Compliance Solution category at the Stevie International Business Awards. We won the silver award in the Analytical and Artificial Intelligence Award at the EFMA - Accentura Banking Innovation Awards. With our (ING-Next) Effective and Secure Management of Remote Office End-User Systems project, we ranked third in the Technology Service Distribution category within the scope of IDC Turkey Awards. We won a gold medal in the "Best Technology Innovation In-house Solution" and "Green Call Center" categories, thanks to the efforts of our ING Turkey Customer Call Center, in the 2021 Top Performers Awards program, which is one of the most prestigious international awards events in the sector, hosted by Contact Center World.

MESSAGE FROM CEO

At ING, we prioritize economic, environmental and social sustainability with our business model built on the foundations of sustainable and responsible banking. We view sustainability as an understanding that guides our entire way of doing business.

At the same time, our Customer Call Center work was recognized with the award of the first prize in the category of "Best Contact Center with Less Than 500 Seats" within the scope of the Turkey Contact Center Awards 2021 hosted by IMI Conferences. Once again, I would like to congratulate all of my colleagues who contributed to all projects.

We continued to transfer our global expertise and experience in the field of sustainability to Turkey

At ING, we prioritize economic, environmental and social sustainability with our business model built on the foundations of sustainable and responsible banking. We view sustainability as an understanding that guides our entire way of doing business. In June 2021, we signed a sustainability linked syndication loan agreement amounting to EUR 300 million, which is to be used in the financing of foreign trade. Despite the difficulties brought about by the pandemic, which also affected the financial markets, this new resource, which was brought into the Turkish economy, once again demonstrated the confidence that investors have placed in ING Turkey and the Turkish banking sector.

In addition, ING acted as a consultant during the preparation and publication of the Sustainable Finance Framework Document, which was prepared by the Ministry of Treasury and Finance for the purpose of carrying out borrowing transactions in the international Environmental, Social and Governance bond market. We are proud to note that ING has been authorized with such an important task with its international expertise and experience, and delighted that two financing transactions involving ING were deemed worthy of two awards at the Bonds & Loans Turkey Awards 2021. At ING Turkey, we will continue to transfer the international experience of the ING Group, which has pioneering practices in the field of sustainability, to our country and continue to work towards a sustainable world.

We unwaveringly maintain our work to support saving and contribute to financial literacy.

ING Turkey has pioneered practices in the field of savings and cares about developing products, services and investment tools that will support savings. We implemented the "Put Aside" feature in 2021, which allows customers to save on their purchases with the remainder of their fractional payments.

As an institution that has pioneered practices in the field of savings, we believe there is also scope to raise awareness in the field of financial literacy. With our Money Matters video series featuring a number of experts, we explain finance and banking in a language that everyone can understand. We have added two new series, "Orange Questions" with Prof. Dr. Emre Alkin and "Turkey's Saving Trends Survey" with Prof. Dr. Sadi Uzunoğlu, to the Money Matters video series which are broadcast on our YouTube channel.

We continue to generate value with our community investments

In line with the digital leadership strategy, we maintained our community investments which will contribute to Turkey's digital transformation in 2021. Accordingly, we implemented the Digital Teachers project in cooperation with the Habitat Association and METU (Middle Eastern Technical University) in order to provide digital literacy skills to primary and secondary school teachers. We continued our work on the Digital Teachers project in 2021 and trained 3,000 teachers. With our project, we aim to help teachers step into the digitalized world, acquire digital literacy skills which they can use in face-to-face and distance education, and contribute to Turkey's digital transformation process. In 2021, we also announced the Impact Report, which includes the first training period of our Digital Teachers project. We are pleased that the project has increased teachers' self-confidence in using technology while at the same time improving their ability to produce course materials using technology, according to the results of the project. We are also proud that our Digital Teachers project has won many national and international awards.

On the other hand, as an institution prioritizing community investments which will contribute to Turkey's digital transformation, we started the ING Technology Academy for the Future with the aim of bringing a culture of production through new generation competencies and technology to children. We held the first the ING Technology Academy for the Future in Kahramanmaraş in 2019, with the Academy held in Ağrı in 2021, where we reached 700 more children.

We continue to lead social change with our business model that we have built on the foundations of sustainable and responsible banking. In this vein, we have realized the Orange Drop project, a savings oriented financial literacy education program, in order to raise awareness of savings among children at an early age and instill behavioral change, which we implement with the Financial Literacy Association of Turkey We continued our Orange Drop project also in 2021 and have reached approximately 46,000 children since 2013.

At ING Turkey, we will continue to advance on the path of digital leadership in 2022. We will put data and new generation technologies at the core of our strategy in order to offer our customers a flexible, reliable and real-time service by placing priority on mobile services.

As an institution which puts gender equality at the core of its activities, we continue to undertake projects which support the empowerment of women. In this vein, 9 out of the 10 athletes whom we supported within the scope of the ING Olympic Girls Project, which we implemented in cooperation with the Turkish National Olympic Committee, qualified to participate in the Tokyo 2020 Olympics and successfully represented Turkey.

Our national wrestler, Ms. Yasemin Adar, whom we at ING Turkey supported, made us all proud by winning a bronze medal at the 2020 Tokyo Olympic Games. Our women athletes competing at the Tokyo Olympics inspired millions of young athletes who watched them. We believe that with the support of female role models, gender equality will be strengthened, unveiling Turkey's true potential. We are proud of all our athletes who represent our country.

We believe being flexible and innovative in employee satisfaction as the key to success

We adopt a management policy that cares about the satisfaction and loyalty of our employees, which supports diversity, is inclusive, offers equal opportunities, is free and is based on trust. Success and satisfaction are only possible with a total life balance. We view this as a human and life experience. We believe being flexible and innovative for employee satisfaction is the key to success. We place the approach encapsulated in the words of "First you, then ING" at the heart of our strategy. In line with this strategy, we have adopted flexible working since 2015. We offer a new working environment to our employees with our new working models, with the Flexi 365, My Week Flexi, My Week 3 Days and 4 Days Flexi models put into practice in 2021.

At the same time, we integrate hybrid work into the corporate culture. In this context, we have implemented the ING Hybrid Rituals, which consist of different activities throughout the year, in order to ensure employees maintain strong bonds with each other. At ING Turkey, we do not limit flexibility to working models; we reflect flexibility in holistic approach to our HR practices. In this context, we implemented Flexi Career Experiences, consisting of the Mini Career, Double Career and Orange Guest practices, so our employees may experience different career opportunities within ING Turkey. In addition to these, we continue to invest in our human resources in terms of new generation competencies and implement development programs.

Looking to the future with confidence and determination

At ING Turkey, we will continue to advance on the path of digital leadership in 2022. We will put data and new generation technologies at the core of our strategy in order to offer our customers a flexible, reliable and real-time service by placing priority on mobile services. In addition, at ING Turkey, which is part of a pioneering group in the field of sustainability, we will continue to work towards a sustainable world and prioritize sustainability.

In addition, we believe another critical component of digitalization is human resources, one which is at least as important as investments in products and services or infrastructure. We will continue to invest in our human resources to offer them next generation competencies and provide a working environment where new generation talent is able to work freely with our flexible practices.

In line with this goal, we look to the future with confidence and determination, together with all our stakeholders, especially ING members.

With our global experience, we are confidently moving forward to become a leading institution in many fields in Turkey, especially in digitalization and sustainability.

On behalf of myself and the ING Turkey management team, I would like to sincerely thank all of my colleagues and business partners for their successful performance in 2021.

Respectfully,

Alper İhsan Gökgöz
Chief Executive Officer

Financial Power
Extensive Know-How

AN EVALUATION OF ING'S ACTIVITIES IN 2021

ING sets itself apart and leads the way in the Turkish banking sector with its competence in providing global services, its strong and sustainable financial structure and its ability to offer innovative products and services.

ING closed 2021 with financial and operational results In line with its targets.

While volatilities in the global financial markets continued in 2021, the intensive pressure of the pandemic on the economic and commercial cycle eased to some extent. On the other hand, problems experienced in the global logistics network and price hikes, the severe consequences brought about by the climate crisis and rising energy prices have all emerged as the new mega trends.

Against a backdrop of occasional negativities in external developments, ING succeeded in maintaining and improving the value proposition it offers its customers by deploying its competencies and resources at the right scales.

Continuing to be the first choice for its customers with its approach of innovative and quality service, ING continues to constantly update its business practices in line with the realities of the market. The Bank continues to move decisively towards becoming a more efficient and profitable institution by focusing on innovation and development.

Without deviating from the right strategy and the right execution, the Bank maintains its multi-faceted contribution and support to the real sector and the economy. It continues to be a pioneering brand in the sector with its products and services.

As in recent years, the Bank achieved significant progress in the Retail and Corporate banking business lines in 2021. The Bank succeeded in expanding its business volumes with a risk-focused approach. In addition to these developments, ING intensively maintains its efforts to provide a better service to its customers and is focused on the providing new products and services.

ING continued to strengthen its presence in the business lines which it focused on during 2021. By combining its extensive know-how and competencies with its financial strength, the Bank achieved successful results and met its targets during the difficult market conditions.

An easing in the effects of Covid-19, defined as a "global pandemic", on the economy and daily life

The pandemic, which broke out in Wuhan, China on 1 December 2019, spread rapidly all over the world. As a result of the developments experienced with the spread of the virus, referred to as SARS-COV2 (COVID-19), a pandemic was declared by the World Health Organization on 11 March 2020.

Following the announcement of the pandemic in 2020, a wave of restrictions and strict measures was introduced in Turkey as in the world and far-reaching efforts to tackle the pandemic were put in place.

The pandemic, which sparked a major global crisis, precipitated a sharp contraction in the global economy in its first year. The balances in global pricing were significantly affected. Increases in raw material prices and production halts piled on inflationary pressure worldwide. In this period, governments prioritized protecting jobs, the full functioning of the economic and commercial cycle and maintaining economic stability.

With positive messages from the scientific world and the introduction a number of vaccines, the global agenda became somewhat brighter in the last quarter of 2020.

Widespread vaccination rollouts in many countries, including Turkey, in 2021, and the experience gained by the health sector in the past year have supported efforts to bring the pandemic under control and achieve some normalization of life in most countries.

This process continued to drive a recovery in the economy and trade as the wheels of economies started turning again. By the end of 2021, the positive results of the normalization achieved later during the pandemic period were reflected to the growth performances of developed and developing economies.

AN EVALUATION OF ING'S ACTIVITIES IN 2021

In 2021, ING continued to organize various cash promotion campaigns for customers who choose to receive their pension payments through the Bank.

In 2021, ING continued to protect its employees, customers and all stakeholders from the possible harm of the pandemic. ING also continued to fully fulfil its responsibilities to society. Updating its pandemic measures at various times, ING continued to implement measures aimed at minimizing risk in the business and service environment with a cautious approach.

A solid balance sheet performance in 2021, despite the volatile conditions
In spite of the volatilities observed in the Turkish market, ING maintained its activities without deviating from its prudent and risk-oriented policies. Throughout the year, the Bank meticulously implemented its business approach aimed at keeping its cost base low and its value-added production power high.

ING sets itself apart with its wide and diverse product portfolio, its experienced and expert staff, its strong physical and digital distribution channels and its solid technological infrastructure. ING utilized the opportunities offered by the markets, carefully managed the risks and once again achieved successful results in 2021.

ING's total consolidated assets reached TL 88.6 billion at the end of 2021. The Bank's consolidated equity, which was TL 9.4 billion at the end of 2020, increased by 15% YoY and reached TL 10.8 billion. ING's consolidated capital adequacy ratio was 19.2% in 2021. Meanwhile, the Bank's consolidated profit before tax realized as TL 1,592 million.

Efficient and proactive balance sheet management plays a key role in ING's added value creation.
ING's financial results in 2021 were the result of the Bank's considerable success and effectiveness in balance sheet management.

The balance sheet management strategy adopted plays a key role in ING's strong support for thousands of customers in different business lines, facilitating their financial lives and generating added value with its services and products, in addition to strengthening its basic indicators.

In 2021, the Bank further deepened its relations with its Retail and Corporate Banking customers.

Deposit Volume

ING's deposit volume amounted to TL 52.6 billion.

TL **52.6**
billion

Loans in Cash

ING's consolidated net loan volume amounted to TL 51.8 billion.

TL **51.8**
billion

ING's deposit volume grew by 31% in 2021 to reach TL 52.6 billion. The Bank's total consolidated net loan volume stood at TL 51.8 billion at the end of the year.

At the end of the year, the ratio of consolidated non-performing loans in the Bank's total consolidated cash loans stood at 3.24%.

The growth and profitability rates, achieved in 2021 allowed ING to maintain its share in the sector.

ING will not compromise in its implementation of risk-sensitive business strategies in the future.
ING will continue to effectively reflect the advantages of its well-established strategy, strong and widespread distribution network, extensive range of products and services and its competent human resources to its performance.

The ING Group's deep-rooted international experience and service providing capabilities will continue to contribute to ING's ability to provide a world-class service to its customers and to strengthen its support for the Turkish economy.

In 2021, ING organized new retail banking product promotions and campaigns to ensure customer satisfaction and loyalty while also increasing sales volume, and the Bank further strengthened its retail customer base.

RETAIL BANKING

In 2021, ING organized new retail banking product promotions and campaigns to ensure customer satisfaction and loyalty while also increasing sales volume, and the Bank further strengthened its retail customer base.

In 2021, ING accelerated its marketing activities, shaped by its customer-oriented business and service approach. ING stood by its customers at all times, wherever they were, ensuring that the right product reached the right customer through the right channel. These achievements, obtained in a highly competitive business line, once again confirmed that the Bank implements the right strategies in the field of Retail Banking.

ING commands a widespread and extensive customer base in the Retail Banking business line. The Bank continued to develop this business line in 2021 with a range of alternative and high-quality products which meet all of its customers' needs, which offer tailor-made solutions and which present cross-selling opportunities.

The "Orange Extra" program continues to make a difference to the lives of individuals, contributing permanently to their well-being with the financial solutions it offers.

The Orange Extra program is a debit card program launched in mid-2018 to meet customers' different financial needs. The "extra" benefits provided by the program were diversified throughout 2021 in line with customer expectations.

The following advantages were added to the range of privileges offered to participants of the Orange Extra program in 2021.

- Installing or deferring purchases carried out with the Orange Extra Debit Card or bill payments made from the drawing account within the Support Account limit,
- When the sum of the purchases carried out with the Orange Extra debit card or when the bills paid from the drawing accounts amount to a total of TL 1,000 in a given month, the customer may pay the sum, which is up to TL 1,000, in three instalments from the following month, or may defer the payment transaction on an interest-free basis,
- With the Orange Extra for 12 months, holders of the ING credit card are not required to pay an annual fee provided they commit to spend within the Orange Extra monthly spending limit.

Thus, while the privileges offered to the customers within the scope of the Orange Extra program were diversified, the customer experience became more comprehensive in terms of meeting expectations.

In addition, cash-back campaigns are offered on purchases made, to encourage customers to use the Orange Extra debit card for their daily shopping.

Orange Extra, which does not come with any condition to spend, allows ING customers, certain occupational groups and customers taking out a loan from ING loan points the chance to benefit from all Orange Extra benefits by completing the digital process, without the condition of spending TL 1,000 per month for 3 months.

ING develops innovative applications to contribute to the increase in saving in Turkey. The Bank introduced the "Put Aside" feature in 2021, which allows shoppers to save while they save by using the remainder of their fractional payments.

Users have the option of activating Put Aside through ING Mobile. Put Aside allows ING users to round up the fractions of their purchases they carry out with the Orange Extra Debit Card to the nearest TL 1 or TL 5, and save the pennies in the round up in the e-Orange Account. This allows them to utilize their savings from their day-to-day shopping.

The Orange Extra Virtual Card, also introduced in 2021, allows customers to securely carry out their online shopping without having to worry about their card information being copied or stolen.

The number of customers using the Orange Extra debit card in their shopping to benefit from the privileges of the Orange Extra program approached 300,000 during 2021.

Continued steady growth in consumer loans with significant developments in 2021.

ING maintained its growth in consumer loans in 2021 with an array of new products and campaigns offered to meet the demands of its customers in 2021. The Bank offered its customers the option of postponing their instalment payments during to the pandemic, the impact of which was seen throughout the year. The Bank stood by its customers with the Orange Extra advantage in interest, instant loans and new overdraft account products with instalments.

AN EVALUATION OF ING'S ACTIVITIES IN 2021

In 2021, ING continued to organize various cash promotion campaigns for customers who choose to receive their pension payments through the Bank.

An expanded range of privileged services for pensioners through attractive campaigns.
In 2021, ING continued to organize various cash promotion campaigns for customers who choose to receive their pension payments through the Bank.

Pensioners who move their pension accounts to ING receive a cash bonus of up to TL 1,750 depending on the size of their pension, without any additional conditions. A cash bonus of TL 1,200 is offered to those with a monthly net pension of up to TL 1,500 with a cash bonus of TL 1,500 for those with a monthly net pension of between TL 1,500 and TL 2,500. The cash bonus is TL 1,750 for those with a monthly net pension of over TL 2,500.

Pensioners who chose to receive their pension payments through ING were offered the opportunity to carry out their cash promotion transactions through the Call Center channel, without needing to go to the branch, via the e-government portal. Pensioners who wish to carry out the transactions at the ING branch will only need to take their identity cards with them.

Pensioners choosing to receive their pension payments from ING have the privilege of withdrawing cash without waiting for their pay day, even if they do not have money in their accounts, and are able to reach dedicated customer representatives on a 24/7 basis via telephone banking, whenever they wish and on any subject. In addition to telephone banking for pensioners, branches always offer a priority service to meet their banking needs easily.

Attractive financial solutions for a wide range of customers who receive their salary through ING
ING provides a vast array of privileges to employees within the framework of corporate salary payments agreements which it has entered into with many companies. In this context, employees of companies who carry out salary payments through ING do not pay any fees for one-off or regular EFT/Money Transfer transactions which they perform through the ING Mobile and Internet Branch. In addition, with the created digital process, customers drawing a salary were provided the chance to open their TL demand deposit accounts and personal accounts without having to go to the branch.

The services offered by ING to customers receiving their salaries through the bank include the amenity of reaching their banks anytime, anywhere, as well as easy and fast access to financial solutions in banking products and services.

Productive collaborations established in line with its multi-channel strategy
Since 2012, ING has been establishing productive collaborations with Turkey's leading brands both in consumer finance and credit cards, in line with its multi-channel strategy.

ING Shopper offers customers the opportunity to pay for their online shopping in instalments in addition to the in-store product financing. It also facilitates the use of online loans. ING Shopper maintains its growth in shopping platforms with new collaborations. ING Shopper allows customers who shop at online retailers which have an agreement with ING to use their loans online. ING Shopper also offers companies an easy and low-cost payment alternative which supports multi-channel strategies.

New measures for vehicle loans to meet the demands of customers
Due to the ongoing pandemic in 2021, many automotive companies experienced stock problems, which resulted in decreased sales.

Strengthening its relations with its business partners in the automotive industry during this period, ING took measures to meet the demands of its customers, especially during the pandemic. Customer-oriented campaigns were carried out to facilitate payments such as the 3-month deferred loan option.

The Bank, which started its working period with online channels in addition to the dealer channel, created channels where customers could apply online without leaving their homes.

In 2021, ING continued to support its customers with applications which will allow them to manage their cash flows more efficiently in the credit card segment.

A prudent and flexible portfolio management approach for housing loans

ING adapted to the rapidly changing real estate market conditions in 2021, helping customers realize their dreams of owning a home.

In addition to the improvements in its credit extension processes the Bank conducted customer-based campaigns and reinforced its relations with real estate agents.

Meeting the demands of customers experiencing difficulty in their payments due to the pandemic, ING provided support to its customers by offering to delay mortgage payments.

Continued steady growth in the Orange Account, both in terms of the number of customers and volumes

The Orange Account is a free savings account which allows people to save without the obligation to wait until maturity. Launched in January 2011 as a key component of ING's growth strategy, the Orange Account has served as the Bank's driving force in deposits since then.

The Orange Account has played an important role in expanding the Bank's deposit base and increasing the number of customers, being used by around 3 million customers so far. ING maintains a high rate of customer satisfaction with the Orange Account, which reflects the experiences and needs of its customers.

The bank added gold savings, which has a significant share of savings in Turkey, under the umbrella of the Orange account with the Orange Gold Account which it offered to customers in the second half of 2020. In a very short space of time, the Orange Gold Account has reached the position of having the largest size in its group.

ING prioritizes the customer experience

The results of the NPS survey, conducted by Global, found that ING's score had approached its target. ING's scores in the satisfaction surveys, which were conducted in all channels, increased positively.

ING was awarded the "Best Contact Center" accolade in its category at the 2021 IMI Turkey Contact Center Awards.

Offering proactive products and services in the highly competitive credit card segment

In 2021, ING continued to support its customers with applications which will allow them to manage their cash flows more efficiently in the credit card segment.

ING implemented the following measures throughout the year:

- ING maintained its support for the deferment of credit card debts, which it started in 2020 during the pandemic, for customers requesting deferment, in 2021.
- Within the scope of the ING Pegasus BolBol program, carried out jointly with Pegasus Airlines, ING offered its customers travel perks dur ing the pandemic with the award ticket campaign rolled out in the first quarter of 2021.
- In line with the industry, ING quickly updated contactless spending limits, increasing the limits from TL 250 to TL 350.
- In line with changing legislation, ING implemented new measures which will free customers from certain administrative processes and allow them to receive credit card contracts online, without the need for a wet signature.
- ING added the option of interest-free/ cost-free cash advances with instalments to its bonus, which is up to TL 100, to customers who have just obtained a credit card, thus providing them with the opportunity to choose their own welcome gift.
- For customers seeking a credit card but are unwilling to pay monthly credit card fees, the Bank put measures into place to waive credit card fees for customers who commit to spend within the Orange Extra's monthly spending limit for 12 months.
- ING also rolled out a campaign for those who become ING customers through the Remote Customer Acquisition process and have a credit card, with these customers not charged a credit card fee for the first year.

Bancassurance

ING, insurance and private pension products sales and after sales services are offered through branches and alternative distribution channels, through:

- NN Life and Pension A.Ş. for life insurance branch and individual pension plans
- Zurich Sigorta A.Ş. for non-life insurance products.

AN EVALUATION OF ING'S ACTIVITIES IN 2021

In addition to serving through its branches, ING continued to provide services through alternative delivery channels such as mobile banking and the call center in 2021 in order to meet customers' needs for insurance and private pension products.

ING's Bancassurance channel commanded a market share of 1% (*) in total life and non-life insurance premium production as of the end of 2021. ING was the preferred choice for approximately 330,000 customers for life insurance products, approximately 125,000 customers for non-life insurance products and approximately 150,000 customers for private pension products.

In addition to serving through its branches, the Bank continued to provide services through alternative delivery channels such as mobile banking and the call center in 2021 in order to meet customers' needs for insurance and private pension products.

Products such as "My Bank Statement is Safe", which provides assurance against the risk of unemployment and temporary incapacity in respect to ING credit card debts, Orange Life, which provides life insurance coverage to customers holding an Orange Account, "In health in illness", which provides assurance against dangerous diseases such as cancer, are sold through the mobile channel. These products strengthened the Bank's product presence in digital channels.

Infrastructure was put in place to minimize the need for customers to attend the branch, enabling the customers to monitor their insurance renewals and maintain their insurances through the mobile application.

Each year, ING develops and improves its customer-centric business processes to offer sales and after-sales services, in addition to product diversification in the insurance and private pension fields. The Bank focuses on product studies aimed at customers' needs. In October 2021, the Bank introduced the "Mobile Device Insurance" product, which offers customers protection for their newly purchased mobile devices or tablets in the event of screen breakages or contact with high voltage or liquids.

ING maintains its efforts to develop insurance products compatible with its current projects which it carries out in order to meet the needs of its customers.

(*) Published by the Turkish Insurance Association, it is calculated on the basis of monthly sector production reports based on the sales channel.

Digital Banking

Putting the digital transformation at the heart of its strategy, ING carries out effective work with the aim of becoming Turkey's leading digital institution. The Bank considers digitalization as an end-to-end transformation and continuously invests in digital banking channels.

ING maintains its efforts to provide hassle free, fast banking and smart solutions to its customers by digitalizing its business processes, deepening customer relations and developing its portfolio, and increasing customer loyalty.

ING provides services in following digital banking channels through a 24/7 service;

- Mobile Banking (ING Mobile)
- Internet Banking
- Smart Banking Robot (INGo)

ING customers perform a high and increasing proportion of their daily banking needs through the digital channels. At the end of 2021, 99% of total active customers using ING's digital channels carried out their transactions through ING Mobile.

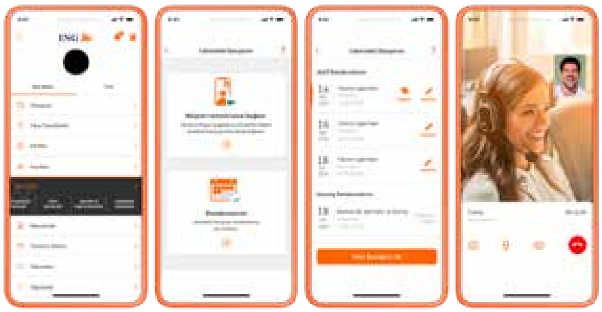
While digital banking channels maintain their share in sales carried out through the Bank, digital banking has become an important channel for customer acquisitions with the remote customer acquisition service launched in 2021.

The number of product sales carried out through digital banking channels continued to increase in 2021, and the share of distribution channels in total sales in units reached 76%. Within the scope of the project, where anyone, regardless of whether or not they are an ING customer, may choose products without going to the branch, non-branch channels accounted for 86% of consumer loans on a unit basis in 2021.

Mobile Banking (ING Mobile)

The mobile banking application, "ING Mobile", which can be used on devices with iOS and Android operating systems, allows customers to perform their daily banking transactions quickly and securely from their smart devices. The application also allows the customers to easily perform product application transactions for their banking needs.

The Digital transformation is at the heart of the efforts of the entire banking sector. The Bank carried out infrastructure work on ING Mobile for projects within



With the Remote Advice service, ING customers may receive support regarding investment, insurance and loan products through a video call.

the scope of digital transformation throughout the year. Moreover, The Bank also carried out work on new products and services on the ING Mobile application with a number of products and processes offered to customers. Some of these are listed below:

- Customers who do not have an ING Card may obtain their ING Mobile password using their new chip-enabled national ID card,
- Sim cards from ING Mobile can be unblocked on phones which have the NFC feature,
- Sending, depositing, withdrawing and making POS payments using QR codes,
- Easy to define and use addresses to transfer money without an IBAN,
- The "FAST" service, which allows money to be sent to another bank on a 24/7 basis,
- Alternative insurance products together with the Mobile Device Protection Insurance, which can only be purchased through ING Mobile,
- Creating a Virtual Card under the Orange Extra Card,
- Koy Kenara, which allows saving from the remainder of fractional payments.

ING Mobile continued the infrastructure work of its projects within the scope of digital transformation, which is the focus of the entire banking sector, in 2021. In this context, the range of insurance products in the mobile segment has been expanded, notably "Mobile Device Protection Insurance", which is only offered through the mobile channel.

Remote Customer Acquisition Process

The relevant regulation entered force on 1 May 2021, whereupon ING accordingly implemented its remote customer acquisition process. In this framework, anyone holding the new chip-enabled Turkish national ID card and who wishes to become an ING customer may complete the process of becoming a customer in just three steps by clicking the "Become an ING Member" button while using the ING Mobile app. It is also possible to become an ING member with the option of sending money to those who do not have a phone, using the NFC (Near Field Communication) feature.

Those who become an ING member using ING Mobile may immediately begin to benefit from other additional opportunities offered to them in addition to the convenience and time and location advantages offered with this technology. Three out of ten people who became ING customers between 1 May and the end of the year do so through remote customer acquisition.

Remote Advice

Remote Advice project, which aims to make banking fast, easy and effortless by minimizing the place of conventional banking in customers' lives, was launched in 2021. Being the first and only in the sector with its scope, Remote Advice is an application that brings a human touch to digital processes.

The application allows users to log on to ING Mobile from any location and connect to a member of ING personnel who is specialized in their area, either through a video call instantly or by making an appointment, where they can then perform their transactions or obtain information within a short space of time. With the Remote Advice service, ING customers may receive support regarding investment, insurance and loan products through a video call.

INGo - the Smart Banking Robot

INGo, ING's AI-supported chatbot which uses natural language processing technology, entered service in 2018. The Smart Banking Robot, INGo, can be accessed from the ING Mobile external and internal menu, the ING website and the ING internet branch. Users can find answers to their questions more quickly and easily while solving all of their banking and ING related problems by writing to the chatbot.

InGo, where financial transactions can also be carried out, underwent further development in 2021, allowing a wider range of transactions to be carried out. Users may access summary information about banking products at a single click, and they can easily perform transactions such as paying their credit card debt, applying for a loan or check movements in their account through this summary.

INGo is able to answer questions about up-to-date banking technologies such as remote customer acquisition, the Easy Address System, QR transactions, and the Remote Advice. It can complete important transactions such as money transfers, account openings, obtaining a mobile password and changing online shopping settings.

In addition, with a new feature added in 2021, INGo started to offer suggestions about banking products by proactively communicating with users based on their online banking behavior and product ownership. In 2021, 5.1 million individual communications were made in INGo. INGo, which is also able to chat with users on daily issues, will continue to grow by improving its capabilities in 2022. It will also be even more proactive by establishing personal communications with users.

ING continued its developments in internet banking in 2021 to offer its customers a better experience in line with their needs and expectations.

Internet Banking
ING customers may freely perform their transactions using ING Internet Banking from their browser. The Bank continued its developments in this field also in 2021 to offer its customers a better experience in line with their needs and expectations.

Within the scope of the project carried out jointly with the Global ING Group, work to improve the internet banking user experience and infrastructure, as well as front-end development work, continued throughout the year.

BRAND STRATEGY

Launch of the "do your thing" and the introduction of "Remote Advice"
In line with its effortless banking approach, ING launched the motto "do your thing", which was announced under the banner of "Spend less time on banking and more time on life". In its opening film, the Bank announced a brand new product, "Remote Advice", which is in line with both the communication of the brand's new motto and the expectations of a digitalizing world, especially during the pandemic.

Ezgi Mola, listed among the Turkey's ten most trusted celebrities who has won plaudits for sincere demeanor, was chosen as the spokesperson of the brand. By showing Ezgi Mola with her daily activities in real life, the message of "do your thing" was reinforced and ING offered the "Remote Advice" service to its users.

With the Remote Advice, ING customers may obtain information about a wide array of banking products and services, such as how to utilize their savings and the use of loans, by carrying out video calls with specialized bankers using their mobile devices.

The e-Orange Communication
The e-Orange Account is a revolutionary product in Turkey's banking sector. In its communication efforts, ING emphasized that one of the most fundamental benefits of the e-Orange Account is that "there is no concern for maturity". This communication told the customers about the freedom to save money in the savings account without having to break the maturity, and they can deposit money into their account and withdraw it whenever they want. This communication is handled within the framework of the "do your thing" brand strategy.

Orange Extra Communication
Under the banner of "do your thing", ING communicated the world of advantages offered by Orange Extra. In this context, the "Extra" advantages such as no card fees and no EFT/transfer costs, and preferential interest rates in the Orange Account were explained. The communication efforts also emphasized that it was possible to quickly become an ING member through ING Mobile.

In 2021, ING's support for women athletes preparing for the Olympics was expressed through the ##GoGirls message

SPECIAL DAYS

Go Girls!

In 2021, ING's support for women athletes preparing for the Olympics was expressed through the ##Go Girls message. ING's work on gender equality as well as the support of the people of ING to our athletes were explained in the communication shared both on International Women's Day on 8th March and on the Commemoration of Atatürk, Youth and Sports Day on 19th May, and during the run-up to the Tokyo Olympics.

The 23rd April Communication Activities

Every child has naive and innocent dreams. Some dream of being close to the stars that adorn the sky, some dream of meeting Atatürk, to whom they owe their freedom. The childhood dreams of Ezgi Mola, who is the ING brand spokesperson, were featured in the commercial film, which was prepared by setting out on this idea, by working with illustrator Hakan Keleş.

Mother's Day Communication Activities

The Mother's Day communication in 2021 was also addressed under the umbrella of "do your thing".

The message of "There is someone who is always there for you so you can do your thing!" was shared in communication activities by setting out on the instincts of mothers to stand by their children no matter what the conditions are, to protect them and to teach them.

The 29th October Communication Activities

The Republic Day communication activities sought to recreate the spirit which made 29th October a festive day. This was because special days have started to be seen as a holiday period. By seeking to answer the question of "what day it coincides with", the communication activities explained that such a day corresponds to a "special" day, which encapsulates all of the achievements and the dreams which we have realized, which that makes us who we are as a society and as an individual. Published with the message of "The day that has bonded a nation for 98 years", the commercial was shared widely on social media and attracted a great deal of public acclaim.

Teacher's Day Communication Activities

The Digital Teachers project, which was carried out by ING in cooperation with Habitat and METU (the Middle East Technical University), aims to help teachers step into the digitalized world and acquire digital literacy skills that they can use in face-to-face and distance education. The results of the project were proudly communicated this year, emphasizing that the teachers involved in the project could now produce educational materials by using technological tools. Teachers' Day was celebrated within the framework of a truly beneficial project which went beyond a mere celebration.

Money Matters

With the aim of increasing financial literacy in Turkey, finance and banking topics started to be discussed in a language that everyone can understand on the ING Turkey YouTube channel. Financial literacy awareness was created with the video series called "Money Matters", in which many different experts took part. In this context, many topics such as basic banking, loans, digital banking, investment products and the stock market were explained by experts. The banking topics most talked about on social media were discussed, and answers to the most frequently asked questions were sought.

ING Business Banking operates with 26 Business Banking branches and as of 2021, ING’s Corporate Banking cash loan volume stood at TL 20.9 billion, while its non-cash loan volume stood at TL 2.9 billion.

BUSINESS BANKING

ING Business Banking offers its customers a unique experience through its renewed organizational structure and “Business Banking Branches”. ING Business Banking operates with 26 Business Banking branches. As of 2021, ING’s Corporate Banking cash loan volume stood at TL 20.9 billion, while its non-cash loan volume stood at TL 2.9 billion.

In this context, a total of 363 employees, including 26 branch managers, 215 portfolio managers, 45 operations officers, and 63 business lines support the sales organization.

Offering perfection in the Business Banking customer experience with Tribes.

The agile working method has been adopted in order to increase the rate of innovation and develop products and services which will meet changing customer needs. In this context, tribes (teams) were formed in the ING Head Office to perfect the customer experience, and they started to provide services within the scope of Business Banking.

The Business Banking Digital Tribe not only aims to digitalize a product or service, but also to digitalize the journey from the acquisition of the customer to the delivery of the product to the customer and the provision of the service. Related activities include designing applications which bring ease to the lives of customers and implementing analytical methods.

The Business Banking Loans Tribe, on the other hand, operates to provide the customers with a digital and unique loan experience. The main goal is to design and implement more digital and accelerated processes for business loans within the framework of the regulations. In line with this goal, teams specialized in loans and IT teams work in a dynamic structure.

Bringing a breath of fresh air to the sector with ING Business Digital

ING has added the ING Business Digital Banking platform to its organizational structure for small-scale businesses which do not have time to go to a branch, and which seek a faster, higher quality and low-cost service. Through this platform, customers are offered a unique digital experience in line with their needs and expectations.

ING’s goal in the field of Business Digital Banking is to provide modern banking products and services in the most effective means to various sectors which form the basis of the country’s economy, to professional groups such as pharmacists, financial advisors, notaries, doctors and dentists, and to tradesmen and women of all sizes.

ING Business Digital continued to develop with the addition of new products in 2021. As a solution partner for producers and growing enterprises, the Bank enabled more corporate customers to access finance.

ING Business Digital Banking carries out activities aimed at applying the dynamism it has achieved in the Instant Loan, e-Orange and Fast POS products to all corporate products and processes. In line with this goal, new digital processes are established in a range of areas with the aim of increasing customer satisfaction and enabling them to benefit from banking products in the fastest and easiest way possible.

Once the products and services are offered to customers, customers are contacted by telephone for their feedback regarding the quality of the products and services which they have received. This feedback is used for improvement purposes, to enhance the quality of the Bank’s services, products and processes.

ING Member Business Product Management Department brings innovative products to the market
The ING Member Business Product Management Department aims to meet the needs of its customers with rational and easily accessible services. Focusing on the POS Extra program in 2021, the Department launched a product which reduces POS costs while customers spend. This product enables its member business customers to benefit from discounted rates in member business fees based on a certain amount of spending which they carry out from company bank cards, and to benefit from the advantages of banking products.

The ING Member Business Product Management Department will continue to expand with the more efficient use of digital products and channels and to produce solutions which meet the needs of SMEs in the coming years.

ING's Business Banking division will continue to stand by its customers in all market conditions.
ING Business Banking has further perfected the customer experience with both financial and non-financial support during the pandemic, which has affected our lives for the last 2 years. It has ensured high customer commitment and loyalty. Such actions taken during crisis periods are anticipated provide a valuable contribution to ING's goal of becoming the main Bank for customers in both the short and long term

ING Business Banking has taken action not only for its customers, but also for the health of its employees, which it values very highly. The combination of remote working opportunities and the bringing together and sharing of employees and managers helped control the process more easily.

ING Business Banking acts with an approach focused on the necessity and importance of education, and organizes training and personal development meetings.
ING Business Banking adopts the principle that the essence of thinking, action and direction is in education. In this vein, professional training such as digitalization, foreign trade and treasury transactions are provided continuously to the business line personnel, branch managers and portfolio managers. The training is not limited to professional life; the personal development and goals of individuals are supported by special items posted by the directors.

Improvements made in 2021 are summarized as below:

In February;
- The screen of monitoring transactions against goods and exports was digitalized. Thus, foreign trade capability was developed on the ING internet channel. ING aims to be the leading bank in the sector by digitalizing most of its foreign trade transactions with easy-to-use screen designs.
- Cash withdrawals were made faster, easier and safer. The QR withdrawal function was added to the ING Corporate Mobile, enabling customers to have an omni-channel experience.

In March;
- The POS Extra working condition was changed. With the working condition update screen added to the ING Corporate Mobile and Internet, it was made possible for the customers to acquire POS Extras.

In June;
- This routine of corporate customers, who had often preferred to go to the branch to transfer large sums of money before the pandemic, completely changed due to the pandemic. Users now tend to carry out all money transfer transactions through digital banking channels. For this reason, it was necessary to increase the limit of money transfers made via the ING Internet Branch and the ING Mobile application, with the transfer limit raised from TL 2 million in both channels to TL 10 million.
- In the area of loans, a service was developed which provides convenience to Business Banking customers and achieves time savings. In this context, ING offers companies the opportunity to use loans 24 hours a day, 7 days a week, wherever and whenever they wish through the ING Mobile and Internet Branch. Companies were offered the opportunity to take out loans of up to TL 10 million until 5:30 pm on weekdays, and TL 150,000 after 5:30 pm on weekdays and on weekends.

In October;
- A new service was designed to provide digital convenience in transactions for exporters, which are the driving force of the country's economy. With the new application, the ING customers may initiate their requests for a Certificate of Acceptance of the Certificate of Acceptance of Export Proceeds from the ING Corporate Internet Branch without having to attend the branch, issue instructions or fill in a form.
- Business Banking customers are provided with the "Money Transfer with QR Code, Payment with QR Code and Share QR Code" features, thus facilitating their transactions and allowing them to devote more time to their own lives. ING's goal in this regard is to encourage Business Banking customers to use QR Code more and to perform secure transactions through the application.

AN EVALUATION OF ING'S ACTIVITIES IN 2021

ING Wholesale Banking meets the financial needs of its wholesale customers by combining the added value and competitive advantages provided by the ING Group's global network with the experience and competencies gained in national markets.

WHOLESALE BANKING

Within the scope of its Corporate Banking activities, ING supports the development of the country's economy by transferring resources to a large number of customers of different scales and structures from different sectors.
ING Wholesale Banking meets the financial needs of its wholesale customers by combining the added value and competitive advantages provided by the ING Group's global network with the experience and competencies gained in national markets.

Benefiting from the advantages which come from being an international bank, ING provides comprehensive financial services to a wide customer portfolio with its scale of high service delivery and sustainable growth potential in the field of Corporate Banking.

ING's diverse product range in the Wholesale Banking business line consists of products and services specially designed for wholesale customers such as project and trade finance, sustainable finance, treasury products, domestic and international cash management.

Focusing on customer satisfaction, ING Wholesale Banking prioritizes the production of qualified solutions for its wholesale customers by encouraging the effective use of digital channels.

The ING Corporate Banking unit sought to protect its customers from the negative effects of the Covid-19 pandemic through its solution-oriented approach and specialized teams, and by being at their side with a comprehensive range of products and services which will increase their strength in the challenging conditions of the period. By demonstrating effective risk management, the Bank has once again demonstrated that it is an active participant in the market through loan and syndication transactions provided to wholesale customers.

Building its business models on the foundations of economic, environmental and social sustainability and responsible banking, ING aims to lead in this field and to implement practices which will set an example for the sector.

2021 has been an important year in which ING transferred its global leadership in sustainable finance to Turkey. Throughout the year, the Bank offered a range of products and consultancy services which support its customers' access to sustainable finance sources, and undertook many successful transactions.

Corporate Customers

With its customer-oriented perspective in product and service planning, ING is guided by the principle of providing the highest quality service to its customers in all of its activities.
ING provides services to companies based in Turkey as well as multinational companies operating in Turkey, using ING's competencies both in Turkey and on a global scale.

Providing fast and special solutions with its specialized staff in the field of wholesale banking, its wide product range and solution-oriented approach, ING continued to support the real sector in 2021, as in previous years.

ING provides financial resources and services to meet the needs of the corporate customers, which are based in Turkey, in foreign countries by focusing on their foreign subsidiaries, projects and exports. The ING Group also supports Turkish companies in their international expansion, and provides its customers with the benefit of ING's global network.

Operating in 40 countries, the ING Group has global relationships with multinational customers. In this context, solution-oriented financial products and services in the quality of service which our main global partners receive from the ING Group are offered to these companies for their activities in Turkey.

ING Wholesale Banking has a special team providing services to multinational companies in Turkey.

Financial Institutions

ING has a strong and long-standing correspondence network, based on mutual trust, which includes many banks and financial institutions from around the world.

As a member of the ING Group, ING in Turkey is also the preferred business partner in international markets.

Membership of the ING Group creates a competitive advantage in providing services to ING in Turkey on a global scale, enabling ING to mediate in its customers' foreign trade transactions and financing needs under favorable conditions.

ING Group has multidimensional and reciprocity-based correspondent relationships with a number of banks in nearly 100 countries. This strong and widespread structure was diversified throughout 2021 in line with the changes and trends in the national and global economy, as well as the needs of its customers.

ING was again successful in its efforts to obtain financing from international markets for foreign trade financing and to improve its funding base in 2021, despite the fluctuations in the financial markets.

For ING who deploys its brand power in the most accurate way 2021 was a year in which it continued to increase its traditional and well-established partnerships with global financial institutions to provide its customers with the right financial solutions.

Thanks to its high credibility in the global arena, ING was again successful in its efforts to obtain financing from international markets for foreign trade financing and to improve its funding base in 2021, despite the fluctuations in the financial markets.

ING obtained the first sustainability linked syndication loan in Turkey in 2021
In June 2021, ING provided approximately EUR 300 million of funding with a maturity of 367 days from the syndicated loan market to be used in the financing of foreign trade. This transaction is the Bank's first sustainability linked syndicated loan. The transaction received high demand from 22 banks from 11 countries. Despite the high demand, the loan was limited to EUR 300 million in line with their balance sheet targets.

This new resource has been brought into the Turkish economy despite the difficulties brought about by the pandemic, which has also affected the financial markets. This once again confirmed the trust which investors place in ING and the Turkish banking sector.

ING's performance being rated by the international rating institution
ING's credit note was rated as "B+" and "B" for its long term local and foreign currency debt, respectively.

The ING Group continues to provide resources to Turkey from the international markets
The ING Group plays an active role in Turkish banks' foreign currency borrowing in international financial markets, especially in their sustainability linked transactions. In 2021, the Group took part in treasury transactions, primarily syndications, bond issuances in debt capital markets and structured finance transactions.

This is clear proof of the ING Group's trust in Turkey and the Turkish economy, which continues to act as a broker in providing resources to Turkey.

ING plans to carry out the following in 2022;

- To closely monitor all kinds of needs of its customers regarding their international activities,
- To stand by its customers for their needs regarding correspondent bank, financing and sustainability,
- To increase cooperation with exporters, which are one of the driving forces of the Turkish economy,
- To offer support to exporters on international platforms by taking advantage of the advantages of being a member of the ING Group.

Wholesale Loans and Project Finance Group

The ING Wholesale Loans and Project Finance team is focused on sustainable growth, drawing on the global experience of ING Group, of which it is a member.
The infrastructure, energy, natural resources, telecommunications, media and technology sectors form a prominent part of ING's wholesale loans and project finance portfolio.

ING is focused on providing its customers operating in these sectors with differentiated and specialized wholesale credit and project finance products, with the contribution of the strength of ING Group's extensive worldwide service network.

ING supports the medium and long-term financing needs of corporate companies through syndication and club loans
ING, which is one of the active participants of the Turkish syndication market, undertakes important duties such as being a coordinator, hedging bank and collateral bank. On the other hand, ING Group provides long-term funds to investments in Turkey within the scope of export incentive programs of export credit guarantee institutions.

Financial Markets

The most important factor behind ING's success in financial market transactions is its ability to provide solutions to its customers' needs with an innovative approach.
The ING Financial Markets Group consists of the Financial Markets Trading, and Financial Markets Sales and Marketing units. The ING Financial Markets Group continues to be the choice of customers in financial markets thanks to its management experience, high level transaction skills and potential to develop high-end products.

AN EVALUATION OF ING'S ACTIVITIES IN 2021

ING offers its customers all-cash management solutions for payment and collection transactions with ING Group's extensive worldwide banking network and international experience.

Deploying market risk management techniques, the ING Financial Markets Group offers risk management solutions in value added products including foreign currency, interest and commodity derivatives.

The ING FX platform, which includes innovative applications, is widely used by all customer groups
The use of the ING FX platform became more widespread in all customer groups, especially Business Banking customers, in 2021. Customers accessing the ING FX platform are able to transact at real-time exchange rates through ING's mobile banking applications. This platform has allowed value-added FX products to be available to its customers instantly and easily regardless of where they are.

In order to enrich the digital currency platform, the Financial Markets Group will continue to generate innovative ideas in the coming years, taking into account the feedback received from wholesale customers.

An increasing diversity of derivative products with the aim of becoming Turkey's foreign trade bank
Carrying out its activities in parallel with its mission of becoming a foreign trade bank, ING responds to the changing needs of its customers by increasing its derivative product diversity.

All Business Banking customers can use internet and mobile banking applications to carry out derivative transactions such as forward, swap, and so on digitally from the ING FX exchange platform.

Cash Management

High-quality and technology-oriented cash management solutions which contribute to customer satisfaction and loyalty
ING offers its customers all-cash management solutions for payment and collection transactions with ING Group's extensive worldwide banking network and international experience. These solutions play an important role in curbing operational expenses and achieving sustainable profitability.

ING Cash Management shapes specific solutions to meet the requirements of continuously changing market conditions in light of the feedback it receives from its customers.

Digitalization projects prioritized in the field of cash management
Helping its customers achieve effective management of cash flow with its extensive branch network, specialized staff and advanced product range, ING has started to use digital solutions more intensively in the field of cash management.

By widening the diversity of channels in its products and services for its Business Banking customers, the Bank has increased the activity of companies which use digital channels instead of the traditional branch channels. The Bank reached its goal of brokering more digital transactions for its existing and new customers.

In 2021, infrastructure investments continued for digital solutions offered to customers and within the scope of cooperations with leading telecommunications, automotive, automotive spare parts, logistic and real estate companies in Turkey, all payment and collection reconciliation processes started to be managed online at the Bank's digital platforms.

Continuing to provide digital conveniences to its customers during the pandemic, ING supported the processing of customer orders with e-signatures with a faster signature verification process.

In addition, FAST 24/7 EFT, which enables fast money transfer, the Easy Address System and money transfer with QR solutions are also offered to the ING customers.

ING also supports its customers with products and services which require expertise, as required by international companies in Turkey
ING Cash Management provides cash management products and services to its international customers in Turkey with the advantage of the knowledge and infrastructure provided by ING Group, which operates in more than 40 countries.

In addition to the MT101 infrastructure, which allows international companies to carry out payments through the ING Group's global electronic banking channels, ING Group currently offers a file transfer structure in accordance with ISO 20022 standards for all payment types.

With its widespread global network, the ING Group is able to provide account and cash management services to foreign affiliates of Turkish companies.

ING providing access its customers' to sustainable financing resources in both local and international markets, also benefits from the ING Group's global experience and synergies in these activities.

Trade Finance

Working to the goal of being the customers' preferred bank in international trade finance

In international trade transactions, ING serves its customers by considering the needs of its customers, the latest technological developments and the fundamental goals of sustainable growth and profitability.

ING worked intensively in 2021 to maintain its relations with companies from all sectors in the field of trade financing.

ING further expanded the digital solutions it offers its customers for foreign trade transactions during 2021, adding the payment transactions for imports against goods feature to internet banking. Export transactions are included in the foreign trade transaction tracking feature, and all import and export transactions and Swift messages are included within the scope. In 2021, the Bank also ensured that Certificate of Acceptance of Export Proceeds requests were performed through internet banking in order to bring ease to the lives of its customers who are exporters.

Working Capital Solutions

ING aims to help its customers use their working capital more efficiently with the Working Capital Solutions which it offers under the Cash Management and Trade Financing.

ING enables its customers to meet their working capital needs and manage their receivables and payments more effectively with its Supplier Financing product. The Bank continues to increase the number of supplier financing programs which it provides services to and the number of suppliers which it reaches through these programs.

Economic Research

The Economic Research Group monitors economic developments in Turkey and the world and the possible effects of these developments. It offers commentary, conducts analysis and presents forecasts on the main macroeconomic and financial variables, and prepares reports, presentations and bulletins in this framework.

The Economic Research Group provides support for all ING clients in Turkey and abroad with macroeconomic research reports and forecasts prepared using accurate and objective information-based, qualified evaluations.

Sustainability

A wave of important transactions realized in Turkey in line with ING's pioneering sustainability vision

Drawing attention to the importance of a collective perspective in the goal of a sustainable world, ING believes in the transformative power of the financial sector. The Bank prioritizes economic, environmental and social sustainability with its business model built on the foundations of sustainable and responsible banking. With this perspective, the Bank offers a range of sustainable finance solutions in order to help its customers in Turkey achieve their goals.

ING brokers its customers' access to sustainable financing resources in both local and international markets. The Bank also benefits from the ING Group's global experience and synergies in these activities. ING has created sustainability linked financing opportunities for many Wholesale Banking customers through syndication, unilateral loan and bond transactions. The number of sustainability linked transactions in Turkey which took place in during 2021 increased more than 2.5-fold when compared to the previous year.

ING supported its customers in the area of resource creation. Meanwhile, it also realized a syndicated borrowing transaction amounting to approximately EUR 300 million in connection with sustainability in Turkey in 2021.

With its international expertise and experience in the field of sustainability, ING has also provided consultancy services to many different financial institutions in Turkey in the preparation processes of the sustainable finance framework document.

In this context, in 2021, ING also acted as a consultant during the preparation and publication of the Sustainable Financing Framework Document prepared by the Ministry of Treasury and Finance in order to carry out borrowing transactions in the international "Environmental, Social and Governance" bond market.

ING aims to spread the sustainable financing practices which it started in the field of Wholesale Banking to a wider base. In this vein, the Bank works on projects and loan products which will cover corporate and individual customers.

AN EVALUATION OF ING'S ACTIVITIES IN 2021

A total of 509 employees were working at the Head office, where nearly 90% of the Bank's central operation processes are carried out, as of the end of December 2021.

THE KAHRAMANMARAŞ OPERATION AND CALL CENTER

Nearly 90% of ING's central operation processes are carried out at the Kahramanmaraş Operations and Call Center.
The Kahramanmaraş Operations and Call Center, which serves as IMG's "Banking Base", has been operating since 2013.

A total of 509 employees were working at the Head office, where nearly 90% of the Bank's central operation processes are carried out, as of the end of December 2021.

Applications at the Banking Base are constantly under development with a focus on providing the best banking experience to ING customers. This development is supported by the integration of new technologies available in the market into processes, robotic solutions and artificial intelligence models. In 2021, ING focused on the technological and digital transformation with the vision of being the "Next Generation Call Center" and the best digital institution. The Customer Call Center has also been at the heart of this transformation.

Call Center

The Customer Call Center offers a "better customer experience" service by following a data-driven approach instead of the traditional service model.

Every second of calls which pass through the Center, which presses ahead unwaveringly with its investments in technology, is analyzed. The data obtained is processed with the help of robots and used to provide a better customer experience.

In 2021, significant developments were achieved in sales, operations and customer satisfaction with the artificial intelligence supported models. Identity verification steps are made easy with Voice Signature, while Digital Customer Acquisition offers customers the opportunity to become an ING member quickly and safely without having to go to the branch.

The Remote Advice service offers customers the opportunity to receive consultancy services on products such as investments, savings and insurance via video call over ING Mobile with expert consultants.

With the voice assistant, customers started to be served with natural dialogues, enhancing the customer experience by shortening the service times in Telephone Banking. Work on new algorithms continues with a data-oriented approach.

Artificial Intelligence in Operational Processes

ING continues to increase the importance it attaches to artificial intelligence applications within the framework of its vision of improving business processes with a focus on data. Artificial intelligence models developed in 2021 started to resolve and make sense of customer demands and complaints submitted to the Customer Solution Center using artificial intelligence. Similar automation processes were implemented for internal processes as well.

Money held in ATMs and the branches began to be optimized with models developed entirely with internal resources. Accordingly, situations which could lead to customer complaints such as running out of money at these points were prevented, and the money kept as cash was minimized.

In the area of collections, artificial intelligence based analytical projects have started to play a decisive role in the creation of strategies setting out when to contact customers who are late for their payments. It is aimed at increasing customer satisfaction and efficiency by reducing the number of calls made to customers who are deemed likely to complete their payments in due course.

Robotic Solutions

In order to bring ease to ING and the lives of its customers and employees, Robotic Process Automation (RPA) has been used effectively since 2017, with more than 250 work flows transferred to robots.

The Customer Solution Center, which is located within the Customer Call Center, also increased the efficiency of the customer experience by responding to customer requests in a very short space of time, thanks to the Automatic Carting Closing Robot, thanks to developments in robotic processes.

Awards

The Kahramanmaraş Operations and Call Center has won a slew of awards, including the gold medal in the "Best Technology Innovation" category with its Risk Rater project and "Green Call Center" with the KOM Solar Panels in the regional finals of the Contact Center World Awards. This event was organized for the 16th time in 2021 with the participation of more than 80 countries, attracting over 2,000 applications.

The Center also won First place in the "Best Call Center" category at the 17th IMI Turkey Call Center Awards competition, with its call center and customer experience processes being recognized with important awards. ING also won the Productive Project Award at the CX Awards Turkey Customer Experience Awards with its Valuing People program.

In order to bring ease to ING and the lives of its customers and employees, Robotic Process Automation (RPA) has been used effectively since 2017, with more than 250 work flows transferred to robots.

Sustainable Responsible Banking

ING'S COMMUNITY INVESTMENTS

ING maintains its efforts to add value to our country's cultural, artistic and social life and to develop individuals and society.

ING's business model, which has been built on the foundations of sustainable and responsible banking, prioritizes economic, environmental and social sustainability.

Building its business model on the foundations of sustainable and responsible banking, ING maintains its efforts to add value to the cultural, artistic and social life of our country and develop individuals and society.

Within the framework of these foundations, ING pioneered social change, supporting various projects to spread the concepts of digitalization, financial health, climate and gender equality across society. Standing out with its corporate activities and contributions to the society, ING takes its social responsibility mission one step forward each year.

ING reflects the sustainability awareness it has adopted to Group companies in all aspects.
ING Group believes that organizations engaged in production and service activities should take the lead in creating a healthy and sustainable world by reducing their environmental footprint. With this understanding, the Group places sustainability at the heart of its business strategy and undertakes environmental investments focused on adding value.

Within the scope of the Terra approach announced by the ING Group, it creates a climate map for these sectors by creating a road map for adaptation to the priority sectors. The ING Group considers social responsibility and environmental risks in project financing and acts in line with the related principles.

The ING Group, which has been operating with a zero carbon footprint since 2007, has been publishing its sustainability report periodically for many years, and an integrated report since 2015.

The ING Group also published its first Integrated Climate Report in 2021, which presents all of the elements of its climate action approach. The report, which summarizes the impact of the ING financing on climate change also includes the progress achieved by the Group in line with the Terra Approach, which it developed to align its loan portfolio with the global climate goals.

ING joined the UN Net-Zero Banking Association in August 2021 and renewed its climate targets. The Bank announced new targets such as keeping the increase in

global temperatures to less than 1.5°C instead of 2°C, and reaching net zero carbon emissions by 2050 instead of 2070. Studies carried out in this context continue unabatedly.

The ING Group, together with its global business partner, UNICEF, has implemented a vast array of programs focusing on climate related fields in the countries where it operates. ING's global partnership with UNICEF ended on 1 July 2021.

ING is committed to complying with the United Nations Principles of Responsible Banking
ING, one of the banks to contribute to the creation of the UN Responsible Banking Principles, was one of the first six banks to commit itself to implementing these principles in Turkey, which are described as a global movement in the financial sector for Sustainable Development and the future.

ING in Turkey reflects this sensitivity, which ING Group has also adopted, both directly and indirectly into its banking activities.

Deriving approximately 81% of its electricity from renewable energy sources, ING invested in a solar power plant on the roof of the Kahramanmaraş Operation and Call Center in 2019. The solar power plant, which was installed on an area of 2,000 m^2, was commissioned in January 2021. Thanks to this renewable energy investment, 35% of the electricity used in the Call Center can be generated from the sun.

ING'S COMMUNITY INVESTMENTS

ING is one of the seven eight banks to sign the "Sustainable Finance Declaration" formed under the initiative of Global Compact Turkey

Equator Principles
Since 2003, the ING Group has been one of the international banks to voluntarily abide by the Equator Principles. These principles are built on the environmental and social responsibility standards set out by the International Finance Corporation (IFC) and under the principles it is accepted that they apply to the financing of all projects of USD 10 million or more. ING acts in compliance with relevant standards in project finance work.

ING is one of the eight banks to sign the "Sustainable Finance Declaration" formed under the initiative of Global Compact Turkey. Within the scope of the Declaration, a study of environmental and social risks in the finance of investment projects became a component of the credit evaluation process. ING Turkey has taken its commitments one step further by regularly updating its Sustainable Financing Declaration each year.

ING bases all of its activities on the ING Group's global policies
Adopting a sustainable and responsible banking approach, ING has planned, designed and implemented many social responsibility projects and shared them with the society through rational communication channels.

In this context, ING focuses on three key elements including digitalization, sustainability and gender equality.

DIGITALIZATION

Digital Teachers Project
Aiming to be the leading digital institution in Turkey, ING stepped up its community investments in this direction with the Digital Teachers project. The Bank implemented the project in cooperation with the Habitat Association and the Middle East Technical University (METU) in 2020. The project is aimed at bringing primary and secondary school teachers into the digitalized world and helping them acquire digital literacy skills which they can use in face-to-face and distance education.

The aims of the project, which 3,000 teachers took part in over three academic periods, are to include teachers and, indirectly, students, into the digital transformation, and ultimately contribute to the digital transformation process in Turkey.

The Impact Report covering the first academic period of the Digital Teachers Project was announced. The report found that more than 90% of the teachers participating in the project had gained the necessary competence and practical skills to develop digital course content and materials. In addition, 95% of teachers stated that they were not afraid of using technology and reported that their self-confidence had increased. The impact results show that the project fulfils its responsibility to contribute to the country's digital transformation and to equip teachers with the knowledge and skills required in the digital age.

Next Generation Academy
The Next Generation Academy project is carried out in cooperation with Makers Turkey with the aim of providing the children of the ING employees with new generation competencies in the field of technology and a culture of production with technology. The project was carried out online in 2021.

ING Academy of Technology for the Future
ING continues its activities within the framework of a responsible banking approach and advances with a digitalization strategy. The Bank held the ING Technology Academy for the Future in Kahramanmaraş for the first time. The Academy aims to introduce children to a culture of producing with new generation competencies and technology. The Academy was held online in Ağrı in 2021.

A total of 500 school pupils in Ağrı between the ages of 7-14 were introduced of the maker culture at the ING Technology Academy for the Future, where the Maker Education program, which consist of design-production, electronics, robotics and coding will be implemented. With the project, the Academy has reached a total of 1,100 pupils in two provinces.

ING Innovation Center
The ING Innovation Center was established in 2017 with the aim of communicating with the innovation ecosystem and start-ups, supporting start-ups and providing collaboration. The center supports all ING teams develop technological and innovative products. It also introduces ING teams to related start-ups enables startups to collaborate with ING and monitors their performance after collaboration.

ING Innovation Center has met more than 750 startups so far and has enabled ING to collaborate and work together with 42 of them. Only in 2021, 120 startups were interviewed and 32 startups were brought together with relevant business teams as a result of the meetings.

Believing in the transformative power of the financial sector in the field of sustainability, ING has created its sustainability vision on two pillars: financial health and climate.

Activities and training in the fields of entrepreneurship, innovation and technology organized at the ING Innovation Center benefit all stakeholders in the entrepreneurship ecosystem in terms of knowledge and networking. The Center brought together thousands of people over the two years with online activities which it started in 2020. The ING Innovation Center unwaveringly maintains its efforts to strengthen the start-up ecosystem and continues to work hand-in-hand with all of its stakeholders.

SUSTAINABILITY

Believing in the transformative power of the financial sector in the field of sustainability, ING has created its sustainability vision on two pillars: financial health and climate.

Financial Health

Moving forward with the goal of becoming Turkey's leading savings bank, ING not only offers a range of products and services which encourage individual savings, but also focuses on this area in its social responsibility activities.

ING's products such as the Orange Account, e-Orange Account, Orange Children's Account, Orange Foreign Exchange Account and the Orange Gold Account aims to inform and encourage customers regarding savings. ING also participates in projects which support financial literacy.

Orange Drop

The focus of Orange Drop to spread financial literacy in order to raise a generation with increased awareness.

ING implemented the "Orange Drop" social responsibility program in 2013, which it still continues to implement. The aim of the program is to create awareness of savings among children at an early age and to support them in gaining financial skills.

By virtue of its model, execution and measurement, the Orange Drops is the first financial literacy education program that addresses primary school children in Turkey with a focus on saving. The program is run in partnership with Financial Literacy Association of Turkey.

The main idea behind the Orange Drops is to create an educational model by associating the ability of taking rational financial decisions with other character abilities which encourage success in other aspects of life as well. The program focuses on fundamental traits such as patience, determination, perseverance, self-confidence and leadership, which have all been proven to bring success in areas besides financial subjects.

ING'S COMMUNITY INVESTMENTS

ING offers its impact that it creates in the Orange Drops program by testing it scientifically, to the international scientific world as well as to the Turkish and foreign education world. The program has reached 1,460 teachers and 45,929 pupils at 399 schools in 9 cities to date.

Furthermore, the eight-week program also helps develop perspective among children with education on future-oriented behavior, limited resources, resisting attractive products, seeing the difference between wants and needs, budgeting, acting patiently and taking group decisions.

ING offers its impact that it creates in the Orange Drops program by testing it scientifically, to the international scientific world as well as to the Turkish and foreign education world. The program has reached 1,460 teachers and 45,929 pupils at 399 schools in 9 cities to date.

Money Matters

ING believes that financial health plays an important role in creating a sustainable world. The Bank strives to be an institution that fulfils its responsibilities towards the society where it is present.

ING informs the public of finance and banking issues with its "Money Matters" video series on its YouTube channel where it presents content in plain language. In each episode of Orange Questions, a Financial Literacy video series under Money Topics, questions asked in the fields of finance, banking and the economy are responded to under the moderation of Prof. Dr. Emre Alkin together with an expert from ING Bank.

In the "Turkey's Saving Trends Survey" video series, Prof. Dr. Sadi Uzunoğlu and experts from ING Turkey analyze Turkey's savings trends and evaluate current data on individual savings habits.

Turkey's Saving Tendencies Research

ING has carried out the Saving Tendencies Research in Turkey with cooperation of Ipsos since October 2011. While trying to determine the saving tendencies of adult individuals living in urban settlements with the research, attention is also drawn to the low rate of saving ownership. Furthermore, in Turkey, where there is a lack of data on the propensity of individuals to save, a statistical database in this field is being developed.

In addition, with the support of the ING Group, ING is participating in international surveys on saving, which allows it to compare and analyze data. All data related with this survey can be accessed from www.tasarrufegilimleri.com.

Orange Schools

ING maintained its support for Orange Schools in 2021 in order to help provide a high-quality education to children.

Kahramanmaraş

ING has completed the project to renovate the Kahramanmaraş Dulkadiroğlu Karacasu Primary School with the support of the Ministry of National Education and UNICEF Turkey. The "Orange School", which was prepared for the 2016-2017 school year, continues to operate with the contributions of ING and Kahramanmaraş Provincial Directorate of National Education. ING employees provided support to meet the needs of students in 2021 as well.

Hatay

Harlısu Primary School, located in the Arsuz district of Hatay province, was designated as "Orange School" and the first support project was started with the initiative of the Mediterranean Regional Directorate. The transportation, electricity, heating and communication infrastructure needs as well as work to address the physical deficiencies of the school were met through the contributions of ING employees. In 2021, ING employees met the needs of students.

Ağrı

In the Diyadin district of Ağrı province, a new school, named Günbuldu Elementary School, was built and the decision was taken for this school to become an "Orange school" within the framework of the agreement made with the District Directorate of National Education. In addition, improvement work on seven schools located in the same district was also carried out by ING. In 2020, a Design and Skill Workshop was established by ING next to Günbuldu Primary School. In addition, ING established computer classes and a library in the schools in Ağrı on behalf of ING employees who passed away during 2021.

ING, which aims to contribute to the protection of the environment, established the Orange Forest in Sundurlu, Denizli within the framework of its cooperation with TEMA.

Orange Hearts

The Orange Hearts corporate volunteering program aims to encourage ING employees to take part in voluntary activities, while bringing together those participating in different voluntary activities under a single roof.

Initiated at the end of 2014 in cooperation with the Private Sector Volunteers Association (PSVA), Orange Hearts not only encourages employees to contribute to social responsibility projects with their time, skills and financial contributions, it also offers them the chance to share their own projects.

Within the scope of the program, which was implemented with the motto of "Give Your Heart to Kindness", this year, ING employees tried to support the Bank's social responsibility projects with their expertise in various areas by following up on a number of projects. They also participated in volunteer activities held in the virtual environment due to the pandemic.

During 2021, volunteer work for the "Orange Hearts" continued in different fields.

Steptember

As part of the Steptember campaign carried out by the Turkish Spastic Children Foundation, which runs in September, participants are asked to take ten-thousand steps a day for their own health and to collect donations from their social circle for children suffering from Cerebral Palsy.

ING, which also participated in the campaign in 2021, continued its support for the project, which aims to make a difference to the lives of children with Cerebral Palsy, and raised awareness of Cerebral Palsy.

Collaboration with the Community Volunteers Foundation

Social responsibility activities were carried out throughout the year in cooperation with the Community Volunteers Foundation and the ING Audit Committee teams. Training and workshops carried out within the scope of these activities consisted of volunteering and social responsibility training, live library activity and building an animal shelter workshop.

Support for various NGOs within the framework of its focus areas

ING has contributed to the education campaigns of the METU Development Foundation in order to provide scholarships to students enrolled in the Department of Statistics at METU, Teacher Training Camps of the Village Schools Exchange Network, the Family Homes of the Hope for Children with Cancer Foundation and the animal farms of the Association for the Protection of Animals from Desperation and Apathy.

Management Academy from One Generation to the Next

The "Management Academy from One Generation to the Next", which is organized in cooperation between ING and the Boğaziçi University Lifelong Learning Center has been operating since 2014.

The "From Generation to Generation Management" Academy program includes training aimed at increasing the competitive strength of family companies, supporting their sustainability and institutionalism. A number of young managers of family companies from various sectors have graduated from the From Generation to Generation Management Academy through the program.

Climate

The ING Turkey Memorial Forests

The Orange Forest

ING, which aims to contribute to the protection of the environment, established the Orange Forest in Sundurlu, Denizli within the framework of its cooperation with TEMA. The Orange Forest became a reality thanks the savings made by its employees, who have reduced paper consumption, and its customers, who switched to e-bank statements.

Support for Tackling Forest Fires

ING participated in the work carried out by the General Directorate of Forestry for the regeneration of forests ravaged by the forest fires in Antalya, Adana, Mersin, Muğla, Osmaniye and Hatay in 2021 within the body of the Banks Association of Turkey. ING supported the afforestation activities through the donation of saplings.

ING'S COMMUNITY INVESTMENTS

ING aims to further increase the participation of women in professional life and aims to increase the proportion of women managers, which stands at 40% for positions of manager or higher, to 50% in the coming period

Sustainability Ambassadors Program
ING organized the Sustainability Ambassadors program in order to support enterprise in the field of sustainability within the organization. This project aims to create an environment which nurtures creative ideas on sustainability and offers encouragement to employees in this area. Within the scope of the project, volunteer teams presented sustainability-oriented project proposals, thereby increasing awareness of sustainability within the organization and it was enabled that green products were created by business units.

ING supported the campaign launched by WWF Turkey for endangered animals on behalf of the ING members participating in the project, and sent certificates to ING members who participated in the program.

Other Sponsorships
Through arts and sports, ING undertakes sustainable projects which will contribute to the cultural development of society in the fields of creativity and innovation.

ING has been the title sponsor of the ING Basketball Super League.
ING, "The Unchanging Color of Basketball" in Turkey, positions the investment made in this sport, which has a culture defined by struggle, perseverance and competition, as an important medium in terms of conveying messages to society.

ING has supported the Turkish Basketball Super League under the slogan of "the unchanging color of basketball" as the main sponsor from the 2014-2015 period, and carried this support under title sponsorship in 2019. With the agreement signed between the Turkish Basketball Federation and ING, ING has been the title sponsor of the ING Basketball Super League for 3 seasons. Having signed a comprehensive title sponsorship agreement in a mass sports branch, the Bank aims to highlight the harmony between basketball and ING's brand identity through this support.

Sponsorship of Hillside
ING continued its sponsorship to Hillside, the pioneer of the leisure industry, in 2020. Within the scope of this cooperation, ING customers benefit from the services offered by Hillside brands at a privileged and discounted rate.

Indices and Memberships
The ING Group commitment to conform with global responsibility standards, signed under the United Nations Global Compact in 2006, was reaffirmed with its inclusion in global sustainability indices such as the FTSE4Good and the Dow Jones Sustainability Index.

ING is;
- A signatory to the United Nations Women's Empowerment Principles (WEPs).
- A member of the Global Compact Turkey Sustainable Banking and Finance Working Group.
- A member of the Global Compact Turkey Women's Empowerment Working Group.
- A Signatory of the UN Responsible Banking Principles.
- A member of the YASED (International Investors Association) Women's Working Subgroup.
- A member of the Financial Literacy Association
- A member of the Sales Network.
- A member of the Corporate Communicators Association.

GENDER EQUALITY

ING focuses on gender equality.
Focusing on gender equality and inclusiveness within the framework of its Diversity & Inclusion Policy, ING supports projects which help women become socially and economically empowered with its 360 degree approach. ING undertook the official sponsorship of 10 women athletes who competed on behalf of Turkey at the Tokyo Olympics held in 2021 through the ING Olympic Girls Project.

ING organized various events within the scope of ING Diversity and Inclusion Week in order to raise awareness in the field of diversity and inclusion within the organization.

ING aims to further increase the participation of women in professional life and aims to increase the proportion of women managers, which stands at 40% for positions of manager or higher, to 50% in the coming period. The proportion of women in the Bank in general is approximately 57%.

ING supports training programs that aim to shape the future in order to contribute to gender equality.

ING Equal Future Fund
ING established the ING Equal Future Fund through the scholarship fund agreement signed with the Turkish Education Foundation (TEV). ING contributes to the education of 10 female students who receive engineering education in parallel with our approach supporting gender equality. This contribution is renewed every year according to the academic year and continues until the students complete their university education within the scope of TEV scholarship conditions.

Koç University Anatolian Scholarship Holders Program
ING contributes to the Anatolian Scholars Program launched by Koç University with the aim of supporting access to quality education. The Bank continues to pay five years of university education and living expenses of three students selected at the end of the evaluation undertaken by the university administration.

Özyeğin University Equal Opportunities Program
Within the scope of the Equal Opportunity in Education Scholarship Program carried out by Özyeğin University, a student's full scholarship is covered by ING.

Bilkent University Scholarship Program for Girls
Within the scope of Bilkent University Scholarship Program for Girls, support has been provided for the financial and moral needs of two students over a period of five years.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS (As of 31 December 2021)

John T. Mc Carthy
Chairman of the Board of Directors

A. Canan Ediboğlu
Vice Chairman of the Board of Directors

M. Semra Kuran
Member of the Board of Directors and Chairman of the Audit Committee

Martijn Bastiaan Kamps
Member of the Board of Directors and Member of the Audit Committee

Karst Jan Wolters (*)
Member of the Board of Directors

Alper İhsan Gökgöz
CEO and Member of the Board of Directors

(*) BoD Member, Sali Salieski, has resigned from his duty as of 11 August 2021 to continue his career as a senior management position in the Management Team at ING Belgium and Karst Jan Wolters has been appointed as BoD Member.

SENIOR MANAGEMENT (As of 31 December 2021)

Alper İhsan Gökgöz
CEO and Member of the Board of Directors

Ayşegül Akay
Executive Vice President
Wholesale Banking

Bohdan Robert Stepkowski
Executive Vice President
Financial Markets

Günce Çakır
Executive Vice President
Chief Legal Counsel

İhsan Çakır
Executive Vice President
Business Banking

İlker Kayseri
Executive Vice President
Treasury

K. Atıl Özus
Executive Vice President
Financial Control and Treasury

Meltem Öztürk
Executive Vice President
Human Resources

N. Yücel Ölçer
Executive Vice President
Operations

Okan Korkmaz (*)
Chief Audit Executive
Internal Audit

Ozan Kırmızı
Executive Vice President
Retail Banking

Öcal Ağar
Executive Vice President
Credits

Umut Pasin (**)
Executive Vice President
Financial Risk Management

(*) Chief Audit Executive of the Bank, Murat Tursun, has resigned from his duty as of 1 July 2021 to continue his career as an ING Group CAS MT member. Vice President of Risk and Finance Internal Audit of the Bank, Okan Korkmaz, has been appointed as Chief Audit Executive of the Parent Bank as of 1 July 2021.

(**) Umut Pasin has been appointed as Financial Risk Management Executive Vice President per the Board of Directors resolution No. 107/1 and dated 23 December 2020 and after completion of the BRSA process, he started his duty as of 8 February 2021.

INFORMATION ON GOVERNANCE AND CORPORATE GOVERNANCE PRACTICES

The Chairman and Board Members, Appointment Dates, Areas of Responsibility, Education and Experience

The Chairman and Board members of the Bank, as of 31 December 2021 were as follows:

Name and Surname	Title	Appointment Date	Responsibility	Education	Experience	Experience in the sector
John T. Mc Carthy	Chairman of the BoD	25.12.2007	As Stated in the Law	Masters	Worked in various private banks.	51 years
A. Canan Ediboğlu	Vice Chairman of BoD	30.03.2010	As stated in the Law	Masters	Worked in various private companies.	42 years
M. Semra Kuran	BoD Member and Chairman of the Audit Committee	12.03.2018	As stated in the Law	University	Worked in various private companies.	24 years
Martijn Bastiaan Kamps	BoD Member and Audit Committee Member	26.06.2020	As stated in the Law	Masters	Worked in the ING Group.	21 years
Karst Jan Wolters	BoD Member	11.08.2021	As stated in the Law	Masters	Worked in various private banks.	35 years
Alper İhsan Gökgöz	Chief Executive Officer and BoD Member	08.06.2020	As stated in the Law	Masters	Worked in a global management consultancy company.	16 years

Explanations on the Bank Shares Owned by the Chairman and Board Members, Audit Committee Members, Chief Executive Officer and Executive Vice Presidents of the Bank, If Any

The shareholders and capital structure of the Bank as of 31 December 2021 was as follows:

Name Surname / Commercial Title	Share Amount TL	Share Percentage (*)	Paid in Capital TL	Unpaid Amount TL
ING Bank N.V. (*)	3,486,267,793	100.00	3,486,267,793	-
John T. Mc Carthy	1	0.00	1	-
A. Canan Ediboğlu	1	0.00	1	-
Karst Jan Wolters (**)	1	0.00	1	-
Martijn Bastiaan Kamps	1	0.00	1	-
Total	**3,486,267,797**	**100.00**	**3,486,267,797**	**-**

(*) The main shareholder is ING Bank N.V., and each of the four Board Members holds one share with a nominal value of TL 1 (full TL).

(**) 1 share amounting to TL 1 (full TL), belonging to the Member of the Board of Directors, Sali Salieski, who resigned from his duty on 11 August 2021, was transferred to Karst Jan Wolters on 7 September 2021.

The Chief Executive Officer and Executive Vice Presidents have no shares in the Bank.

The Chief Executive Officer and Executive Vice Presidents, Appointment Date, Responsible Areas, Education and Experience

The chief executive officer and executive vice presidents of the Bank as of 31 December 2021 are listed below:

Name and Surname	Title	Appointment Date	Responsibility	Education	Experience	Experience in the Sector
Alper İhsan Gökgöz	Chief Executive Officer and Board Member	08.06.2020 Continuing		Masters	Worked in a global management consultancy company.	16 years
Ayşegül Akay	Executive Vice President	11.06.2008 Continuing	Wholesale Banking	University	Worked in various private banks.	32 years
Bohdan Robert Stepkowski	Executive Vice President	26.01.2016 Continuing	Financial Markets	Masters	Worked in various private banks.	31 years
Günce Çakır	Executive Vice President	22.01.2018 Continuing	Legal Affairs	Masters	Worked in various private companies and private banks.	24 years
İhsan Çakır	Executive Vice President	02.04.2012 Continuing	Business Banking	University	Worked in various private companies and private banks.	28 years
İlker Kayseri	Executive Vice President	20.05.2016 Continuing	Treasury	Masters	Worked in various private companies and private banks.	24 years
K. Atıl Özus	Executive Vice President	01.11.2017 Continuing	Financial Control and Treasury	University	Worked in a global audit company and in various private banks.	28 years
Meltem Öztürk	Executive Vice President	30.10.2019 Continuing	Human Resources	University	Worked in various private companies and management consultancy sector.	25 years
Okan Korkmaz	Chief Audit Executive	01.07.2021 Continuing	Internal Audit	Masters	Worked in a private bank.	22 years
N. Yücel Ölçer (*)	Executive Vice President	01.09.2017 Continuing	Operation	Masters	Worked in a global management consultancy company.	21 years
Ozan Kırmızı	Executive Vice President	26.10.2020 Continuing	Retail Banking	Masters	Worked in a private bank.	15 years
Öcal Ağar	Executive Vice President	01.01.2019 Continuing	Credits	Masters	Worked in various public and private banks.	24 years
Umut Pasin	Executive Vice President	08.02.2021 Continuing	Financial Risk Management	Masters	Worked in various private banks.	20 years

(*) Operations Executive Vice President and ExCo Member, N. Yücel Ölçer, has been appointed COO for Retail Banking at ING Group effective of 1 January 2022. N. Yücel Ölçer will continue to hold this position by proxy until a new assignment is made regarding the role of Executive Vice President for Operations.

Committees
Information about the Credit Committee, Audit Committee, Corporate Governance Committee, Compensation Committee and committees organized under the scope of Risk Management is as follows:

Credit Committee
The Credit Committee is responsible for reviewing loan proposals and approving those whose results yielded a positive evaluation and which are within the authorization limits as determined by the Board of Directors in accordance with the legal boundaries and banking regulations.

Credit Committee decisions are taken directly if there is a unanimous decision, or presented for the approval of the Board of Directors if a majority provides consent.

The Credit Committee meets twice a week in 2021 or according to the urgency of loan offers. The decisions of the Credit Committee are taken unanimously.

As of 31 December 2021, the Credit Committee consisted of the following members:

- John T. Mc Carthy, Chairman (Chairman of the BoD)
- A. Canan Ediboğlu, Member (Vice Chairman of the BoD)
- Karst Jan Wolters, Member (BoD Member)
- Alper İhsan Gökgöz, (Chief Executive Officer and BoD Member)

Audit Committee
The duties and responsibilities of the Audit Committee have been determined in accordance with the provisions of the Regulation on Banks' Internal Systems and Internal Capital Adequacy Evaluation, promulgated in issue 29057 of the Official Gazette, dated 11 July 2014 and other relevant regulations.

The Audit Committee convened 4 times in 2021 and its members attended the meetings.

As of 31 December 2021, the Audit Committee consisted of the following members:

- M. Semra Kuran, Chairman (BoD Member)
- Martijn Bastiaan Kamps, Member (BoD Member)

Corporate Governance Committee
The Corporate Governance Committee consisted of the following members in accordance with the Banking Law and Regulation on the Corporate Governance Principles of Banks:

- A. Canan Ediboğlu, Chairman (Vice Chairman of the BoD)
- John T. Mc Carthy, Member (Chairman of the BoD)

During 2021, the Corporate Governance Committee held 5 meetings.

Compensation Committee
The Compensation Committee was redesigned in accordance with the decision 26-1 of the Board of Directors dated 25 March 2021. As of 31 December 2021, the Compensation Committee consisted of the following members in accordance with the Banking Law and Regulation on the Corporate Governance Principles of Banks:

- John T. Mc Carthy, Chairman (Vice Chairman of the BoD)
- A. Canan Ediboğlu, Member (Chairman of the BoD)

The Compensation Committee convenes at least twice annually.

Executive Committee
The Executive Committee was established to carry out the requirements of the BRSA Regulation on Internal Systems of Banks and the Regulation on Corporate Governance Principles of Banks. The Executive Committee convenes twice a month or in line with the needs of the Bank and consists of the following members. All Executive Board Members attend the meetings unless they have an excuse.

As of 31 December 2021, the Executive Committee consisted of the following members:
- Alper İhsan Gökgöz, Chairman (Chief Executive Officer and BoD Member)
- Ayşegül Akay, Member (Executive Vice President, Wholesale Banking)
- İhsan Çakır, Member (Executive Vice President, Business Banking)
- K. Atıl Özus, Member (Executive Vice President, Financial Control and Treasury)
- Meltem Öztürk, Member (Executive Vice President, Human Resource)
- N. Yücel Ölçer, Member (Executive Vice President, Operations)
- Ozan Kırmızı, Member (Executive Vice President, Retail Banking)
- Öcal Ağar, Member (Executive Vice President, Credits)

Asset and Liability Committee

The main responsibility of the Asset and Liability Committee is to evaluate and manage balance sheet developments, perform risk management and ensure that appropriate actions are taken by the responsible parties.

Risk limit proposals are evaluated by the Asset and Liability Committee whose members include the CRO and CEO. These limits are presented for the approval of the Board of Directors after the notification of the Audit Committee. The Asset and Liability Committee regularly revises risk limits and adjusts the limits according to changes in market conditions and the Bank's strategy.

The Asset and Liability Committee convenes once a month.

As of 31 December 2021, the following members were serving on the Asset and Liability Committee:
- K. Atıl Özus, Chairman (Executive Vice President, Financial Control and Treasury)
- Alper İhsan Gökgöz, Member (Chief Executive Officer and BoD Member)
- Ayşegül Akay, Member (Executive Vice President, Wholesale Banking)
- İhsan Çakır, Member (Executive Vice President, Business Banking)
- İlker Kayseri, Member (Executive Vice President, Treasury)
- Ozan Kırmızı, Member (Executive Vice President, Retail Banking)
- Öcal Ağar, Member (Executive Vice President, Credits)
- Umut Pasin, Member (Executive Vice President, Financial Risk Management)

The Audit Committee held a meeting with the Executive Committee in January 2021. Again during the year, the Audit Committee held meetings and shared information with the managers of the units within the scope of internal systems in line with the agenda determined in advance. In addition, the Audit Committee merged with the head of the Internal Audit to assess the developments and findings and share information related with the audit activities.

Meetings of the Board of Directors are regulated under Article 19 of the Bank's Articles of Association entitled "Distribution of Duties, Meetings and Resolutions of the Board of Directors". The Board of Directors is responsible for evaluating and deciding on matters related to the Bank within the framework of the authorities vested by the Bank's Articles of Association and laws and regulations. The majority of the decisions of the Board of Directors are taken unanimously, and 9 physical meetings were held by ensuring the required quorum of decisions. Interim meetings are also held according to need, and decisions are taken by majority vote. All members attend the meetings unless they have an excuse.

Unless the Chairman, Vice Chairman or any of the members request negotiation, resolutions can be taken with the written consent of others over a specific recommendation.

Human Resources and Training at ING

ING's human resources constitute the most important strength in realizing its commitment to high service quality and customer satisfaction. ING carried on developing innovative human resources processes in line with its strategies and targets in 2021, as well.

ING Human Resources management focuses on three fundamental aspects so as to support ING's strategies.

The first one of these aspects is extending the highest-level of support to the talent cycle of employees at every stage. The talent cycle is a process that begins with attracting and training the human capital that will carry ING and themselves one step ahead in line with the Orange Code.

In 2021, senior students and new graduates from Turkey's leading universities showed intense interest in ITP (International Talent Program) designed to train the future leadership of ING.

The second area of focus for ING Human Resources management is to foster the organizational climate so as to boost the happiness, productivity and creativity of the employees. ING has formulated a corporate culture and leadership climate roadmap, which is highly unlikely to be matched in its sector. Under the program in place, the Bank achieved results that reflect positively on its financial results, as well as climate and employee engagement surveys.

Diversity and inclusion approach is the third aspect that ING Human Resources management addresses. In this context, the Diversity and Inclusion Manifesto was published in 2020, which underlines under the approach named "= ING" that we have equal opportunities above and beyond all differences and we are equal in our career and in the way we all are treated. In 2021, diversity and inclusion approach was celebrated with events organized in October concurrently with all ING countries.

In 2021, Human Resources authored numerous novelties by virtue of its employee experience in parallel with ING's innovative genetic code, and evolved its working environment into an exemplary one in the sector.

Recruitment Processes

The priority of ING Human Resources is to accurately transfer the employer brand to the target audience, to recruit young talent and experienced professionals to ING and to find and hire the most suitable candidates for the positions in the fastest way through recruitment processes that care about the candidate experience. In addition to the technical knowledge and skills required by the relevant job description, compliance with ING's "Step-up" performance culture, ethics and Orange Principles (undertaking and performing, helping others succeed and always being one step ahead) are also evaluated.

It is essential that all open positions are first announced in-house and that ING employees are offered different career opportunities.

All evaluation and decision processes are carried out in line with the principles of equality, fairness and diversity. In 2021, a total of 188 ING employees applied for career opportunities, switching to different branches and positions, and 63 employees who submitted internal applications by taking the helm of their career were promoted to executive positions.

With its colorful corporate culture, flexible working conditions and global career opportunities, ING continued to be one of the most striking brands at university campuses and to be introduced to students at hundreds of events.

ING meets university students through virtual and face-to-face interviews, workshops and case studies, career stories and company visits, and helps them acquire the knowledge and skills they will need to go one step further in their careers. In this way, ING discovers young talent before graduation and offers these young people internships, part-time and periodic work opportunities.

In line with ING's strategies and transformation, experienced and newly graduated candidates with a high digital focus, engineering and analysis skills, coding, artificial intelligence, and data science knowledge were given priority in the 2021 recruitment processes. 2 new graduates joined ING under the digital recruitment process carried out within the scope of the "Mobile Developer Program".

The "International Talent Program (ITP)", which aims to train global ING leaders, aims to transfer newly graduated ING employees whose development is supported by international training and tasks to senior management roles. Within the program, new graduates from countries where the ING Group operates are selected every year and these young people are trained in areas of their choices. After a two-year program which includes international training programs, internationally accredited certificate programs, domestic and global rotation opportunities, young talented individuals continue their careers taking into consideration the alternatives at ING global.

In the online event held in 2021, candidates had the opportunity to get to know ING and its business lines in detail. In the event young talents were included in the case analysis groups according to the business lines they chose. Among them, 12 new graduates who successfully completed the program started to work at ING.

Career Management Process

ING has adopted the principle of meeting its needs for experienced human resources primarily from its existing employee body in order to support the development of its existing employees, to help them advance in their careers and to strengthen its corporate culture.

The Bank supports this goal at the highest level by implementing two different career programs that complement each other. The first one is the "Career Steps" program, which has been implemented since 2013 to further invest in the career goals of employees working at branches.

ING is committed to adopting a rigorous approach to the performance of its employees, their strengths and weaknesses, their tendencies and aspirations, and offers them positions in which they will be able to make the most of their capabilities. To this end, the Bank provides guidance to employees to help them organize their future. This program has established a success oriented system to support the development of ING employees by offering them a chance to be transferred to other business lines within the Bank, while also fulfilling ING's needs for human resources internally.

Career Opportunities is another program implemented by ING to provide its employees with suitable career opportunities.

The Career Opportunities program, which was introduced in 2013 mainly to announce career opportunities in the Head Office units, is a process in which the Bank's needs are shared transparently with all employees, and employees are encouraged to put themselves forward as candidates. In 2019 the implementation of the program continued with a broadened content. As of 2019, all positions have started to be announced through this process.

Career opportunities are announced on the ING intranet, which lets benefiting from employees' skills in different areas across the Bank by allowing interdepartmental transfers and through which employees have the opportunity to acquire new talents and abilities thanks to rotation. All vacant positions at the Bank, including but not limited to manager, director and executive vice president positions, are announced on the Career Opportunities website, and everyone is provided equal opportunities under a fair assessment process. In addition, access is provided to different career opportunities where candidates could use their knowledge, skills and competence.

In addition, the Career Week was organized for the first time in October 2021, during which employees were provided with detailed information about all career opportunities and tools (Individual Development Plan, Assessment and Development Tools, Career Progress Talks, etc.) at ING Turkey.

"Local STA" that was launched for the first time during the Career Week, "Double Major", and "Orange Guest" HR implementations are intended to let the Bank's employees explore and experience different career paths.

Local STA Program

Under the program, an employee works in a different department for a certain period of time.

Double Major Program

An employee works in a different section than his/her own team for one or two days a week. This experience is intended to let the employees explore diverse opportunities and areas along their career paths.

Orange Guest Program

Under the program designed to increase synergy and empathy between teams and to let an employee acquire knowledge about a given job in different units, an employee is assigned to a different team than his/her own as a guest, during which time he/she performs the job of the role that is being visited.

Promotion Process

The promotion process at ING has been tailored to ensure that all employees who can work with a higher title are promoted within the framework of staff opportunities with high performance behavior, professional knowledge and skills, education level and awareness of responsibility in order to adequately take account of qualified human resources.

In 2021, a total of 451 employees were promoted, 129 in the branches and in the regional offices, 322 in the Head Office. Moreover, 100% of the branch managers appointed in 2021 were from within the Bank.

Training and Talent Management Programs

ING employees are constantly supported with training programs from their first day at the Bank. Professional and personal development classroom training programs, which are designed to build on the employees' knowledge and skills in their current or future positions, are diversified also with digital education methods, hence providing improved performance.

In addition to classroom programs designed specifically for each business line branch employees are assigned to, other modules enriched with on-the-job training, mentoring, personal development trainings and e-trainings are also formulated in line with ING's strategies.

During 2021, more than 950 ING employees attended branch training programs, and the Bank organized 5 days of classroom/online training per person on average.

The training modules offered as part of continuous learning, one of ING's key strategies, and digitalization were moved to the digital environment during the pandemic. Employees received a total of 38 hours of training per person on average, breaking down as 20 hours of classroom/online training and 18 hours of e-training.

With the opportunity provided to attend the training programs any time anywhere, offering the existing classroom trainings on the virtual environment and remote post-training retention activities continue to increase the effectiveness of technology-based systems.

Custom-designed Management Development Programs are available for all management levels at the Bank. The "Think Forward Leadership Experience" program, which was launched in 2018 to ensure dissemination of a homogenous leadership culture across all ING countries, began to be offered digitally this year. In addition to these global sessions, the preparations started for translating the program into Turkish in 2021 and it is planned to hold sessions also in Turkish in the future.

The Way of LeadING at ING, a modular training program, is intended to equip the newly promoted or newly onboarded managers with the competencies that will keep them a step ahead as they develop themselves, their teams and business.

In 2021, "Orange Development Journey" program was initiated for those employees in branch and head office sales teams who satisfy the defined criteria set. 43 employees were included in the program that is designed for taking the employees one step ahead in their existing roles and for preparing them for the future, and they took part in a comprehensive training and development program that comprises of behavioral and technical training programs.

Within the scope of ING's data-driven strategy, the one-year Data Science Certification Program, which was initiated in 2018 in cooperation with Özyeğin University, one of Turkey's leading universities, continued in 2021. A total of 42 employees making up the fourth, fifth and sixth batch of graduates of the program custom-tailored by the university for ING received their Data Science Certificates after completing the intensive training program and their graduation projects developed based on the Bank's needs. The ING'ers who successfully completed the program and have been awarded certificates will have the opportunity to further specialize in their fields by pursuing graduate or post-graduate programs at Özyeğin University.

In line with ING's digitalization strategy, 26 people graduated from the "Digital Certificate Program" organized in cooperation with Sabancı University with the aim of building on employees' competencies. The 2nd group training program, which started in 2021 and will last for 4 months, continues with 27 participants.

With the aim of building on mobile application development competencies of its employees working on technology teams, " Mobile Application and Development Program" was introduced in collaboration with Sabancı University; 24 people graduated from this four-month training program.

TrainING/LeadING Week (training summit weeks), which is being organized for ING Head Office, Kahramanmaraş Operation Center and branch employees to promote their self-development and leadership skills, continues to be held as a first in the sector. A total of 1,201 people participated in 66 different training sessions and lunch-break talks (for a total of 2,578 participations), which provided employees with the option to make a selection according to their improvement areas.

"Development Suggestions Booklet" was prepared and shared with all employees, which covers e-learning, videos and articles for supporting competency building of ING employees.

The ITP (International Talent Program) that aims to raise the ING leaders of the future is held regularly every year. With 12 new graduates who joined the Bank in 2021, the number of ITP employees reached 40. The ITP employees undergo various rotation programs at ING for one year according to their chosen career paths, and go on international rotation (STA-Short Term Assignment) in another ING country. In 2021, 2 ITP employees were given international assignments within this scope.

Developed by the Talent and Development Management Team to build on managers' interviewing skills within the scope of Recruitment 1-2-3, the new recruitment model introduced in 2021, and shared with other ING countries, the training started to be implemented for all managers who recruit. While two sessions of the training were completed in 2021, the other sessions will be held in 2022.

ING talent implementations promote and encourage employees to lead their own development processes. The Individual Development Plan (IDP) lies at the center of these implementations. IDP is an effective tool that helps employees think and plan their individual development needs and goals. The Individual Development Plan (IDP) is comprised of three parts.

Planning for the Present
Enables identification of development actions that will allow an employee to be more efficient in his/her current role.

Planning for the Future
Enables identification of development actions that will prepare an employee for his/her next role or expand his/her existing role at ING.

Planning Further
Enables identification of development actions that will help an employee prepare for a new external role or career now or in the future.

Corporate Culture
The ING Group constantly monitors its organizational climate and employee engagements through OHI (Organizational Health Index) survey.

OHI is a global survey designed to obtain a clear idea about the organization's health, to measure the ability of the organization to align behind common goals and to succeed in the long term. Focusing on key organizational skills and capabilities such as leadership, innovation and learning, the survey also looks into how the Bank interacts with the customers and the external environment.

OHI Classic and OHI Pulse Surveys were conducted twice, in particular, in 2021.

Helping identify the improvement areas that play a key role in the execution of ING's "Think Forward" strategy and substantially influencing the performance culture pursued across ING, these surveys assist in determining the next steps for the roadmap.

In order to keep OHI actions under close watch, OHI Classic and OHI Pulse Surveys were conducted in 2021 (in May and November) for improving our organizational health, keeping up the momentum, communications, and quickly responding to employee feedback. The survey results demonstrated that the Bank's operation in Turkey made a differentiation and displayed a performance above all ING countries particularly in innovation and learning, leadership and working environment. The results from the survey also show that the culture that is envisaged to be created within ING is growing stronger by the day.

The Continuous Listening program is a tool that transforms the corporate culture and leadership climate at the Bank into an organization where employees love to work, are happy and proud to be a part of, and at the same time helps employees sustain their success. In order to successfully execute the program at ING, meetings were held with the senior and regional management of each business line throughout 2021; findings from the surveys conducted during the year were evaluated and awareness of the topic was raised. The Bank's survey score, which was 77 in the previous period, rose to 80, a score above the average of ING Group and C&G countries.

Aiming to have all its employees say "Glad to be an ING'er" by virtue of its culture and working environment, ING targets to maximize employee engagement and to be the most liked bank in the sector with its sustainable and pioneering initiatives.

Performance Management and Remuneration

ING believes that it will contribute to profitability and growth if employees have measurable goals and a shared success culture where they unite and work together to attain these goals.
The Step Up performance process, which is a real-time development and progress process, helps each ING employee to reveal his or her hidden potential through in-depth self-probing, while providing an opportunity to raise their self-awareness and build on their competencies with a feedback culture.

Along this line, the ING performance management system, "Success@ING", is designed to assess all employees under the headings of business objectives, Orange Code behaviors, and targets that transcend objectives and borders. The system uses the results as input for determining employees' career opportunities, talent programs, training plans, wages and benefits.

ING has a documented remuneration policy which is consistent with the scope and structure of its activities, strategies, long-term objectives and risk management structures to prevent excessive risk taking and to contribute to effective risk management. This policy is competitive, fair and consistent in parallel with employees' contributions to ING. The Remuneration Policy sets out the remuneration principles and rules which apply to ING's senior management including the Board of Directors, Chief Executive Officer, the Executive Committee, and Executive Vice Presidents, and to all Bank employees.

The effectiveness of the related policy is reviewed at least once a year by the Compensation Committee, which consists of two non-executive Board members. The Committee evaluates the remuneration policy and its implementation within the framework of risk management principles and submits its recommendations to the Board of Directors annually in a report. During the review, the Board of Directors and the Compensation Committee focus on ING's transparency, performance criteria and measurement, as well as the prevention of excessive risk taking.

The Board of Directors ensures that the remuneration of the Board members, senior management and other relevant personnel (as per the applicable regulations) is consistent with ING's ethical values, internal balances and strategic objectives. The responsibilities assigned to the members of the committee, which is composed of the members of the Board of Directors, are taken into account with respect to their remuneration.

ING's remuneration structure consists of fixed and variable components. In the event that a decision is made by the Board of Directors to pay a bonus, the employee becomes entitled to a variable pay based on performance and within the framework of the criteria determined based on the working period. Criteria related to the job descriptions and distribution of employees and performance-based incentive payments are determined and announced by senior management.

Payments to employees in the internal control, internal audit and risk management units are determined independently of the performance of the units they audit or supervise or control, and the performance of the employee's own function is taken into account in this respect.

The variable pay is linked to performance according to financial and non-financial performance criteria determined by ING. These criteria take into account various parameters such as the return on capital, profitability, efficiency and customer satisfaction ratio.

In evaluating the performance of qualified employees, besides their personal goals, the performance criteria of ING and ING N.V. are taken into consideration together, and they may vary depending on the person. The principles of integrity, loyalty and mutual trust are taken as basis in variable payments to employees. In the event of actions or omissions that may result in material/moral damage to ING, loss of reputation or violation of legislation, variable payments to an employee may be withdrawn, postponed or cancelled.

The method of payment of variable pays to qualified employees is determined within the framework of the "Guidelines on Good Compensation Practices in Banks ". At least 40% of the variable pay shall be deferred for a period of not less than 4 years, and at least 50% is paid in non-cash form (shares of ING N.V.).

Branch employees are entitled to a bonus consistent with their performance against the targets set within the Success Showcase report card by the respective business lines at the beginning of each quarter, and the premium amounts earned are paid to them at the end of each quarter.

Within the framework of the Guidelines on Good Compensation Practices in Banks, members of the senior management and ING staff deemed to be performing a function which has a significant impact on the Bank's risk profile were classified as qualified employees. As at end-2021, a total of 22 qualified employees were working at ING.

The share of performance-based variable payments to all top managers within total personnel expenses was 11.25%.

The Working Environment at ING

The work for the transformation journey for "ING's Agile Working Model", which was launched in all ING Group countries and which will let ING Turkey to operate in harmony with the global business, have begun for the "Product and Channel Development Teams" by early 2020.

The aim of the agile working model is to be able to more quickly respond to evolving customer needs, go beyond the conventional banking notion to introduce new service and business models much more quickly, and accelerate innovation.

The aim for product and channel development teams involved in the transformation process is to have them work as teams that are capable of organizing and making decisions within themselves, and of communicating faster and transparently.

The transformation process at the Bank has taken place as at the third quarter of 2020. As of the end of 2021, approximately 800 employees work with the agile working model.

Being the first private bank to offer teleworking and flexible working models to its employees, ING authored yet another first in the sector, and developed four additional working in 2020.

These models include teleworking full-time, teleworking for one week of each month, and compressed work weeks consisting of working three or four days a week. New working models designed based on the approach "You first become yourself and then an ING'er" has started to be applicable from 1 January 2021, and continues as our permanent practice.

The new flexible working models:

Flexi365

This model is available to all employees at the Head Office and the Operations Center in Kahramanmaraş, to the extent allowed by the nature of their roles and regulations. ING'ers who are deemed eligible depending on their respective business lines or roles will be able to telework five days a week, if they so wish.

Flexi One Week a Month

Available to Head Office and Kahramanmaraş Call Center employees, this model consists of one week of teleworking and three weeks of in-office presence. Regardless of the working model they belong to, ING'ers will be able to work from wherever they wish in the third week of every month.

Flexi 3 Days a Week and Flexi 4 Days a Week

Under this model that is available to all employees to the extent allowed by the nature of their roles and regulations, eligible employees will be able to work 3 or 4 days a week as they wish.

ING's innovative human resources practices continue to be backed by initiatives targeted at women. In the HeforShe dinners organized within the scope of the UN's "HeforShe" campaign, different groups of ING women come together and share ideas on how to improve the work-life balance.

With the inspiration drawn from these conversations and in a bid to support the work-life balance of ING mothers and fathers by giving them more family time, special "Orange Day with my Child" and "I'm Having a Baby" days off were introduced in 2016, following the introduction of special leave for "First Day of School", which was introduced in 2015.

As part of the "Me and My Child" leave:

- The "First Day of School" and "Report Card Day" leaves allow parents with children between the ages of 3 to 14 to be there for their children on the first and last days of school;
- "Orange Day with my Child" allows mothers and fathers to spend one day with their children, regardless of age, as they wish;
- "I'm Having a Baby" leave allows expectant mothers to take 1 day off for their routine examinations every month until the delivery.

CORPORATE GOVERNANCE

Effective from 2018, employees who have a newborn baby are granted a leave of absence for 6 months fully paid. Fathers who have newborn babies are granted a 10-day leave to be used in 1 year so that they can spend time with their children.

Parents whose children are starting kindergarten are entitled to one full day of leave on the first day of the week the nursery is opened, and a half day off on the remaining days of the week.

Another leave called “Orange Cap” has been implemented for parents. Parents whose children graduate from school are entitled to “Orange Cap” leave to be at their graduation ceremony.

Breastfeeding rooms are available at all branches and regional offices, as well as at the Head Office, the İstanbul Operations and Technology Center, Kahramanmaraş Operation and Call Center.

Support for mothers and expectant mothers include a full day off for pregnant employees for their monthly pre-natal check-up and the right to work half an hour less per day, nursing leave, psychological support for those with infants under the age of 12 months, and exemption from night shifts for 3 years in departments which require employees to work the night shift, such as the Customer Solution Centre.

With the scope of “Welcome to ING” implementation, new members of the ING family are entitled to take 14 days off work in their first year.

Under the “Health First” practice, 10 days of administrative leave is provided for employees if any of their 1st or 2nd degree relatives are in hospital.

Established in Kahramanmaraş in 2015 with the IKON brand with the aim of resolving employees’ requests at first contact and facilitating human resources processes, the HR Service Center resolved 10,082 online requests and 9,166 calls within the same day during 2021.

ING rewards employees who make a difference by touching human life and who act as role models with their behavior with the Bank’s “Glad to be (İyi Ki)” Awards. Employees who take the time and action to help others succeed in parallel with the Orange Code and who stand out serve to raise increased awareness, which also reflects positively on corporate culture.

Information on the Transactions the Bank Carries out with its Risk Group

The Bank’s relations with the risk group in which it is included cover all kinds of banking transactions within the framework of the standard bank-customer relationship and within market conditions, in accordance with the Banking Law.

Details of the transactions with the risk group are included in footnote VII of Section 5 of the Disclosures and Footnotes of the Consolidated Financial Statements dated 31 December 2021 and the Disclosures and Footnotes on Unconsolidated Financial Statements.

Information on the Activity Areas of Support Service and the Persons and Organizations from which the Service was received In accordance with the Regulation on Support Services to Banks and Authorization of Support Service Organizations

At the end of 2021, in addition to the companies included in the table, support services were obtained for the retail loan operations from 2,154 stores and dealers.

Number	Support Service Provider	Description of the Support Service Area
1	NN Hayat ve Emeklilik A.Ş.	Bancassurance
2	Provision Bilgi İşlem Sanayi ve Ticaret Anonim Şirketi	Information Systems
3	İdeal Bilişim Hizmetleri San. ve Tic. Ltd. Şti.	Information Systems
4	Fineksus Bilişim Çözümleri Ticaret Anonim Şirketi	Information Systems
5	Kyndryl Global Services İş ve Teknoloji Hizm. ve Tic. Ltd. Şti.	Information Systems
6	F.I.T. Bilgi İşlem Sistemleri Servisleri San. ve Tic. A.Ş. (Foriba)	Information Systems
7	Key İnternet Hizmetleri Bilgisayar Yazılım Donanım Mühendislik Müşavirlik San. ve Tic. Ltd. Şirketi (Key Yazılım Çözümleri A.Ş.)	Information Systems
8	Mirsis Bilgi Teknolojileri A.Ş.	Information Systems
9	Figo Ticari Bilgi ve Uygulama Platformu A.Ş.	Information Systems
10	Globit Global Bilgi Teknolojileri A.Ş.	Information Systems
11	32 Bit Bilgisayar Hizmetleri San. Tic. Ltd. Şti.	Information Systems
12	BGA Bilgi Güvenliği A.Ş.	Information Systems
13	Consulta Yönetim ve Teknoloji Danışmanlığı A.Ş.	Information Systems
14	Barikat BT Bilişim Ticaret A.Ş.	Information Systems
15	Call Center Resources Danışmanlık A.Ş.	Information Systems
16	Amaris Teknoloji İstanbul Danışmanlık Limited Şirketi	Information Systems
17	Innovance Bilgi Teknolojileri A.Ş.	Information Systems
18	Adesso Turkey Bilgi Teknolojileri Limited Şirketi	Information Systems
19	Veripark Yazılım A.Ş./V R P Veri Raporlama Programlama Bilişim Yazılım ve Danışmanlık Hizmetleri Ticaret A.Ş.	Information Systems
20	Bilin Yazılım ve Bilişim Danışmanlığı A.Ş.	Information Systems
21	OBSS Teknoloji A.Ş.	Information Systems
22	Techsign Bilgi Teknolojileri Yazılım ve Tic. A.Ş.	Information Systems
23	MDS AP Tech Yazılım Ürünleri ve Bilişim Hizmetleri Tic. Ltd. Şti.	Information Systems
24	UCS Bilişim Sistemleri Ltd. Şti.	Information Systems
25	Key Yazılım Çözümleri A.Ş.	Information Systems
26	Sahabt Yazılım Danışmanlık ve Eğitim Anonim Şirketi	Information Systems
27	Konut Kredisi Com Tr Danışmanlık A.Ş.	Retail Banking
28	GNY Tanıtım İletişim Hizmetleri ve Dış Tic. A.Ş.	Retail Banking
29	Hangisi İnternet ve Bilgi Hizmetleri A.Ş.	Retail Banking
30	Comdata Teknoloji ve Müşteri Hizmetleri A.Ş.	Call Center
31	Sestek Ses ve İletişim Bilgisayar Teknolojileri San. Tic. A.Ş.	Call Center
32	Pluscom İletişim A.Ş.	Call Center
33	CMC İletişim ve Çağrı Merkezi Hizmetleri A.Ş.	Call Center
34	Assistt Rehberlik ve Müşteri Hizmetleri A.Ş.	Call Center
35	MTM Holografi Güvenlikli Basım Bil. Tek. A.Ş.	Operational Services
36	Payten Teknoloji A.Ş. (Asseco)	Operational Services
37	Loomis Güvenlik Hizmetleri A.Ş.	Operational Services
38	Postkom Basım Posta ve İletişim Hizmetleri A.Ş. (Provus)	Operational Services
39	Datasafe Arşivleme Hizmetleri A.Ş.	Operational Services
40	Tepe Savunma ve Güvenlik Sistemleri Sanayi A.Ş.	Operational Services

41	Austria Card Türkiye Kart Operasyonları A.Ş.	Operational Services
42	Teknosa İç ve Dış Ticaret A.Ş.	Operational Services
43	Fu Gayrimenkul Danışmanlık A.Ş.	Operational Services
44	İpoteka Gayrimenkul Yatırım Danışmanlık A.Ş.	Operational Services
45	Liderler Paz. İth. İhr. San ve Tic. Ltd. Şti. (Modalife)	Operational Services
46	Desmer Güvenlik Hizmetleri A.Ş.	Operational Services
47	3-D Bilişim Teknolojileri Danışmanlık ve Tek. Servis A.Ş.	Operational Services
48	Plastik Kart Akıllı Kart İletişim Sistemleri Sanayi ve Ticaret A.Ş.	Operational Services
49	TT Mobil İletişim Hizmetleri A.Ş.	Operational Services
50	Pronet Güvenlik Hizmetleri A.Ş.	Operational Services
51	Fujifilm Dış Ticaret A.Ş.	Operational Services
52	DM Partner Doğrudan Pazarlama ve Satış A.Ş.	Operational Services
53	Schafer (Aslan Ticaret Dayanıklı Tüketim Malları Ltd. Şti.)	Operational Services
54	Arçelik Pazarlama A.Ş.	Operational Services
55	CBRE Emlak Danışmanlık Ltd. Şti.	Operational Services
56	Bilişim Bilgisayar Hizmetleri A.Ş.	Operational Services
57	Karaca Züccaciye Ticaret ve San A.Ş.	Operational Services
58	Karaca Home Collection Tekstil San. Tic. A.Ş.	Operational Services
59	Migros A.Ş.	Operational Services
60	Hobim Arşivleme ve Basım Hizmetleri A.Ş.	Operational Services
61	AGT Hızlı Kurye Hizmetleri A.Ş.	Operational Services
62	Veriskop Bilişim ve Danışmanlık Hiz. A.Ş.	Operational Services

Evaluation of the Operations of the Audit Committee, Internal Audit, Financial Risk Management, Non-Financial Risk Management and Internal Control Systems

Internal Audit

In 2021, the Internal Audit department, reporting to the Audit Committee, carried out activities to ensure that the activities of the Bank and its subsidiaries subject to consolidation were executed in line with the laws and other related legislation, as well as with internal strategies, policies, principles and objectives and ING Group policies, while ensuring that internal control, risk management and compliance activities were efficient and sufficient, to provide assurance to the Bank's senior management.

In line with the Regulations on the Internal Systems and Internal Capital Adequacy Assessment Process of the Banks and the Regulation on Information Systems and Electronic Banking Services of Banks are defined as controls for information systems and internal audit studies are performed.

The measures that can be taken and the precautions which can be put in place for dealing with the deficiencies, errors and risks determined following periodical and risk based internal audits carried out in all activities, branches, the Head Office units, processes and the subsidiaries subject to consolidation of the Bank were evaluated mutually with the relevant unit managers. Accordingly, solutions are being prepared to increase the quality of service in dialogue with the business units in order to realize a more effective control environment and risk management structure

Financial Risk Management

In addition to regular legal and internal reporting operations, the Financial Risk Management Department works with business units in their existing activities and performs independent analytical studies. It acts as a guide in the determining, monitoring, measurement and management of risks and carries out the necessary measures through the Audit Committee. The activities of the Financial Risk Management Department are divided into 4 groups as Risk and Capital Integration, Market Risk, Credit Risk and Model Risk management.

Risk and Capital Integration

- Within the scope of "Regulation on Internal Capital Adequacy Assessment Process (ICAAP)", ICAAP report and stress test report studies were completed and shared with the BRSA.
- Stress tests and scenario analysis studies aimed at evaluating and measuring all risks which the Bank may be exposed to within the scope of ICAAP in the most efficient way possible, and determining the volume of capital it may need, were prepared and shared with the Board of Directors.
- The policy and implementation principles evaluated within the scope of ICAAP studies and which enable the internalization of the processes were revised and approved by the Board of Directors.

Market Risk Management

Market risk is managed under banking accounts and trading accounts with different product guidelines and risk limits approved by the Board of Directors; and these limits are monitored regularly and the results of the measurements are shared with the Senior Management and the Board of Directors.

The work carried out under the heading of market risk management in 2021 is summarized below:

- "Risk Control and Self-Assessment" related to interest rate and liquidity risks is carried out with the business lines and all business lines in addition to risk parties included in the risk assessment process and risk ownership process.
- Position and sensitivity based limits determined on the basis of interest and exchange rate risk within trading accounts and VaR limits have been revised in accordance with the Bank's risk appetite. These limits are monitored regularly and the results of the measurements are shared with the Executive Management and the Board of Directors.
- Risk measurement methodologies under the umbrella of interest rate risk and liquidity risk in banking accounts have been revised to comply with relevant international regulations and Group policies, and the relevant risk appetite has been updated within the scope of annual assessment.
- In order to ensure that the liquidity risk related to funding is managed in a proactive manner, the risk thresholds and early warning signals determined for deposit movements continue to be monitored.
- Analysis of asset and liability items, including different customer behavioral characteristics such as interest rate sensitivity and optionality was updated regularly and the impact of the results of the analysis on balance sheet risks was assessed.
- In line with changes in the Bank's risk policies, harmonization studies continued in relation to the measurement and management of the risk in consolidated subsidiaries on the basis of volume, quality and complexity.

Credit Risk Management

Credit Risk Management aims to monitor and control the quality and level of activities of the credit facility and to revise the policies, guidelines and limits when necessary in order to identify, measure, report, monitor, control and comply with risk profiles.

In light of this, the work carried out by the credit risk management department under various sub-headings is summarized below:

- For retail customers, model renewal studies for Internal Rating Based (IRB) Probability of Default (PD), Loss at Loss Given Default (LGD) and Amount of Default (AD) models continued.
- Within the scope of the ongoing COVID-19 pandemic, analysis and monitoring activities were carried out in line with regulatory, internal and global requirements, and necessary systemic developments were made.
- Retrospective tests were carried out for TFRS 9 models.
- Thresholds for a significant increase in credit risk for commercial and wholesale portfolio loans have been revised and new values have been implemented.
- The performance of retail and corporate IRB and TFRS 9 models were regularly monitored.
- In addition to monitoring the legal risk limits in accordance with the legislation, risk appetite limits on the basis of portfolios were updated and approved by the Board of Directors.
- Within the framework of new limits, the limits in the loan portfolio were monitored on a monthly basis and reported to the Board of Directors.
- The performance and quality of credit on a portfolio basis, and the changes in the portfolio at a risk level, were closely monitored to ensure risk safety and reported regularly to the Senior Management.

Model Risk Management

- The Model Risk Management Division operates independently of business units and risk divisions to ensure the independence of its work and reports directly to the head of Financial Risk Management.
- The results of validation activities are reported to the Audit Committee and the Board of Directors. Models within the scope of validation are grouped under two headings; regulatory (IRB, TFRS 9 and ICAAP) and non- regulatory (managerial) (allocation, monitoring, pricing, etc. analytical models and methodologies used in their processes). Validation activities are carried out taking into account the characteristics of each model's own methodology and field of use by qualitative and quantitative tests including the process or processes which these models are used.
- As part of these activities, the Validation department also conducts activities such as the establishment, approval, execution and updating of risk management policies, considering best practices of the industry and the domestic and international regulations related to these models.
- Through these activities, 20 models were validated in 2021, 13 of which are subject to official regulations and 7 of which are not subject to official regulation.

Legal and International Regulations

Legal regulations, amended and extended to take account of changes to the risk management approach in the post-global crisis period, have raised the importance of the resources allocated by banks.

Accordingly, the following activities were carried out in 2021:

Internal capital assessment processes were performed, enabling the effective assessment and measurement of all risks which the Bank may be exposed to and which are significant for the Bank, which form an integral part of the Bank's management and decision making process and which provide an opportunity to identify the extent of capital the Bank may need. Within the scope of this process, stress tests and scenario analyses were prepared. In addition, the IRRBB numerical impact study requested by the BRSA was conducted in order to comply with changing international standards regarding interest rate risk arising from banking accounts (IRRBB).

In addition, the policies, procedures and principles of Financial Risk Management, revised and updated procedures and policies according to predetermined review periods, have been approved by the Board of Directors and/or the relevant committees.

With the new provisions regulation coming into force in 2018, TFRS 9 rules for Expected Credit Loss provisions and classification of credits were put into practice. Automation, reporting, improvement and optimization work on TFRS 9 has been continued in 2021.

Due to the Covid-19 outbreak, the necessary actions were taken in accordance with the temporary changes in the number of days of delay taken into account in the definition of default and classification trigger made by the BRSA.

Internal Control Department

The Internal Department has the following functions;

- Checks the compliance of banking transactions with laws, statutes, regulations and all provisions of legislation, Board resolutions and directives, and Head Office instructions set out in accordance with the prepared guidelines.
- Monitors the compliance of the Bank's balance sheet and regulatory reports with the existing laws, regulations, communiqués and circulars.
- Operates to ensure that controls in its activities are bound to specific rules and standardized.
- Maintains an involvement in and provides opinions for the revision of new and existing products, risk control self-assessment and issuance of project documents.

The Bank works to a basic principle of performing internal control activities centrally to cover the activities of all units and in branches in a risk oriented manner and establish control points to pre-emptively prevent risks before they arise and mitigate and manage any risks.

In 2021, control activity was carried out in all branches. The internal auditors in the Branches Internal Control Group communicated with the branch to ensure that the determined issues were resolved during the internal control process, and that those issues not resolved during the process were monitored centrally the closing of the findings are continued from the center.

Business units are notified of urgent issues and issues of a special nature are transferred to the Internal Audit Department and relevant units.

The Head office and Subsidiaries Internal Control Department carries out control activities from the center within the framework of the control points in the control inventory and carries out control activities during the year in the subsidiaries determined within the control plan.

Internal control activities are carried out based on the prepared control points. Control points are kept up-to-date to reflect amendments in regulations and changes in products and services, and applied immediately to control activities. While new control points are added in parallel with changes in legislation, controls which are outdated are terminated.

Operational and Information Risk Management

The 7 operational risk categories identified in the June 2006 Basel-II study report which have been enriched by ING are assessed in the 10 risk categories referred to as "non-financial risks". These categories are Compliance Risks, Control Risks, Unauthorized Activity Risks, Process Risks, Employment Implementation Risks, Personal and Physical Security Risks, Continuity Risks, Internal and External Fraud Risks and Information Technology Risks.

The role of Operational and Information Risk Management is to ensure the Bank's compliance with the Operational Risk Management Framework, local and international regulations relevant for the Bank and to act as the second line of defence for effective management of nine Non-Financial Risk Categories other than Compliance Risks.

The Operational and Information Risk Management executes this role with the following tasks:

- Determining the Non-financial Risk Appetite,
- Providing opinion on risk assessments and contingency plans regarding support services to be received in accordance with the Regulation on Receiving Support Services of Banks, Outsourcing and outsourcing services within the scope of the Regulation on Information Systems and Electronic Banking,
- Assessment of operational and technological risks related to new products and services in accordance with the Regulation on Internal Systems of Banks, acting as the point of monitoring and precaution to ensure all risks are included in the assessment based on the New Product and Services Approval Process and taking part in improvement of processes to minimize operational risks,
- Taking part in risk assessments, conducting inquiries, providing consultancy and monitoring remedial actions,
- Advising the management on actions to be taken against operational risks detected as a result of risk assessments and/ or an incident,
- Advising on the identification process of Key Risk Indicators (KRI), monitoring, carrying out the annual review and ensuring that actions are taken in response to orange/red signals,
- Monitoring the design and effectiveness of key controls, assessing the processes for SOX and Key Control Tests and expressing opinions,
- Scenario Analyses Related to Non-financial Risks,
- Recording and reporting of Incidents Subject to Operational Risk,
- Ensuring the quality of data entry and controls to the ING Risk Monitoring System (iRisk), iRisk reporting and data in the system,
- Coordination and Management of Nonfinancial Risk Committee (NFRC) Processes,
- Preparing Non-financial Risk Indicator Panel (NFRD) quarterly and reporting it to the Non-financial Risk Committee, Audit Committee and Board of Directors,
- Recording and reporting of events subject to operational risk,
- Providing consultancy and training to Bank employees on operational and information risks,
- Ensuring that a control plan is created every year to show the planned inspections to be carried out during the year and submitting to the approval of the Non-Financial Risk Committee,
- Expressing opinion and providing consultancy on IT risks; supporting the operations of business lines and units under Technology within this scope, identifying and monitoring risk reducing actions,
- Conducting quality assurance studies at least 10 times a year, reviewing information systems controls,
- Ensuring the creation of Local Knowledge and Continuity Risk Nature,
- Examining of the Local Data Classification Table and ensuring that it is reviewed annually,
- Identification and classification of information assets within the Bank and providing opinion and consultancy in risk analysis processes to ensure compliance of these assets with the relevant banking regulation, ING policies, procedures and best practice manuals, and approval of the outputs
- Providing support for setting up testing and reporting processes related to crisis management.
- Querying Fraud Reporting Categories and fraud controls within different control frameworks,
- Querying the Anti-Fraud Plan prepared annually and monitoring the actions taken.

Compliance Risk Management

The Compliance Risk Management Department that works under the Audit Committee operates for the establishment of the compliance risk culture within ING and its subsidiaries, and carries out the measurement, assessment, monitoring and reporting of risks for the effective management of compliance risks.

In this context, in order to ensure effective management of compliance risks at the Bank and its subsidiaries, Compliance Risk Management carries out the following activities under 6 sections including Compliance Consulting, Department of Financial Crime Prevention Programs, Compliance Customer and Transaction Monitoring, Compliance Quality Assurance, Relations with Regulatory Bodies and Compliance Coordination:

- Providing guidance to Senior Management and employees regarding the compliance risks defined in ING Policies, increasing the culture of compliance in line with ING values,
- Providing consultancy to senior management and other employees of the Bank in all areas related to compliance risks, including efforts to tackle financial and economic crimes and support effective management of compliance risks.
- Measuring compliance risks, conducts control and monitoring activities.
- Fulfilling the Bank's obligation to report suspicious transactions within the frame of the monitoring activities for preventing laundering proceeds from crime and financing of terrorism,
- Ensuring that measures are taken to ensure the compliance of the Bank's products, processes and operations performed, or planned to be performed, with the regulations in effect, ING standards and policies, and in this context, taking part in risk control self-assessment activities.
- Carrying out activities to raise awareness of the Bank employees regarding the compliance policies and compliance risk management and providing in-house training within the framework of annual training planning.
- Carrying out monitoring activities to ensure the compliance of the Banks' subsidiaries with regulations, ING standards and rules.
- Reporting to the Audit Committee and Non-Financial Risk Committee, which are also members of the Board of Directors.
- Ensuring legislative follow-up and coordination of regulatory relations with the Bank.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1- Statement of Compliance with Corporate Governance Principles

In spite of the fact that our bank's shares are not open to public, the provisions in the legislations have been complied with in maximum, being aware of the importance of corporate governance practices. In this respect, utmost attention has been paid to comply with nearly all of the principles specified in the legislation without giving rise to any conflict of interests.

SECTION I - SHAREHOLDERS

2- Shareholders Relations Department

Since our Bank's shares are not open to public, there is no "Shareholders Relations Department". The transactions about public offering of the bank bonds are carried out by Financial Institutions, Syndication and Debt Capital Markets Group. All kinds of information and explanation, except for the special requests for information by our investors, are given under the menus Relations with Investors and Corporate Governance on our Bank's web site.

3- Exercise of Shareholders' Right to Information

In case of emergence or getting informed of the developments influencing the decision of our investors, they are announced via Public Disclosure Platform. There are documents including various information disclosed to the public under Relations with Investors and Corporate Governance menus on our Bank's website.

During the activity period, a number of meetings were held and all the requests for information were responded. All information requests of our shareholders are provided that they are not commercial secrets or undisclosed information.

In the articles of association of our Bank, there is no regulation about the request of assigning a private auditor. No request has been received by our Bank about assigning a private auditor during the term.

4- Information on General Meetings of Shareholders

Shareholders of the Bank held an Ordinary General Assembly meeting on 25.03.2021. Within scope of Turkish Commercial Code Article 416, the General Assembly was attended by all the shareholders without being called. The notification about the meeting was made to the shareholders two weeks before the meeting in written form as is required by Articles of Association.

Since all the nominative shareholders of our Bank are registered in the Share Ledger, no duration was allotted for registration in the Share Ledger to ensure them to participate in the General Assembly Meeting.

In this General Assembly, the shareholders did not use their right to ask question.

There is no provision in the Articles of Association stipulating that important decisions should be taken by general assembly. In this respect, the legislation in force is implemented.

Minutes of General Assembly are announced in Turkish Trade Registry Gazette within scope of the legislations. Pursuant to the provisions of "Regulation on the Web Sites to Be Opened by Capital Companies" put in effect in May 2013, the minutes of General Assembly are being published on the website of the Bank following the General Assembly, which is open for review by all the shareholders, in the Head Office.

5- Voting Rights and Minority Rights

There is no privilege applied on the voting right of our Bank's shareholders. The companies in reciprocal shareholding did not participate in the voting in general assembly. There's no minority share represented in management. The Bank does not implement cumulative voting.

6- Dividend Policy

There is no privilege granted in participation in the Bank's profit. Except for the arrangement made under Article 32 "Detection of Net Profit", Article 33 "Allocation and Distribution of Net Profit" and Article 34 "Capital Reserves" in Articles of Association of the Bank, there is no other profit distribution policy disclosed to the public. Within the scope of related legislations, decisions for profit distribution are taken and necessary actions are realized in parallel with this.

7- Transfer of Shares

For the transfer of shares, tenors of the Turkish Trade Code are implemented pursuant to the article 10 with the title "Transfer of Shares" of the Bank's Articles of Association.

CORPORATE GOVERNANCE

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

8- The Company Disclosure Policy

Disclosure Policy of our Bank is updated and published on the website of our Bank both in Turkish and English as is required by the legislations we are subjected to. Within the scope of disclosure policy, it is disclosed to the public by "Financial Reporting and Tax Directorate" within the knowledge and approval of our Bank's Board of Directors and Head Office. The disclosures are reported in Corporate Governance Committee.

The main purpose of the Disclosure Policy is to ensure that required information, other than confidential business information, is disclosed to the public, investors, employees, customers, creditors and other relevant parties in a timely, accurate, complete, understandable, convenient and affordable manner, on equal footing.

All kinds of financial information, explanations and disclosures required in line with the Banking Law and the relevant regulations, Capital Markets Board (CMB) Legislation, Turkish Commercial Code, Borsa Istanbul (BIST) Legislation and other relevant legislation, are provided by also taking into consideration the generally accepted accounting principles and the Corporate Governance Policies of the CMB.

The Disclosure Policy has been established by the Bank's Board of Directors. The Board of Directors has the right and the responsibility to disclose information to the public, and to monitor, supervise, and develop the disclosure policy. Coordination of the disclosure function is the responsibility of the Financial Control and Treasury Executive Vice Presidency and Legal Counsellorship. The officials of the aforesaid departments fulfill these responsibilities in close coordination with the Senior Management.

Quarterly financial information of ING, consolidated and unconsolidated financial statements and footnotes have been prepared and audited in accordance with Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, relating appendices and interpretations on these as published by the Banking Regulation and Supervision Agency. Moreover, before declaring the financial statements and its footnotes to public, they are approved by Head of BoD, Audit Committee, CEO and Executive Vice President in charge of financial reporting pursuant to relevant regulations and codes. After approval, financial statements and its footnotes, independent audit report, interim activity report are declared to public in electronic environment as a notification in Public Disclosure Platform (KAP) in line with regulations of Capital Markets Board of Turkey (SPK) and Stock Market of Istanbul (BIST). Interim activity report, which is announced in every quarter of year, includes market positioning of the Bank, general financial performance and other important issues. The financial statements are published in the website of ING after the declaration to public in Public Disclosure Platform.

Year-end consolidated and unconsolidated financial statements are declared in Official Gazette at the end of April following year without footnotes.

The Bank's Board of Directors has the right and the responsibility to develop and to follow up the implementation of the Disclosure Policy. The effectiveness and reliability of the public disclosure process within the scope of the Disclosure Policy are under the supervision and control of the Bank's Board of Directors. The Bank's Board of Directors has the right to amend the policy. The amendments are disclosed to the public and published on the internet website within one week following the amendment.

The implementation of the Disclosure Policy is under the responsibility of the Bank's Senior Management.

9- The Company Website and Its Content

There are disclosures for the public, especially for our investors under the menus "Relations with Investors" and "Corporate Governance" on the website of our Bank. Our disclosures are provided both in Turkish and English.

ING's Website (www.ing.com.tr) is frequently used for informing the public and for disclosure. The website of the Bank includes the information and data required by the legislations. It is paid attention to keep the website up-to-date.

10- Annual Reports

The Bank's Annual Reports cover the information specified in the Corporate Governance Principles, as well as those that are required to be disclosed as per the applicable legislation. Year-end activity reports provide information about the Bank's position in the market, its overall financial performance and other material subjects.

Annual Report is prepared pursuant to the Regulation of "Principles and Procedures Concerning the Preparation of and Publishing Annual Reports by the Bank" which is published by Banking Regulation and Supervision Agency (BRSA) and approved by BoD and independent audit company. Annual Report is declared to public via our web site (www.ing.com) in duration determined by legal regulations.

SECTION III - STAKEHOLDERS

11- Informing Stakeholders

Stakeholders are informed by our Bank on the issues relating to themselves via general assembly meeting minutes, material circumstances disclosures, press releases, meetings, electronic mail and website. There is a corporate intranet for informing the employees.

12- Participation of the Stakeholders in the Management

The employees are always encouraged to participate in the management and their suggestions for improving the business are taken in consideration and rewarded. Customers of the Bank communicate their requests and complaints via branches, website (www.ing.com.tr), Customer Contact Center (0850 222 0 600) and social media.

Within the internal policies & procedures of the Bank approved by our Bank's Board of Directors includes the definition of how the requests, recommendations and complaints of the employees and third parties should be assessed. It is aimed to encourage the change and improvement as well as increasing motivation by assessing and rewarding them.

For all the recommendations found to be appropriate, a working plan is drawn by the relevant units and necessary system developments are carried out. The bank personnel are regularly informed about the recommendations studied and put in effect.

13- Human Resources Policy

ING Human Resources management focuses on three fundamental aspects so as to support ING's strategies.

The first one of these aspects is extending the highest-level of support to the talent cycle of employees at every stage. The talent cycle is a process that begins with attracting and training the human capital that will carry ING and themselves one step ahead in line with the Orange Code.

In 2021, senior students from Turkey's leading universities showed intense interest in ITP (International Talent Program) designed to train the future leadership of ING.

The second area of focus for ING Human Resources management is to foster the organizational climate so as to boost the happiness, productivity and creativity of the employees. ING has formulated a corporate culture and leadership climate roadmap, which is highly unlikely to be matched in its sector. Under the program in place, the Bank achieved results that reflect positively on its financial results, as well as climate and employee engagement surveys.

Finally, Human Resources authored numerous novelties by virtue of its employee experience in parallel with ING's innovative genetic code, and evolved its working environment into an exemplary one in the sector.

The ING Group constantly monitors its organizational climate and employee engagements through powerful global survey: OHI (Organizational Health Index).

OHI is a global survey designed to obtain a clear idea about the organization's health, to measure the ability of the organization to align behind common goals and to succeed in the long term. Focusing on key organizational skills and capabilities such as leadership, innovation and learning, the survey also looks into how the Bank interacts with the customers and the external environment.

In 2021, two "OHI Pulse Survey" was conducted.

Helping identify the improvement areas that play a key role in the execution of ING's "Think Forward" strategy and substantially influencing the performance culture pursued across ING, these surveys assist in determining the next steps for the roadmap.

In order to keep OHI actions under close watch, OHI Pulse Survey was conducted twice in 2021 (in May and November) for improving our organizational health, keeping up the momentum, communications, and quickly responding to employee feedback. These results show that we, as ING in Turkey, make a difference among all ING countries and perform especially with our innovation and learning, leadership and working environment, show that the culture we want to create within ING is getting stronger day by day.

The Continuous Listening program is a tool that transforms the corporate culture and leadership climate at the Bank into an organization where employees love to work, are happy and proud to be a part of, and at the same time helps employees sustain their success. In order to successfully execute the program at ING, meetings were held with the senior and regional management of each business line throughout 2021; findings from the surveys conducted during the year were evaluated and awareness of the topic was raised. As ING in Turkey, we increased our score from 77 in the previous survey to 80, and concluded the survey with a score above the average of ING Group and C&G countries.

Another important issue that ING Human Resources management is dealing with is the diversity and inclusion approach. In this context, the Diversity and Inclusion manifesto was published in 2020. With the approach called "= ING" in the manifesto, it was emphasized that behind all differences we are all equal in opportunities as much as equal in career and in behavior towards each other. In 2021, the diversity and inclusion approach was celebrated with events held in October simultaneously with all ING countries.

Aiming to have all its employees say "Glad to be an ING'er" by virtue of its culture and working environment, ING targets to maximize employee engagement and to be the most liked bank in the sector with its sustainable and pioneering initiatives.

Training and Development

ING employees are constantly supported with training programs from their first day at the Bank. Professional and personal development classroom training programs, which are designed to build on the employees' knowledge and skills in their current or future positions, are diversified also with digital education methods, hence providing improved performance.

In addition to classroom programs designed specifically for each business line branch employees are assigned to, other modules enriched with on-the-job training, mentoring and education are also formulated in line with ING's strategies. During 2021, more than 950 ING employees attended branch training programs, and the Bank organized 5 days of classroom/online training per person on average. The training modules offered as part of continuous learning, one of ING's key strategies, and digitalization were moved to the digital environment during the pandemic, and employees received a total of 38 hours of training per person on average, breaking down as 20 hours of classroom/online training and 18 hours of e-education.

With the opportunity provided to attend the training programs any time anywhere, offering the existing classroom trainings on the virtual environment and remote post-training retention activities continue to increase the effectiveness of technology-based systems.

Custom-designed Management Development Programs are available for all management levels at the Bank. The "Think Forward Leadership Experience" program, which was launched in 2018 to ensure dissemination of a homogenous leadership culture across all ING countries, began to be offered digitally this year. In addition to these global sessions, preparations to conduct these sessions in Turkish language for the program started in 2021 and Turkish sessions are planned to be held in the upcoming periods.

The Way of LeadING at ING program is intended to equip the newly promoted or newly onboarded managers with the competencies that will keep them a step ahead as they develop themselves, their teams and business through the modular training program.

In 2021, the "Orange Development Journey" program was launched for employees who meet the criteria set in the sales teams of branches and headquarters. 43 employees participated in this program, which was designed to take employees one step further in their current roles and prepare them for the future, and participated in a comprehensive training development program including behavioral and technical trainings.

Within the scope of ING's data-driven strategy, the one-year Data Science Certification Program continued, which was initiated in 2018 in cooperation with Özyeğin University, one of Turkey's leading universities. A total of 42 employees making up the 4th, 5th and 6th batch of graduates of the program custom-tailored by the university for ING received their Data Science Certificates in 2021 after completing the intensive training program and their graduation projects developed based on the Bank's needs. The ING'ers who successfully completed the program and have been awarded certificates will have the opportunity to further specialize in their fields by pursuing graduate or post-graduate programs at Özyeğin University.

With the aim of building on our employees' competencies in line with our digitalization strategy, the "Digital Certification Program" was launched in collaboration with Sabancı University and 26 employee has been graduated from this program. This year's program which is attended by 27 participants for 4 months continues.

In order to increase the mobile application development competencies of employees working in technology teams, the "Mobile Application and Development Program" was launched in cooperation with Sabancı University and 24 people graduated from this 4-month training program.

TrainING/LeadING Week (training summit weeks), which is being organized for ING Head Office and K. Maraş and branch employees to promote their self-development and leadership skills, continues to be held as a first in the sector. A total of 1,201 people participated in 66 different training sessions, workshops and quiz shows (for a total of 2,578 participations), which provided employees with the option to make a selection according to their improvement areas.

In order to support the competence development of our employees, the "Development Suggestions Booklet" consisting of e-training, videos and articles was prepared and shared with all of our employees.

In order to raise the ING leaders of the future, the ITP (International Talent Program) is held regularly every year. With 12 new graduates who joined the Bank in 2021, the number of ITP employees reached 40. The ITP employees undergo various rotation programs at ING for one year according to their chosen career paths, and go on international rotation (STA-Short Term Assignment) in another ING country. In 2021, 2 ITP employees were given international assignments within this scope.

Within the scope of the new recruitment model, Recruitment 1-2-3, implemented in 2021, the training developed by the Talent and Development Management Team and shared with other countries of ING in order to improve the interview competencies of managers, started to be applied to all recruiting managers. The other sessions of the training, of which two sessions were completed in 2021, will be held in 2022.

Performance Management

ING believes that it will contribute to profitability and growth if employees have measurable goals and a shared success culture where they unite and work together to attain these goals.

The Step Up performance process, which is a real-time development and progress process, helps each ING employee to reveal his or her hidden potential through in-depth self-probing, while providing an opportunity to raise their self-awareness and build on their competencies with a feedback culture.

Along this line, the ING performance management system, "Success@ING", is designed to assess all employees under the headings of business objectives, Orange Code behaviors, and targets that transcend objectives and borders. The system uses the results as input for determining employees' career opportunities, talent programs, training plans, wages and benefits.

ING has a documented remuneration policy which is consistent with the scope and structure of its activities, strategies, long-term objectives and risk management structures to prevent excessive risk taking and to contribute to effective risk management. This policy is competitive, fair and consistent in parallel with employees' contributions to ING. The Remuneration Policy sets out the remuneration principles and rules which apply to ING's senior management including the Board of Directors, Chief Executive Officer, the Executive Committee, and Executive Vice Presidents, and to all Bank employees.

The effectiveness of the related policy is reviewed at least once a year by the Compensation Committee, which consists of two non-executive Board members. The Committee evaluates the remuneration policy and its implementation within the framework of risk management principles and submits its recommendations to the Board of Directors annually in a report. During the review, the Board of Directors and the Compensation Committee focus on ING's transparency, performance criteria and measurement, as well as the prevention of excessive risk taking.

The Board of Directors ensures that the remuneration of the Board members, senior management and other relevant personnel (as per the applicable regulations) is consistent with ING's ethical values, internal balances and strategic objectives. The responsibilities assigned to the members of the committee, which is composed of the members of the Board of Directors, are taken into account with respect to their remuneration.

ING's remuneration structure consists of fixed and variable components. In the event that a decision is made by the Board of Directors to pay a bonus, the employee becomes entitled to a variable pay based on performance and within the framework of the criteria determined based on the working period. Criteria related to the job descriptions and distribution of employees and performance-based incentive payments are determined and announced by senior management.

Payments to employees in the internal control, internal audit and risk management units are determined independently of the performance of the units they audit or supervise or control, and the performance of the employee's own function is taken into account in this respect.

The variable pay is linked to performance according to financial and non-financial performance criteria determined by ING. These criteria take into account various parameters such as the return on capital, profitability, efficiency and customer satisfaction ratio.

In evaluating the performance of qualified employees, besides their personal goals, the performance criteria of ING and ING NV are taken into consideration together, and they may vary depending on the person. The principles of integrity, loyalty and mutual trust are taken as basis in variable payments to employees. In the event of actions or omissions that may result in material/moral damage to ING, loss of reputation or violation of legislation, variable payments to an employee may be withdrawn, postponed or cancelled.

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The method of payment of variable pays to qualified employees is determined within the framework of the "Guidelines on Good Compensation Practices in Banks". At least 40% of the variable pay shall be deferred for a period of not less than 4 years, and at least 50% is paid in non-cash form (shares of ING NV).

Branch employees are entitled to a bonus consistent with their performance against the targets set within the Success Showcase report card by the respective business lines at the beginning of each quarter, and the premium amounts earned are paid to them at the end of each quarter.

Within the framework of the Guidelines on Good Compensation Practices in Banks, members of the senior management and ING staff deemed to be performing a function which has a significant impact on the Bank's risk profile were classified as qualified employees. As at end-2021, a total of 22 qualified employees were working at ING.

The share of performance-based variable payments to all top managers within total personnel expenses was 11.25%.

Career Management

ING has adopted the principle of meeting its needs for experienced human resources primarily from its existing employee body in order to support the development of its existing employees, to help them advance in their careers and to strengthen its corporate culture.

The Bank supports this goal at the highest level by implementing two different career programs that complement each other. The first one is the "Career Steps" program, which has been implemented since 2013 to further invest in the career goals of employees working at branches.

ING is committed to adopting a rigorous approach to the performance of its employees, their strengths and weaknesses, their tendencies and aspirations, and offers them positions in which they will be able to make the most of their capabilities. To this end, the Bank provides guidance to employees to help them organize their future. This program has established a success oriented system to support the development of ING employees by offering them a chance to be transferred to other business lines within the Bank, while also fulfilling ING's needs for human resources internally.

Career Opportunities is another program implemented by ING to provide its employees with suitable career opportunities.

The Career Opportunities program, which was introduced in 2013 mainly to announce career opportunities in the Head Office units, is a process in which the Bank's needs are shared transparently with all employees, and employees are encouraged to put themselves forward as candidates. In 2019 the implementation of the program continued with a broadened content. As of 2019, all positions without exception continued to be announced through this process.

Career opportunities are announced on the ING intranet, which lets benefiting from employees' skills in different areas across the Bank by allowing interdepartmental transfers and through which employees have the opportunity to acquire new talents and abilities thanks to rotation. All vacant positions at the Bank, including but not limited to manager and director positions, are announced on the Career Opportunities website, and everyone is provided equal opportunities under a fair assessment process. In addition, access is provided to different career opportunities where candidates could use their knowledge, skills and competence.

In addition, all career opportunities and tools (Individual Development Plan, Evaluation and Development Tools, Career Development Talks, etc.) in ING in Turkey were explained to our employees during the Career Week held for the first time in October 2021.

"Local STA", "Double Major", "Orange Guest" HR applications were launched for the first time during the Career Week for our employees to discover and experience different career paths.

Local STA Program: It is the assignment of an employee in a different department in ING in Turkey for a certain period of time.

Double Major Program: It is the employee's work in a different department from his/her team, part-time (1 or 2 days a week). The purpose of this experience is to enable the employee to explore different opportunities and areas in his career path.

Orange Guest Program: In order to increase synergy and empathy between the teams and to enable the employee to obtain information on the work related to different units, he/she goes to a different team from the team he/she is in for a certain period of time, and does the job in the role he/she went to as a guest during this period.

ING talent practices also encourage employees to be the leader of their own development process. The Individual Development Plan (IDP) takes place at the center of these practices. The IDP is an effective tool that helps the employee think and plan for personal development needs and goals. The Individual Development Plan (IDP) consists of three parts:

These;
- Planning for Now: Allows the employee to identify improvement actions that will help him be more effective in her/his current role.
- Planning for the Future: Allows the employee to identify developmental actions that will prepare them for their next role at ING or help them expand their current role.
- Planning for Beyond: Allows him to identify developmental actions that will help him prepare for a new role or career outside of ING, now or in the future.

Social Benefits
The work for the transformation journey for "ING's Agile Working Model", which was launched in all ING Group countries and which will let ING in Turkey to operate in harmony with the global business, have begun for the "Product and Channel Development Teams" by early 2020.

The aim of the agile working model is to be able to more quickly respond to evolving customer needs, go beyond the conventional banking notion to introduce new service and business models much more quickly, and accelerate innovation.

The aim for product and channel development teams involved in the transformation process is to have them work as teams that are capable of organizing and making decisions within themselves, and of communicating faster and transparently.

The transformation process at the Bank has taken place as at the third quarter of 2020. As per 2021 year end approximately 800 employees have switched to the agile working model.

Being the first private bank to offer teleworking and flexible working models to its employees, ING authored yet another first in the sector, and developed four additional working in 2020.

These models include teleworking full-time, teleworking for one week of each month, and compressed work weeks consisting of working three or four days a week. New working models designed based on the approach "You first become yourself and then an ING'er" have been applicable from 1 January 2021. The new flexible working models are described below:

Flexi365: This model is available to all employees at the Head Office and the Operations Center in Kahramanmaraş, to the extent allowed by the nature of their roles and regulations. ING'ers who are deemed eligible depending on their respective business lines or roles will be able to telework five days a week, if they so wish.

Flexi One Week a Month: Available to Head Office employees and the Operations Center in Kahramanmaraş. This model consists of one week of teleworking and three weeks of in-office presence. Regardless of the working model they belong to, ING'ers will be able to work from wherever they wish in the third week of every month.

Flexi 3 Days a Week and Flexi 4 Days a Week: Under this model that is available to all employees to the extent allowed by the nature of their roles and regulations, eligible employees will be able to work 3 or 4 days a week as they wish.

ING's innovative human resources practices continue to be backed by initiatives targeted at women. In the previous years different groups of ING women come together and share ideas on how to improve the work-life balance.

With the inspiration drawn from these conversations and in a bid to support the work-life balance of ING mothers and fathers by giving them more family time, special "Orange Day with my Child" and "I'm Having a Baby" days off were introduced in 2016, following the introduction of special leave for "First Day of School", which was introduced in 2015.

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- As part of the “Me and My Child” leave:
- The “First Day of School” and “Report Card Day” leaves allow parents with children between the ages of 3 to 14 to be there for their children on the first and last days of school;
- “Orange Day with my Child” allows mothers and fathers to spend one day with their children, regardless of age, as they wish;
- “I’m Having a Baby” leave allows expectant mothers to take 1 day off for their routine examinations every month until the delivery.

Effective from 2018, employees who have a newborn baby are granted a leave of absence for 6 months fully paid. Fathers who have newborn babies are granted a 10-day leave to be used in 1 year so that they can spend time with their children.

Parents whose children are starting kindergarten are entitled to one full day of leave on the first day of the week the nursery is opened, and a half day off on the remaining days of the week.

Another leave called “Orange Cap” has started to be applied in 2018. Parents whose children graduate from school are entitled to “Orange Cap” leave to be at their graduation ceremony.

Breastfeeding rooms are available at all branches and regional offices, as well as at the Head Office, the İstanbul Operations and Technology Center, Kahramanmaraş Operation and Call Center.

Support for mothers and expectant mothers include a full day off for pregnant employees for their monthly pre-natal check-up and the right to work half an hour less per day, nursing leave, psychological support for those with infants under the age of 12 months, and exemption from night shifts for 3 years in departments which require employees to work the night shift, such as the Customer Solution Centre.

With the scope of “Welcome to ING” implementation, new members of the ING family are entitled to take 14 days off work in their first year.

Under the “Health First” practice, 10 days of administrative leave is provided for employees if any of their 1st or 2nd degree relatives are in hospital.

Established in Kahramanmaraş in 2015 with the IKON brand with the aim of resolving employees’ requests at first contact and facilitating human resources processes, the HR Service Center resolved 10,082 online requests and 9.166 calls within the same day during 2021.

ING rewards employees who make a difference by touching human life and who act as role models with their behavior with the Bank’s “Glad to be (İyi Ki)” Awards. Employees who take the time and action to help others succeed in parallel with the Orange Code and who stand out serve to raise increased awareness, which also reflects positively on corporate culture.

14 - Ethical Rules and Social Responsibility

ING Group prioritizes environmental sensitivity and human rights in all ING countries and in the business relationships established. In financial decisions and transactions mediated, ING policies created with the awareness of responsibility towards the society must be complied as well as national and international laws and regulations.

Our Environmental and Social Risk Policies created for guiding our activities in the light of our social, ethical and environmental vision has become an indispensable part of credit risk management at ING. In other words, all potential social and environmental side effects (destruction of forests, air pollution, child employment, controversial weapons) of our activities are reviewed in depth.

Our policies are continuously improved and updated through cooperation with our employees, customers, shareholders and organizations specialized in the issues such as human rights, climate change, etc.

ING Group is one of the 10 international banks having acknowledged Equator principles voluntarily in June 2003 which are agreed upon to be applied in financing all the projects costing USD 10 million or more, based on environmental and social responsibility policies of International Finance Corporation. In project finance, these standards are taken in consideration for social responsibility and environmental risk management. ING Group, which has also been registered in the FTSE4Good and Dow Jones Sustainability Index for its compliance with global responsibility standards, signed United Nations Global Compact in 2006. ING Group has been carrying out its activities with zero carbon footprint since 2007. ING Group was named the most sustainable bank of the year in 2016 by Sustainalytics, which provides guidance to investors through research.

In keeping with the Terra approach it has announced, ING Group draws a roadmap to steer the priority sectors towards climate adaptation, and creates climate scorecards for these sectors. In this context, ING Group considers social responsibility and environmental risks in its project finance decisions, and acts in accordance with associated principles. In 2021, ING Group published its first Integrated Climate Report which gives an overview of all the elements of its climate action approach. The Report outlines how ING financing impacts climate change, including the progress it achieves in line with the Terra Approach developed for steering its portfolio towards global climate goals. ING joined the UN Net-Zero Banking Alliance in August and revised its climate goals accordingly; having announced its new commitment to keep the rise in global temperatures at 1.5 degrees Celsius rather than below-two degrees and to achieve net zero by 2050 rather than 2070, ING ambitiously works along these lines.

ING has adopted to comply with "Banking Ethical Principles" dated 1 November 2001 no 1012 published by Banks Association of Turkey.

Besides these principles, the ethical rules which the employees of ING Group Companies have to comply with are shared with all the employees of ING and its subsidiaries.

Board of Directors' resolution dated 26 December 2014, numbered 48-5 was granted in regard to the Ethical Principles of ING.

ING is a signatory of United Nations (UN) Women's Empowerment Principles. ING regularly measures the women statistics and develops programs to increase the number of the women employees in the bank. In addition, the ING Equals (=ING) platform helped raise awareness of gender equality. Having initiated gender equality communication on 8 March International Women's Day, ING carried on with these initiatives on 23 April National Sovereignty and Children's Day, Mother's Day and 29 October Republic Day. ING further consolidated its role as spokesperson on this issue in Turkey by becoming the official sponsor of the Turkish Olympic Committee and 10 national women athletes who competed for Turkey at Tokyo 2020 Olympic Games which took place in 2021.

ING is included in the Banking Finance Working Group for Sustainable Banking established by UN Global Compact Turkey. The experiences and accumulation of knowledge in this area both in international and national markets are shared with other participant banks. On 25 September 2017, ING has signed with 7 other banks the "Declaration on Sustainable Finance" which was initiated by UN Global Compact Turkey. In addition to that ING has been one of the 6 banks in Turkey who commits to Responsible Banking Principles developed by United Nations Environment Programme Finance Initiative on 21 November 2019. In this regard, environmental and social risk evaluations were integrated into the loan assessment process for financing investment projects.

Pursuing operations with the vision of being Turkey's leading savings bank, ING believes that financial health plays an important role in creating a sustainable world, and ING is committed to being an institution that fulfills its responsibility to the society they operate in. ING informs the public about finance/banking-related topics through "Money Matters" video series offering content produced with a plain language and broadcast on its YouTube channel. Moderated by Prof. Emre Alkin, each episode of Orange Questions, which is the Financial Literacy video series covered under Money Matters, provides the answers to questions about finance, banking and economy as explained by an expert from ING. In addition, Turkey's Saving Trends Survey video series featuring Prof. Sadi Uzunoğlu and ING in Turkey specialists analyzes the savings tendencies in Turkey and evaluates current data on individuals' saving habits.

To elaborate on the survey, as a requirement of its mission as a Savings Bank, ING has been determining saving tendencies, changes and saving potentials of urban population with the Research on Turkey's Saving Tendencies carried out since October 2011. The results generated in the research have been respected and considered a resource by academicians, journalists and governmental bodies. The research was also granted "Best Communication Research" award in the category of "Communication Research" in International Public Relations Association (IPRA) 2013 Golden Globe Awards. The research won bronze award ranking third among 225 projects in "Communication Program of the Year or Public Relations Campaign" category in "International Stevie Awards" accepted as one of the most prestigious awards of international business world.

Finally, ING has focused on children and the young people who will be the most significant figures on the savings picture of the future, with the aim of meeting its responsibilities towards the society. To create awareness for saving in the future generations of Turkey, ING officially launched "Orange Drops" program in April 2013 aiming at changing consumption and saving behaviors. Within the scope of the program put in effect in coordination with Koç University and Financial Literacy Association, 3rd and 4th graders in Elementary Schools have been visited and financial literacy trainings focusing on savings have been provided to 3rd and 4th graders in elementary schools, via their teachers, for 8 weeks. To date, Orange Drop has reached 1,460 teachers and 45,929 students in 399 schools in 9 provinces.

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Orange Drops has been represented ING in various international and national awards. The project won The Preferred Bank Award among 50 ING Group countries, has also received "Best Corporation" award among 17 corporations in EIFLE-Excellence in Financial Literacy Education Awards, organized for the eighth time by American Financial Literacy Institute. Orange Drops has also been one of the global finalists in Child and Youth Finance International/CYFI Awards. It also holds Golden Compass Award being the "Best Corporate Social Responsibility Project" in education category among 12 projects in 13th Golden Compass Awards. Lastly, it won the "Silver Award" in "The Stevie International Business Awards" within the "Corporate Social Responsibility" category.

In line with its focus areas under its community investments, ING has supported various NGOs within the framework of their campaigns. "Orange Hearts" corporate volunteering program was initiated by end-2014 with the goal of encouraging ING employees to take part in volunteering initiatives and merging the efforts of employees volunteering in different areas under a single roof in cooperation with the Association of Private Sector Volunteers and under the motto "Set Your Heart on Volunteering". This year, ING followed up and kept extending support to the organization's social responsibility projects in order to channel its employees' expertise in various fields as necessary. ING heartily supported the September Social Responsibility Campaign carried out by the Spastic Children's Foundation of Turkey - Cerebral Palsy Turkey for the benefit of children with Cerebral Palsy and raised awareness within the organization.

Within the scope of our cooperation with TEMA ((The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats) to contribute to protection of the environment, savings created by the employees reducing the use of paper and our customers switching to e-statements have continued to turn into trees planted in Orange Forest. ING joined in the initiative of the Banks Association of Turkey for reforestation of forests razed in the wildfires that took place in Antalya, Adana, Mersin, Muğla, Osmaniye and Hatay in 2021, and supported these efforts by way of sapling donations.

In 2021, ING sustained the ING Equal Future Fund scholarship fund that it set up in 2019 in cooperation with the Turkish Education Foundation (in Turkish: TEV) in line with its support to strengthening gender equality and women's equal economic participation. Through this fund, support is being extended to 10 female engineering students each year. Additionally, ING provides financial and mentorship support for 2 university students in need under the Koç University Anatolian Scholarship Program. Furthermore, ING also provides full scholarship of one student for 5 years within the scope of Özyeğin University Equal Opportunity for Education Scholarship Program. Under the cooperation with İhsan Doğramacı Bilkent University, ING provides scholarship to 2 students for 5 years within the scope of Scholarship for Girls Program.

Targeting to be Turkey's leading digital institution, ING added further momentum to its community investments along this line through the Digital Teachers Project it has launched in 2020 in cooperation with the Habitat Association and the Middle East Technical University (METU). The Project aims to familiarize primary and secondary school teachers with the digitalizing world and to equip them with digital literacy skills that they can make use of in face-to-face and distance education formats. Participated by 3,000 teachers in 3 training periods, the Project also seeks to make teachers, and in turn, students, a part of digital transformation, with the ultimate goal of contributing to the digital transformation process in Turkey. The Impact Report covering the initial training period of the Digital Teachers Project has been released, and the results demonstrate that the Project has fulfilled its purpose of contributing to the country's digital transformation and providing the teachers with the knowledge and skills required by the digital age. The Digital Teachers Project was recognized with numerous national and international awards in 2021.

Since its inception in the third quarter of 2020, the Digital Teachers Project claimed the gold prize in the "Outstanding Community Initiative" and "Outstanding Educational Service" categories at the international Global Business Excellence Awards and in "Social Responsibility" category at the PSW Awards 2020. Other awards garnered by the Digital Teachers Project include Silver Sardis in the Social Responsibility, Positive Social Impact category at the Sardis 2021 awards that recognizes innovative and creative initiatives with a social responsibility focus in the finance sector; Gold Stevie in the Communications or PR Campaign of the Year in Corporate Social Responsibility category at the Stevie International Business Awards 2021, and the Gold prize in the Social Contribution Development Program category at the TEGEP Learning and Development Awards 2021, which are given out to support the good practices, investments and initiatives in corporate education and development by TEGEP, Education and Development Platform Association of Turkey.

Pursuing operations within the frame of responsible banking notion and proceeding with its digitalization strategy, ING in Turkey moved ING's Technology Academy for Future to Ağrı in 2021, after conducting the first edition of the initiative that aims to provide children with new generation competencies and a culture of production with technology in Kahramanmaraş. ING's Technology Academy for Future, which implements the Maker Movement educational program covering design/production, electronics, robotics and coding, familiarized 500 students between the ages of 10-14 in Ağrı with the maker culture online. The Project reached a total of 1,100 students in the two cities combined.

SECTION IV - BOARD OF DIRECTORS

15- The Structure and Composition of Board of Directors

ING Bank A.Ş. Board of Directors[1]

John Thomas Mc Carthy	Chairman
A. Canan Ediboğlu	Vice Chairwoman of the Board of Directors
Alper İhsan Gökgöz	CEO and Board Member
M. Semra Kuran	Board Member and Chairwoman of the Audit Committee
Martijn Bastiaan Kamps	Board Member and Audit Committee Member
Karst Jan Wolters [2]	Board Member

There is no executive Board Member other than Alper İhsan Gökgöz who is both CEO and a Natural Board Member.

Since our Bank is not one of the corporations defined in the Corporate Governance Communiqué Serial II No: 17.1 of CMB, it is not subject to the legal liabilities required for independent board members.

Board Members are assigned with other duties outside the Bank. Related banking law and BRSA regulations are complied with in such assignments. In addition, the restrictions on the board members imposed by Article 396 of Turkish Commercial Code are removed with the decision of shareholders in the ordinary general assembly held every year.

16- Principles of Activity of the Board of Directors

Performing the activities with the aim of reaching strategic targets of the Bank in line with our Mission, Vision and Values.

17- Number, Structure and Independency of Committees Established by the Board of Directors

Information about Credit Committee, Audit Committee, Corporate Management Committee and Compensation Committee are as follows:

Credit Committee:

Names of Board Members who are members of Credit Committee at the same time:

John T. M.C. Carthy, Chairman (Chairman of the Board of Directors)

A. Canan Ediboğlu, Vice Chairwoman (Vice Chairwoman of the Board of Directors)

Alper İhsan Gökgöz, Member (CEO and Board Member)

Karst Jan Wolters, Member (Board Member)[3]

Audit Committee:

Names of Board Members who are members of Audit Committee at the same time:

M. Semra Kuran, Chairwoman (Board Member)

Martijn Bastiaan Kamps, Member (Board Member)

Corporate Governance Committee:

Names of Board Members who are members of Corporate Governance Committee at the same time:

A. Canan Ediboğlu, Chairwoman (Vice Chairwoman of the Board of Directors)

John T. Mc Carthy, Member (Chairman of the Board of Directors)

[1] Since 08.06.2020, A. Canan Ediboğlu has been serving as the Deputy Chairman of the Board of Directors.

[2] Sali Salieski resigned on 11.08.2021 and Karst Jan Wolters was appointed instead. Karst Jan Wolters took the oath in front of the court on 03.09.2021 and started his duty.

[3] Assigned as Credit Committee member on 07.09.2021

CORPORATE GOVERNANCE

Compensation Committee:
Names of Board Members who are members of Compensation Committee at the same time:

John T. Mc Carthy, Chairman (Chairman of the Board of Directors)

A. Canan Ediboğlu, Member (Vice Chairwoman of the Board of Directors)

18- Internal Control and Risk Management Mechanism

18.1. Internal Audit

Internal Audit Department (IAD) reports to the Audit Committee; and aims to provide independent and objective assurance and advisory services to the Senior Management for the quality and effectiveness of the internal control, risk management and governance systems and process and information systems practices in the Bank and its subsidiaries. As per the "Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks" and in accordance with "Regulation on Information Systems and Electronic Banking Services of Banks", auditing activities, including information systems, are being performed with a risk-based approach systematically and based on documentation.

IAD supports the Bank and subsidiaries to accomplish their mission and strategic business objectives through a systematic, documented risk based audit approach to examine, evaluate and improve the effectiveness of (framework of) governance, control, and risk management processes of the Bank and subsidiaries. Moreover, IAD performs controls and investigations on the fraud, cheat or forgery acts committed by the personnel or third parties against the Bank.

IAD carries out its activities; in accordance with the principles of the Bank and IIA's "International Standards for the Professional Practice of Internal Auditing", the IIA's "Core Principles for the Professional Practice of Internal Auditing" and the IIA's "Code of Ethics" as well as other professional standards setting authorities. IAD deploys competent staff that adheres to these Code of Ethics and Standards.

18.2. Financial Risk Management

In addition to periodic regulatory and internal reporting activities, Financial Risk Management cooperates with relevant business lines for the current operations of the Bank and conducts independent analysis. Financial Risk Management acts as a guide in identifying, monitoring, measuring and managing the risks, and takes necessary actions via Board of Directors, Audit Committee, Asset & Liabilities Committee (ALCO), Local Parameter Committee (LPC), ICAAP Committee, Model Development and Monitoring Committee and Credit Risk and Provisioning Committee.

Financial Risk Management monitors both local and global regulations closely in terms of risk management and plays an important role in raising awareness within the Bank via relevant Committees.

18.2.1. Market Risk Management and Product Control Directorate

All the necessary assessments are performed to monitor, measure and manage both market and liquidity risks that the Bank may be exposed to. In terms of market risk, the risk profile of the balance sheet and the product mandate are managed within following framework. Within the scope of the compliance of market risk with Basel regulations and other international standards, banking book and trading book have been separated, as well as the risk appetite and various limits that were approved by the Board of Directors to measure and monitor the risks arising from these books separately.

In this context, the ILAAP standards related to liquidity risk were adopted and the liquidity stress test, contingency capital and funding plan, risk control and self-assessment processes, intraday liquidity management, risk appetite limits and Fund Transfer Pricing (FTP) were implemented. In addition to liquidity risk limits determined under both normal and stressed conditions, limits have also been allocated for the banking books against interest rate shocks under interest rate risk framework and FX position limits in terms of foreign currency risk. On the other hand, for the trading books limits, limits in terms of interest rate and foreign currency risks, VaR limits and also sensitivity based limits and position limits are defined. These limits are monitored regularly and limit utilizations are reported to the senior management and Board of Directors. Besides, within the scope of market and liquidity risks, the related products and services are reviewed and the risks are analyzed in details. Moreover, as part of Bank's risk management strategy the risk appetite approved by BoD is regularly reviewed according to the changing economic environment and the Bank's targets. Furthermore, regulatory capital requirement for the market risk is calculated based on Standard Method.

In addition to all these, a comprehensive software project has been implemented in order to measure and monitor asset and liability risks in a way that allows more sophisticated analysis, as well as being compatible to the updates in the international regulations mentioned above, and currently, enhancements are under progress.

18.2.2. Credit Risk Control Unit

Credit risk is defined as the probability of loss the Bank may be exposed to due to failure of the counterparty of the transaction to realize its liability partially or wholly, not complying with the contract signed with the Bank. Credit risk aims to monitor risk-revenue structure, accordingly qualifications and level of the activities related to credit disbursement, to take them under control, as well as defining, measuring, reporting, monitoring, controlling and aligning them with risk profiles on a consolidated and unconsolidated basis via policies, procedures and limits that may be changed when necessary.

Local and international standards (BRSA, ECB and Basel Committee Standards) and regulations that are modified and updated for closely monitoring and measuring the credit risk of the Bank and for executing the activities reliably are followed up.

Necessary studies and preparations are carried out for taking measures in compliance with the regulations. Risk measurement models and methods used in the Bank are reviewed, analyses are carried out, and reports are generated on a regular basis. Credit principles of the Bank are based on risk security, liquidity and risk-revenue balance. To maintain this balance, new products and services of the Bank related to credits are assessed; the risks to arise from the new product/service are evaluated.

Efforts continue to adapt the changing and developing local and global credit risk management mentality within the Bank, to establish and develop new infrastructures, to support effective risk management with qualitative and quantitative studies. In this context, the main responsibilities of the Credit Risk Control Unit are summarized as; development and monitoring of IRB and IFRS 9, Macroeconomic Impact and Expected Credit Loss (ECL) models and execution of IFRS 9 Expected Credit Loss calculations on a monthly basis.

18.2.3. Risk and Capital Integration Department

The ICAAP within the Bank is coordinated, and the necessary work to prepare the report is carried out. Furthermore, sensitivity analyses and enterprise-wide stress tests for the risks the Bank is exposed to are conducted, and necessary work is carried out in order to make sure the level of capital held is proportional to the risks exposed. The department coordinates capital adequacy and stress studies according to the IRB approach using internal PD-LGD-EAD estimations and it manages Risk Appetite Framework, Country and Concentration Risk Policies.

Changes and updates of national and international standards (BRSA, ECB and Basel Committee Standards etc.) and regulations are followed in order to ensure integration between bank-specific risk types and capital management.

18.2.4. Model Risk Management Department

Model Risk Management Department (MoRM) validates both regulatory and non-regulatory models which are developed and used within ING. The scope of the validation is defined in relevant Validation Policy. The roles and responsibilities of the MoRM are summarized as below:

- Conduct an independent review to ensure that the developed models are reliable, aligned with their intended use, legal regulations and internal regulations,
- To ensure that validation activities are performed in accordance with the validation plan,
- To provide a better understanding of the limitations and potential shortcomings of the model,
- To prepare and update the policy and implementation principles needed in the validation process.

18.3. Internal Control Directorate

Internal Control Directorate consists of Branch Internal Control department, Head Office and Subsidiaries Internal Control departments, Internal Control Project Management department and Non-Financial Risk Analytics department. Internal Control Directorate;

- Controls according to the prepared working guidelines whether all the transactions of the Bank are carried out in compliance with the laws, legislations and all related regulations, Board decisions and directives and instructions from Head Office, within appropriate and determined limits,
- Controls whether balance sheet and statutory reports are in compliance with existing laws, regulations, notifications, circulars and prospectuses,
- Ensures that measures are taken against the risks that may arise,
- Carries out necessary activities for ensuring that the controls on Bank's activities are standardized and realized according to certain rules,
- Acts as a consultant about the risks regarding the activity fields and projects to be realized in various units of the Bank, when necessary.

The principle is that before basic internal control activities are realized in a risk-based manner also in the branches to cover the activities of all the units centrally and the risks related to the activities occur, preventive checkpoints should be formed, thereby mitigating and managing the risks. Besides central controls, internal controls are carried out in all the branches of our Bank and transactions are checked. In addition to branch control activities, periodic controls are also carried out for subsidiaries and major Head Office departments/ processes. For the issues in need of urgent measures to be taken, Internal Control is notified urgently. Branch authorities are also informed on the issue.

Internal control staff in the branches does not perform any executive activities as those in the Head Office. In realizing internal control activities, related working guidelines are complied with. Working guidelines include the legal regulations, changes in the products and services kept up-to-date to ensure that they are reflected on control activities instantly. In parallel with the changes to occur in the regulations, new checkpoints are added and obsolete ones are removed.

18.4. Operational and IT Risk Management Directorate

The seven operational risk categories defined in Basel-II Report as of June 2006, have been enriched by ING as “non-financial risk” under the following ten categories; Compliance Risks, Control Risks, Unauthorized Activity Risks, Processing Risks, Employment Practices Risks, Personal and Physical Security Risks, Continuity Risks, Internal and External Fraud Risks and Information Technology Risks.

Operational and IT Risk Management Directorate’s duties are to provide the necessary support for management of these risk categories except Compliance Risk by the business lines and other functions in ING and ING Subsidiaries as well as providing guidance on implementation of ING Policy and Standards, ensuring information flow via various reports, coordinating relevant corporate governance meetings calculating Operational Risk Economic and Regulatory Capital and organizing training programs on operational risk management and related subjects.

Monitoring the operational risk that the Bank is exposed to within the framework of risk appetite, determining risk points and standardizing, measuring, monitoring and reporting on the basis of the Bank for possible processes, setting limits related to operational risks, monitoring them and reporting any breaches, evaluating operational risks and ensuring that all the possible risks have been evaluated for any new product or service in accordance with Regulation on Internal Systems of Banks, advisory on risk assessments for sourcing in the scope of BRSA’s Sourcing Regulation and Information Systems and Electronic Banking Services Regulation, coordinating analysis on operational risk events, monitoring appropriate risk remediation actions are taken by 1st line of defence to ensure incidents exceeding ING’s risk appetite do not re-occur, second line monitoring in SOX and key control testing, assessment the design and effectiveness of information systems controls are also under the responsibility of Operational and IT Risk Management.

18.5. Compliance Risk Management Department

With the broadest definition, compliance risk covers all possible reputation and trust reducing risks that the ING corporate identity can be exposed to. This risk states the deficiencies that may be experienced in compliance with banking laws and other relevant legislation, the ING policies and standards, the ING Ethical Principles and the Orange Code, the banking sector’s corporate governance principles and the principles of combating with the laundering of crime incomes and the prevention of terrorism financing and relevant regulations of all activities that the Bank has realized or plans to realize, new transactions and products, employee behaviors, customer identity detection and acceptances, work flows; or the legal or regulatory sanction risk, financial risk or reputation risk that may be incurred due to the cases that may be perceived as such.

In order to protect ING’s reputation and to manage Compliance Risks effectively, all employees are required to work in adherence and compliance with these regulations and principles.

The Compliance Risk Management Group (reporting to the Audit Committee) provides advisory services, makes audits, and conducts trainings and awareness activities for increasing the compliance risk awareness of ING and its subsidiaries’ employees in line with the ING Compliance Risk Management Framework. In order to effectively manage the Compliance Risks of ING and its subsidiaries, Compliance Risk Management performs risk-based monitoring activities and periodic reporting.

19- The Strategic Goals of the Company

Our vision
Creating long term values for all our stakeholders while offering the most appropriate solutions to our customers to assist them to manage their finance the best way in the future.

Our mission
Becoming the preferred bank for our customers with an understanding of operational excellence and international service quality, and for our employees with our ethical and spiritual values of highest level.

Our values
Everybody needs a bank that is reliable, excellent in services, acting smartly, decisive, sensitive, and accessible. As a bank carrying these values, we will make our customers gain strength. We will introduce a brand new understanding of banking in Turkey.

Vision/Mission/Values of the Bank have been determined and publicized on our website. As is mentioned above, the strategic objectives studied on and presented via managers and various committees participated by them are assessed and resolved in Board of Directors. Annual budget, investment issues and amounts, branching, working policies in various areas, etc. are among the subjects within this scope. Additionally, the issues about reaching or deviating from the objectives or updating them in accordance with changed conditions are submitted to the Board of Directors in preset intervals.

20- Remuneration of the Board of Directors
In the last Ordinary General Assembly realized by the Shareholders on 25.03.2021; it was deemed appropriate not to pay daily allowance to the Board Members, and to ensure that Board of Directors take decision on determining the compensation to be paid not exceeding maximum net TL 80,000.-monthly according to the job sharing to be made in Board of Directors, in consideration of 6th principle of the Regulations on the Corporate Governance Principles of the Banks released by BRSA.

REVIEW OF THE FINANCIAL SITUATION AND RISK MANAGEMENT

Asset Quality
26% of ING's total consolidated assets consist of cash, banks and receivables from money markets. Almost the entire consolidated securities portfolio of the Bank is composed of high liquidity government bonds and T-bills.

Loans have the biggest share in consolidated assets, at 58% of the total, and the sum of net cash loans amounting to TL 51.8 billion at the end of 2021. As a result of the proactive approach taken by the Bank, the consolidated NPL ratio was at 3.24% and the ING preserved its status among the financial institutions with the best asset quality.

The share of non-interest bearing non-current assets such as fixed assets and non-financial subsidiaries within consolidated assets stands at 0.8%. This low value demonstrates Bank's continued focus on real banking operations

Resource Structure, Liquidity and Fund Management
ING's consolidated deposits reached TL 52.6 billion. Deposits have a share of 59% in the consolidated balance sheet total and 68% in foreign sources and constitute the primary funding source. Even though the wide deposit structure of the ING represents a short term source, these are renewed upon maturity and remain in the bank for longer than the original term.

In addition, the Bank has had the opportunity to acquire long term resources from the parent company after joining ING Group. The total consolidated funds borrowed by the ING amounted to TL 15.6 billion, with the foreign sources accounted for 18% of the consolidated balance sheet.

ING's general liquidity policy is to manage the liquidity level such that it is resistant to market shocks, that it is based on an expansive deposit base and that it is aimed at the optimization of profitability and liquidity at the same time, in accordance with a precautionary risk management approach.

Equity
As of 31 December 2021, ING's consolidated equity was TL 10.8 billion and consolidated capital adequacy was 19.22%. In order to support the ING's growth focused strategy, the main shareholder has raised its cash capital by a total of TL 1.9 billion in recent years. The subordinated loan amounting to USD 62 million obtained from ING Bank N.V. on 26 May 2015 was paid on 26 May 2021, by using the early redemption option, in accordance with the BRSA's approval letter dated 10 March 2021. Remaining amount of EUR 231 million of subordinated loan obtained from ING Bank N.V. on 26 May 2015 and the subordinated loans amounting to EUR 85 million and USD 91 million obtained from ING Bank N.V. on 25 May 2014 were paid on 28 June 2021, by using the early redemption option, in accordance with the BRSA's same approval letters.

Profitability
Developments in global and national markets continued to impact the sustainable profitability of banks in 2021.

While the fluctuations in the global financial markets continued in 2021, the pressure of the pandemic on the economic and commercial cycle was relatively decreased.

ING grew consistently with sound equity and strong asset quality in 2021. In parallel with the developments in the economy and Bank's balance sheet, the ING wrote a consolidated profit before tax of TL 1,592 million.

INFORMATION ON RATINGS GIVEN BY RATING AGENCIES

ING's performance is evaluated by Fitch Ratings Ltd., an international rating agency.

Turkey's current credit ratings both for the long-term local and foreign currency are "B+" by Fitch Ratings Ltd., while ING's long-term local and foreign currency credit ratings are "B+" and "B".

On 25 February 2022, the international rating agency, Fitch Ratings Ltd. confirmed the Bank's credit ratings as follows:

Long Term Foreign Currency Rate	B (Outlook: Negative)
Long Term Local Currency Rate	B+ (Outlook: Negative)
Short Term Foreign Currency Rate	B
Short Term Local Currency Rate	B
Shareholder Support Rate	b
National Long Term Rating	AA (tur) (Outlook: Stable)
Financial Capacity Rating	b+ (Outlook: Negative watching)

CORPORATE GOVERNANCE

SUMMARY BOARD OF DIRECTORS REPORT PRESENTED TO THE GENERAL ASSEMBLY

To the General Assembly of
ING Bank Anonim Şirketi

While the fluctuations in the global financial markets continued in 2021, the pressure of the pandemic on the economic and commercial cycle was relatively decreased. In this context, throughout the year, ING meticulously applied its business approach to keep its cost base low and also maintain a high level of added value creating power. In 2021, our Bank established its growth strategy, based on a sustainable long term plan, and continued its activities with sound equity and strong asset quality.

With its customer oriented approach, range of products and services, expansive distribution channels and experienced personnel, ING Bank continued to provide its customers with appropriate financial products and services, drawing on the global knowledge and experience of ING Group, and investing in and adding value to the Turkish economy. As of 2021 year-end, the sum of consolidated deposits reached to TL 52.6 billion as the primary funding source, and the total consolidated cash and non-cash loans were TL 63.2 billion.

Since the day ING joined the ING Group, the Bank had the opportunity to acquire long and short term funds from the parent company. The total consolidated borrowed funds as of the end of 2021 was TL 15.6 billion and the share of borrowed funds within consolidated balance sheet total was 18%.

The consolidated net cash loans of ING realized as TL 51.8 billion in accordance with its customer oriented strategy for real banking. At the year-end, consolidated net loan portfolio of the Bank accounted for 58% of the total assets.

It appears that the deposit base which further expanded as a result of the investments made in recent years had a positive impact on the 2021 results. In addition, the effective marketing activities of the Bank in all the business units, as well as prudent risk policies and effective cost management, had an important role in profitability. As a result of these developments, the Bank's consolidated profit before tax in 2021 was TL 1,592 million.

As a result of these developments, on 31 December 2021, ING's:

- Consolidated asset size TL 88,636 million,
- Consolidated equity TL 10,809 million,
- Consolidated capital adequacy ratio 19.22%,
- Consolidated net profit for the year TL 1,200 million.

The unconsolidated and consolidated financial statements showing the results of ING's operations for the period from 1 January to 31 December 2021 are presented for your review and approval.

Yours sincerely,

John T. Mc Carthy Chairman of theBoard of Directors	Alper İhsan GÖKGÖZ CEO and Board Member

Publicly Announced Unconsolidated Financial Statements, Related Disclosures and Independent Auditors' Report Thereon as of and for the Year Ended 31 December 2021

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

Independent Auditor's Report

KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
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Convenience Translation of the Independent Auditors' Report Originally Prepared and Issued in Turkish to English

To the General Assembly of ING Bank Anonim Şirketi

A) Audit of the Unconsolidated Financial Statements

Opinion

We have audited the unconsolidated financial statements of ING Bank Anonim Şirketi ("the Bank") which comprise the unconsolidated balance sheet as at 31 December 2021 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with the "Regulation on Independent Audit of the Banks" ("BRSA Auditing Regulation") published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We declare that we are independent of the Bank in accordance with the Code of Ethics for Auditors issued by POA (including Independence Standards) ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of unconsolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. 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 judgment, 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.

Impairment of loans measured at amortised cost

The details of accounting policies and significant estimates and assumptions for impairment of loans measured at amortised cost are presented in Section III, No: VIII to the unconsolidated financial statements.

Independent Auditor's Report

Key audit matter	How the matter is addressed in our audit
As at 31 December 2021, loans measured at amortised cost comprise 57% of the Bank's total assets. The Bank recognizes its loans measured at amortised cost in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the "Regulation") published on the Official Gazette No. 29750 dated 22 June 2016 which became effective on 1 January 2018 and TFRS 9 Financial Instruments standard ("Standard"). The Bank applies the "expected credit loss model" in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Bank management annually. The significant assumptions and estimates of the Bank's management are as follows: - significant increase in credit risk - incorporating the forward looking macroeconomic information in calculation of credit risk - design and implementation of expected credit loss model The determination of the impairment of loans measured at amortised cost depends on the credit default status, the model based on the change in the credit risk at the initial recognition date and the classification of the loans measured at amortised cost according to the model. The Bank calculates expected credit losses on both individual and collective basis. Individual provisions consider the estimated future cash flows of the asset and the market value of the collateral provided for credit transactions. The collective basis expected credit loss calculation is based on processes which are modelled by using current and past data sets and incorporating the future expectations. Impairment on loans measured at amortised cost was considered to be a key audit matter, due to its complex structure, the level of judgments of management and significance of the estimates and assumptions, including the impact of COVID-19, used as explained above.	Our procedures for auditing the impairment of loans measured at amortised cost include below: - We tested the design and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists. - We evaluated the adequacy of the subjective and objective criteria that is defined in the Bank's impairment accounting policy compared with the Regulation and Standard. - We evaluated the Bank's business model and methodology and the evaluation of the calculations carried out with the control testing and detail analysis with the involvement of specialists. - We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and evaluation of their classification. In this context, the current status of the loan customer has been evaluated by including the impact of COVID-19 on prospective information and macroeconomic variables. - We evaluated the accuracy of the expected credit loss calculations by selecting sample for the loans which are assessed on individual basis including the impact of COVID-19 on the assumptions and estimates. - We tested the accuracy and completeness of the data in calculation of the data in the calculation models for the loans which are assessed on collective basis. We recalculated the expected credit loss calculation. The models used for the calculation of the risk parameters were examined and recalculated. - We assessed the macroeconomic models that are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method. - We evaluated the qualitative and quantitative criteria, which are used in determining the significant increase in credit risk. - We evaluated the adequacy of the disclosures in the unconsolidated financial statements related to impairment provisions.

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

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 unconsolidated financial statements that are 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 Consolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

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 Auditing Regulation and Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Independent Auditor's Report

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

B) Report on Other Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 402 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 for the period 1 January - 31 December 2021 are not in compliance with TCC and provisions of the Bank's articles of association in relation to financial reporting.
2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

Additional paragraph for convenience translation to English:

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Orhan Akova, SMMM
Partner

11 February 2022
İstanbul, Turkey

ING Bank A.Ş.

The Unconsolidated Year End Financial Report of ING Bank A.Ş. Prepared as of and for the Year Ended 31 December 2021

Address of the Bank	:	Reşitpaşa Mahallesi Eski Büyükdere Caddesi No: 8 34467 Sarıyer/İstanbul
Phone and fax numbers of the Bank	:	(212) 335 10 00
	:	(212) 286 61 00
Web-site of the Bank	:	www.ing.com.tr
E-mail	:	disyazisma@ing.com.tr

The unconsolidated year end financial report includes the following sections in accordance with the "Communiqué on the Financial Statements and Related Disclosures and Footnotes that will be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency.

- General information about the Bank
- Unconsolidated financial statements of the Bank
- Explanations on accounting policies applied in the related period
- Information on financial structure and risk management of the Bank
- Explanations and notes related to unconsolidated financial statements
- Other explanations
- Independent Auditors' report

The accompanying year end unconsolidated financial statements and footnotes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira (TL), have been prepared based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, relating appendices and interpretations on these, and are independently audited.

John T. Mc CARTHY Chairman of the Board	Alper İhsan GÖKGÖZ CEO	K. Atıl ÖZUS CFO	M. Gökçe ÇAKIT Financial Reporting and Tax Director

M. Semra KURAN Chairman of the Audit Committee	Martijn Bastiaan KAMPS Audit Committee Member

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

Name-Surname/Title	:	Nurgül BİLGİÇER FİLİS/Manager
Phone No	:	(212) 403 72 66
Fax No	:	(212) 286 61 00

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Section one

General information

I. History of the Bank including its incorporation date, initial legal status, amendments to legal status

The foundations of ING Bank A.Ş. ("The Bank") were laid in 1984 by the establishment of "The First National Bank of Boston Istanbul Branch" and the current structure has been formed with the below mergers and takeovers. The establishment and historical developments of the Bank are explained below:

"The First National Bank of Boston Istanbul Branch" was established in 1984. In 1990, "The First National Bank of Boston A.Ş." was established to accept deposits and carry out banking transactions, and the Articles of Association of the Bank were officially registered on 31 October 1990 and published in the Turkish Trade Registry Gazette on 5 November 1990. Upon the establishment of the Bank and permission to accept deposits, the assets and liabilities in the balance sheet of "The First National Bank of Boston Istanbul Branch" were transferred to the Bank.

The title of the Bank which was operating as a Turkish Bank with four shareholders including Ordu Yardımlaşma Kurumu ("OYAK"), was changed as "Türk Boston Bank A.Ş." in 1991; and OYAK purchased all other shares and became the sole owner of the Bank in 1993. On 10 May 1996, the title of "Türk Boston Bank A.Ş." was changed as "Oyak Bank A.Ş.".

On the other hand, on 22 December 1999, upon a Council of Ministers Decree, the shareholding rights, management and supervision of Sümerbank A.Ş. except for its dividend rights were transferred to Savings Deposit Insurance Fund ("the SDIF") as per the third and fourth paragraphs of Article 14 of the Banking Law. In 2001, the SDIF decided to merge the assets and liabilities of the banks, namely Egebank A.Ş., Türkiye Tütüncüler Bankası Yaşarbank A.Ş., Yurt Ticaret ve Kredi Bankası A.Ş., Bank Kapital A.Ş. and Ulusal Bank T.A.Ş. that have been formerly transferred to the SDIF, into Sümerbank A.Ş.

According to a share sale agreement executed between the SDIF and OYAK on 9 August 2001, all the shares constituting the capital of Sümerbank A.Ş. whose shares were transferred to the SDIF; were transferred to OYAK by the SDIF. As of 11 January 2002, it was resolved that Sümerbank A.Ş. would settle all its accounts and merge with the Bank and continue its banking operations under the Bank. The merger through transfer was performed on 11 January 2002 upon the approval of the Banking Regulation and Supervision Agency ("BRSA").

In accordance with the permissions of the Competition Board with the decree number 07-69/856-324 dated 6 September 2007 and of the BRSA with the decree number 2416 dated 12 December 2007; the transfer of 1,074,098,150 shares of the Bank that represent the total capital which belongs to OYAK in amount of TL 1,074,098 to ING Bank N.V as of 24 December 2007 has been approved by the Board of Directors decision numbered 55/1 and dated 24 December 2007 and the share transfer has been recorded in Shareholders Stock Register as of the same date. It has been decided to change the title of the Bank from "Oyak Bank A.Ş." to "ING Bank A.Ş." effective from 7 July 2008. The Articles of Association of the Bank has been changed with the Extraordinary General Meeting dated 26 June 2014 in accordance with Turkish Trade Art numbered 6102 and published in Turkish Trade Registry Gazette numbered 8608 and dated 9 July 2014.

ING Bank A.Ş.

Notes to the Unconsolidated Financial Statements As of and for the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

II. The Bank's shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the year and information on bank's risk group

The main shareholders and capital structure as of 31 December 2021 and 31 December 2020 are as follows:

	Current period		Prior period	
	Share amount Full TL	Share percentage	Share amount Full TL	Share percentage
ING Bank N.V.	3,486,267,793	100.00	3,486,267,793	100.00
Other shareholders total	4	-	4	-
Total	**3,486,267,797**	**100.00**	**3,486,267,797**	**100.00**

As of 31 December 2021, the Bank's paid-in capital consists of 3,486,267,797 shares with a nominal value of TL 1 (Full TL) each.

The Bank's paid-in capital is TL 3,486,268 as of 31 December 2021 and ING Bank N.V. has full control over the Bank's capital.

Other shareholders total represent the total shares of Chairman of the Board John T. Mc Carthy, Vice Chairman of the BoD A. Canan Ediboğlu, the members of the Board Martijn Bastiaan Kamps and Karst Jan Wolters with a nominal value of TL 1 (Full TL) each.

One share amounting to TL 1 (full TL), belonging to the Member of the Board of Directors, Sali Salieski, who resigned from his duty on 11 August 2021, was transferred to Karst Jan Wolters on 7 September 2021.

As one of the world's leading financial services institutions, ING Group operates in the retail banking, wholesale and mid-corporate banking, investment banking and portfolio management segments. ING Group was established in 1991 as a result of a merger between NMB Postbank, which has a distinguished 150-year history, and the Netherlands' leading insurance company, Nationale-Nederlanden. Both companies were providing services in international markets before the merger, but ING became a leading global financial service provider with the merger.

ING Bank A.Ş.

Notes to the Unconsolidated Financial Statements
As of and for the Year Ended 31 December 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)
(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

III. Information on the Bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their responsibilities and shareholdings in the Bank

As of 31 December 2021, the Bank's Board of Directors (BOD), Members of Audit Committee and Chief Executive Officer and Executive Vice Presidents are as follows:

Name and Surname	Title	Responsibility area
John T. Mc Carthy	Chairman of the BoD	Legally declared
A. Canan Ediboğlu	Vice Chairman of the BoD	Legally declared
M. Semra Kuran	BoD Member and Chairman of the Audit Committee	Legally declared
Martijn Bastiaan Kamps	BoD Member and Audit Committee Member	Legally declared
Karst Jan Wolters	BoD Member	Legally declared
Alper İhsan Gökgöz	Chief Executive Officer and BoD Member	Legally declared
Ayşegül Akay	Executive Vice President	Corporate Banking
Bohdan Robert Stepkowski	Executive Vice President	Financial Markets
Günce Çakır	Executive Vice President	Legal
İhsan Çakır	Executive Vice President	Business Banking
İlker Kayseri	Executive Vice President	Treasury
K. Atıl Özus	Chief Financial Officer	Financial Control and Treasury
Meltem Öztürk	Executive Vice President	Human Resources
N. Yücel Ölçer	Executive Vice President	Operation
Okan Korkmaz	Chief Audit Executive	Internal Audit
Ozan Kırmızı	Executive Vice President	Retail Banking
Öcal Ağar	Executive Vice President	Credits
Umut Pasin	Executive Vice President	Financial Risk Management

Umut Pasin has been appointed as Financial Risk Management Executive Vice President per the Board of Directors resolution No. 107/1 and dated 23 December 2020 and after completion of the BRSA process, he started his duty as of 8 February 2021.

Technology Executive Vice President of the Bank, İ. Bahadır Şamlı, has resigned from his duty as of 15 April 2021 to be appointed as Head of Information Technologies of ING Belgium.

Chief Audit Executive of the Bank, Murat Tursun, has resigned from his duty as of 1 July 2021 to continue his career as an ING Group CAS MT member. Vice President of Risk and Finance Internal Audit of the Bank, Okan Korkmaz, has been appointed as Chief Audit Executive of the Bank as of 1 July 2021.

BoD Member, Sali Salieski, has resigned from his duty as of 11 August 2021 to continue his career as a senior management position in the Management Team at ING Belgium and Karst Jan Wolters has been appointed as BoD Member.

Chief Executive Officer and Executive Vice Presidents have no share in the Bank.

ING Bank A.Ş.

Notes to the Unconsolidated Financial Statements As of and for the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

IV. Information on the Bank's qualified shareholders

ING Bank N.V. has full control over the Bank's management with 3,486,267,793 shares and 100% paid-in share.

V. Summary information on the Bank's activities and services

The Bank is principally engaged in all types of banking transactions, accepting deposits and all kinds of legal transactions, activities and operations within banking license within the scope provided by the Banking Law, and all existing and/or future laws, regulations and decree laws and related legislation. The Bank carries out its operations with 167 domestic branches.

VI. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between the Bank and its subsidiaries

None.

Section two

Unconsolidated financial statements

I. Unconsolidated balance sheet (statement of financial position)
II. Unconsolidated statement of off-balance sheet items
III. Unconsolidated statement of profit or loss
IV. Unconsolidated statement profit or loss and other comprehensive income
V. Unconsolidated statement of changes in equity
VI. Unconsolidated statement of cash flows
VII. Statement of profit distribution

ING Bank A.Ş.

Unconsolidated Balance Sheet (Statement of Financial Position) As of 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

					Audited			Audited
					Current period			Restated prior period (*)
	Assets	Note			(31/12/2021)			(31/12/2020)
		(section five)	TL	FC	Total	TL	FC	Total
I.	Financial assets (net)		10,214,808	18,688,889	28,903,697	8,812,518	9,939,538	18,752,056
1.1	Cash and cash equivalents		4,609,766	17,805,371	22,415,137	5,936,539	9,550,337	15,486,876
1.1.1	Cash and balances at Central Bank	(I-1)	2,011,211	16,791,258	18,802,469	986,317	8,123,472	9,109,789
1.1.2	Banks	(I-3)	205	1,014,113	1,014,318	636	1,426,865	1,427,501
1.1.3	Money market placements		2,601,024	-	2,601,024	4,952,440	-	4,952,440
1.1.4	Expected credit losses (-)	(I-5)	(2,674)	-	(2,674)	(2,854)	-	(2,854)
1.2	Financial assets at fair value through profit or loss	(I-2)	35,237	139,641	174,878	26,805	79,000	105,805
1.2.1	Government securities		35,187	139,641	174,828	26,743	79,000	105,743
1.2.2	Equity instruments		50	-	50	62	-	62
1.2.3	Other financial assets		-	-	-	-	-	-
1.3	Financial assets at fair value through other comprehensive income	(I-4)	1,340,189	869	1,341,058	580,324	313	580,637
1.3.1	Government securities		1,329,741	-	1,329,741	569,876	-	569,876
1.3.2	Equity instruments		10,448	869	11,317	10,448	313	10,761
1.3.3	Other financial assets		-	-	-	-	-	-
1.4	Derivative financial assets		4,229,616	743,008	4,972,624	2,268,850	309,888	2,578,738
1.4.1	Derivative financial assets measured at fair value through profit or loss	(I-2)	4,102,332	743,008	4,845,340	2,242,982	309,888	2,552,870
1.4.2	Derivative financial assets measured at fair value through other comprehensive income	(I-11)	127,284	-	127,284	25,868	-	25,868
II.	Financial assets measured at amortised cost		29,750,141	21,556,298	51,306,439	28,358,587	12,619,235	40,977,822
2.1	Loans	(I-5)	25,908,831	21,556,298	47,465,129	26,106,175	12,619,235	38,725,410
2.2	Receivables from leasing transactions	(I-10)	-	-	-	-	-	-
2.3	Factoring receivables		-	-	-	-	-	-
2.4	Other financial assets measured at amortised cost	(I-6)	5,609,794	-	5,609,794	4,253,314	-	4,253,314
2.4.1	Government securities		5,609,794	-	5,609,794	4,253,314	-	4,253,314
2.4.2	Other financial assets		-	-	-	-	-	-
2.5	Expected credit losses (-)	(I-5)	(1,768,484)	-	(1,768,484)	(2,000,902)	-	(2,000,902)
III.	Assets held for sale and assets of discontinued operations (net)	(I-16)	660	-	660	660	-	660
3.1	Assets held for sale		660	-	660	660	-	660
3.2	Assets from discontinued operations		-	-	-	-	-	-
IV.	Equity investments		479,246	360,040	839,286	406,117	163,072	569,189
4.1	Investments in associates (net)	(I-7)	-	-	-	-	-	-
4.1.1	Associates consolidated by using equity method		-	-	-	-	-	-
4.1.2	Unconsolidated associates		-	-	-	-	-	-
4.2	Investments in subsidiaries (net)	(I-8)	479,246	360,040	839,286	406,117	163,072	569,189
4.2.1	Unconsolidated financial subsidiaries		479,246	360,040	839,286	406,117	163,072	569,189
4.2.2	Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
4.3	Jointly Controlled Partnerships (Joint Ventures) (net)	(I-9)	-	-	-	-	-	-
4.3.1	Joint ventures consolidated by using equity method		-	-	-	-	-	-
4.3.2	Unconsolidated joint ventures		-	-	-	-	-	-
V.	Tangible assets (net)	(I-12)	669,170	-	669,170	817,487	-	817,487
VI.	Intangible assets (net)	(I-13)	34,021	-	34,021	45,580	-	45,580
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		34,021	-	34,021	45,580	-	45,580
VII.	Investment property (net)	(I-14)	-	-	-	-	-	-
VIII.	Current tax asset	(I-15)	195,100	-	195,100	-	-	-
IX.	Deferred tax asset	(I-15)	-	-	-	-	-	-
X.	Other assets (net)	(I-17)	689,035	6,143	695,178	507,391	13,048	520,439
	Total assets		42,032,181	40,611,370	82,643,551	38,948,340	22,734,893	61,683,233

(*) The restatement of the previous period is related to the Bank's TAS 27 policy, and the details are explained in section three, note XXIV.

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ING Bank A.Ş.

Unconsolidated Balance Sheet (Statement of Financial Position) As of 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

	Liabilities	Note (section five)	Audited Current period (31/12/2021) TL	FC	Total	Audited Restated prior period (*) (31/12/2020) TL	FC	Total
I.	**Deposits**	**(II-1)**	**20,167,799**	**32,914,226**	**53,082,025**	**19,252,578**	**20,952,524**	**40,205,102**
II.	**Loans received**	**(II-3)**	**324,390**	**9,100,818**	**9,425,208**	**1,799,764**	**3,499,113**	**5,298,877**
III.	**Money market funds**		**2,501,827**	**93,896**	**2,595,723**	**9,438**	**57,784**	**67,222**
IV.	**Securities Issued (net)**	**(II-4)**	**-**	**-**	**-**	**-**	**-**	**-**
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**		**1,180,404**	**817,468**	**1,997,872**	**791,573**	**174,586**	**966,159**
7.1	Derivative financial liabilities at fair value through profit or loss	(II-2)	1,169,336	817,468	1,986,804	678,574	170,418	848,992
7.2	Derivative financial liabilities at fair value through other comprehensive income	(II-7)	11,068	-	11,068	112,999	4,168	117,167
VIII.	**Factoring payables**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Lease payables (net)**	**(II-6)**	**161,525**	**-**	**161,525**	**229,076**	**-**	**229,076**
X.	**Provisions**	**(II-8)**	**299,711**	**-**	**299,711**	**320,794**	**-**	**320,794**
10.1	Provision for restructuring		-	-	-	-	-	-
10.2	Reserves for employee benefits		72,077	-	72,077	59,554	-	59,554
10.3	Insurance technical reserves (net)		-	-	-	-	-	-
10.4	Other provisions		227,634	-	227,634	261,240	-	261,240
XI.	**Current tax liability**	**(II-9)**	**116,790**	**-**	**116,790**	**150,352**	**-**	**150,352**
XII.	**Deferred tax liability**	**(II-9)**	**498,804**	**-**	**498,804**	**185,063**	**-**	**185,063**
XIII.	**Liabilities for assets held for sale and assets of discontinued operations (net)**	**(II-10)**	**-**	**-**	**-**	**-**	**-**	**-**
13.1	Held for sale		-	-	-	-	-	-
13.2	Related to discontinued operations		-	-	-	-	-	-
XIV.	**Subordinated debt**	**(II-11)**	**-**	**-**	**-**	**-**	**4,019,844**	**4,019,844**
14.1	Loans		-	-	-	-	4,019,844	4,019,844
14.2	Other debt instruments		-	-	-	-	-	-
XV.	**Other liabilities**	**(II-5)**	**866,048**	**2,790,826**	**3,656,874**	**745,093**	**83,403**	**828,496**
XVI.	**Shareholders' equity**	**(II-12)**	**10,809,019**	**-**	**10,809,019**	**9,416,020**	**(3,772)**	**9,412,248**
16.1	Paid-in capital		3,486,268	-	3,486,268	3,486,268	-	3,486,268
16.2	Capital reserves		-	-	-	-	-	-
16.2.1	Share premiums		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Other capital reserves		-	-	-	-	-	-
16.3	Other comprehensive income/expense items not to be recycled to profit or loss		121,616	-	121,616	118,345	-	118,345
16.4	Other comprehensive income/expense items to be recycled in profit or loss		296,176	-	296,176	38,978	(3,772)	35,206
16.5	Profit reserves		5,704,846	-	5,704,846	5,004,293	-	5,004,293
16.5.1	Legal reserves		368,858	-	368,858	334,352	-	334,352
16.5.2	Statutory reserves		-	-	-	-	-	-
16.5.3	Extraordinary reserves		5,335,988	-	5,335,988	4,669,941	-	4,669,941
16.5.4	Other profit reserves		-	-	-	-	-	-
16.6	Profit or (loss)		1,200,113	-	1,200,113	768,136	-	768,136
16.6.1	Prior years' profits or (loss)		-	-	-	-	-	-
16.6.2	Current period profit or (loss)		1,200,113	-	1,200,113	768,136	-	768,136
	Total liabilities and shareholders' equity		**36,926,317**	**45,717,234**	**82,643,551**	**32,899,751**	**28,783,482**	**61,683,233**

(*) The restatement of the previous period is related to the Bank's TAS 27 policy, and the details are explained in section three, note XXIV.

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ING Bank A.Ş.

Unconsolidated Statement of Off-Balance Sheet Items As of 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

	Off-balance sheet items	Note (section five)	Audited Current period (31/12/2021) TL	FC	Total	Audited Prior period (31/12/2020) TL	FC	Total
A.	**Off-balance sheet commitments (I+II+III)**		**31,097,601**	**98,737,149**	**129,834,750**	**31,462,913**	**67,020,353**	**98,483,266**
I.	**Guarantees and warranties**	**(III-1)**	**1,372,537**	**10,943,836**	**12,316,373**	**1,354,541**	**9,433,715**	**10,788,256**
1.1	Letters of guarantee		1,372,210	7,175,918	8,548,128	1,345,689	6,107,892	7,453,581
1.1.1	Guarantees subject to state tender law		3,334	-	3,334	3,477	-	3,477
1.1.2	Guarantees given for foreign trade operations		-	-	-	-	-	-
1.1.3	Other letters of guarantee		1,368,876	7,175,918	8,544,794	1,342,212	6,107,892	7,450,104
1.2	Bank acceptances		-	-	-	-	1,269	1,269
1.2.1	Import letter of acceptance		-	-	-	-	1,269	1,269
1.2.2	Other bank acceptances		-	-	-	-	-	-
1.3	Letters of credit		327	908,729	909,056	4,491	718,677	723,168
1.3.1	Documentary letters of credit		327	908,729	909,056	4,491	718,677	723,168
1.3.2	Other letters of credit		-	-	-	-	-	-
1.4	Pre-financing given as guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other endorsements		-	-	-	-	-	-
1.6	Purchase guarantees for securities issued		-	-	-	-	-	-
1.7	Factoring guarantees		-	-	-	-	-	-
1.8	Other guarantees		-	2,841,852	2,841,852	-	2,533,518	2,533,518
1.9	Other warranties		-	17,337	17,337	4,361	72,359	76,720
II.	**Commitments**	**(III-1)**	**3,754,904**	**1,865,618**	**5,620,522**	**3,540,483**	**1,365,816**	**4,906,299**
2.1	Irrevocable commitments		3,754,904	1,865,618	5,620,522	3,540,483	1,365,816	4,906,299
2.1.1	Forward asset purchase commitments		372,323	1,860,701	2,233,024	262,390	1,359,233	1,621,623
2.1.2	Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3	Share capital commitments to associates and subsidiaries		-	-	-	-	-	-
2.1.4	Loan granting commitments		2,085,527	-	2,085,527	1,869,773	3,834	1,873,607
2.1.5	Securities underwriting commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve requirements		-	-	-	-	-	-
2.1.7	Commitments for cheque payments		200,991	-	200,991	231,822	-	231,822
2.1.8	Tax and fund liabilities from export commitments		23,780	-	23,780	23,780	-	23,780
2.1.9	Commitments for credit card limits		1,065,190	-	1,065,190	1,146,789	-	1,146,789
2.1.10	Commitments for credit cards and banking services promotions		7,093	-	7,093	5,929	-	5,929
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		-	4,917	4,917	-	2,749	2,749
2.2	Revocable commitments		-	-	-	-	-	-
2.2.1	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2	Other revocable commitments		-	-	-	-	-	-
III.	**Derivative financial instruments**	**(III-2)**	**25,970,160**	**85,927,695**	**111,897,855**	**26,567,889**	**56,220,822**	**82,788,711**
3.1	Derivative financial instruments for hedging purposes		2,540,000	-	2,540,000	1,970,000	1,275,834	3,245,834
3.1.1	Fair value hedges		-	-	-	-	-	-
3.1.2	Cash flow hedges		2,540,000	-	2,540,000	1,970,000	1,275,834	3,245,834
3.1.3	Net foreign investment hedges		-	-	-	-	-	-

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ING Bank A.Ş.

Unconsolidated Statement of Off-Balance Sheet Items As of 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

				Audited			Audited	
				Current period			Prior period	
	Off-balance sheet items	Note		(31/12/2021)			(31/12/2020)	
		(section five)	TL	FC	Total	TL	FC	Total
3.2	Derivative financial instruments for trading purposes		23,430,160	85,927,695	109,357,855	24,597,889	54,944,988	79,542,877
3.2.1	Forward foreign currency buy/sell transactions		6,158,329	15,491,670	21,649,999	2,675,190	7,758,902	10,434,092
3.2.1.1	Forward foreign currency transactions-buy		4,732,452	6,010,639	10,743,091	1,799,674	3,508,433	5,308,107
3.2.1.2	Forward foreign currency transactions-sell		1,425,877	9,481,031	10,906,908	875,516	4,250,469	5,125,985
3.2.2	Swap transactions related to foreign currency and interest rates		17,245,275	64,603,671	81,848,946	21,900,003	43,716,268	65,616,271
3.2.2.1	Foreign currency swap-buy		1,611,334	28,055,834	29,667,168	3,659,443	19,803,373	23,462,816
3.2.2.2	Foreign currency swap-sell		7,703,941	18,967,229	26,671,170	9,228,560	12,703,843	21,932,403
3.2.2.3	Interest rate swap-buy		3,965,000	8,790,304	12,755,304	4,506,000	5,604,526	10,110,526
3.2.2.4	Interest rate swap-sell		3,965,000	8,790,304	12,755,304	4,506,000	5,604,526	10,110,526
3.2.3	Foreign currency, interest rate and securities options		26,556	5,832,354	5,858,910	22,696	3,469,818	3,492,514
3.2.3.1	Foreign currency options-buy		13,278	2,916,177	2,929,455	11,348	1,734,909	1,746,257
3.2.3.2	Foreign currency options-sell		13,278	2,916,177	2,929,455	11,348	1,734,909	1,746,257
3.2.3.3	Interest rate options-buy		-	-	-	-	-	-
3.2.3.4	Interest rate options-sell		-	-	-	-	-	-
3.2.3.5	Securities options-buy		-	-	-	-	-	-
3.2.3.6	Securities options-sell		-	-	-	-	-	-
3.2.4	Foreign currency futures		-	-	-	-	-	-
3.2.4.1	Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2	Foreign currency futures-sell		-	-	-	-	-	-
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	**Custody and pledged items (IV+V+VI)**		**201,487,848**	**75,617,002**	**277,104,850**	**192,007,939**	**42,846,154**	**234,854,093**
IV.	**Items held in custody**		**3,195,337**	**5,312,548**	**8,507,885**	**2,223,196**	**2,776,102**	**4,999,298**
4.1	Customer fund and portfolio balances		2,909,807	-	2,909,807	1,940,931	-	1,940,931
4.2	Investment securities held in custody		30,697	1,299,864	1,330,561	30,936	679,754	710,690
4.3	Checks received for collection		118,075	1,084,986	1,203,061	104,175	490,452	594,627
4.4	Commercial notes received for collection		136,757	2,891,018	3,027,775	147,153	1,598,009	1,745,162
4.5	Other assets received for collection		-	-	-	-	-	-
4.6	Assets received for public offering		-	-	-	-	-	-
4.7	Other items under custody		1	36,680	36,681	1	7,887	7,888
4.8	Custodians		-	-	-	-	-	-
V.	**Pledged received**		**20,963,183**	**12,543,991**	**33,507,174**	**22,671,501**	**8,328,932**	**31,000,433**
5.1	Marketable securities		273,462	30,693	304,155	132,034	32,216	164,250
5.2	Guarantee notes		206,560	549,990	756,550	209,030	317,950	526,980
5.3	Commodity		910	-	910	910	-	910
5.4	Warranty		-	-	-	-	-	-
5.5	Properties		17,008,485	9,329,637	26,338,122	19,113,316	6,566,119	25,679,435
5.6	Other pledged items		3,473,766	2,633,671	6,107,437	3,216,211	1,412,647	4,628,858
5.7	Pledged items-depository		-	-	-	-	-	-
VI.	**Accepted independent guarantees and warranties**		**177,329,328**	**57,760,463**	**235,089,791**	**167,113,242**	**31,741,120**	**198,854,362**
	Total off-balance sheet items (A+B)		**232,585,449**	**174,354,151**	**406,939,600**	**223,470,852**	**109,866,507**	**333,337,359**

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ING Bank A.Ş.

Unconsolidated Statement of Profit or Loss
For the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

	Income and expense items	Note (section five)	Audited Current period (01/01/2021-31/12/2021)	Audited Restated prior period [*] (01/01/2020-31/12/2020)
I.	**Interest income**	**(IV-1)**	**6,380,449**	**4,896,134**
1.1	Interest on loans		4,339,165	3,979,161
1.2	Interest on reserve requirements		163,807	7,607
1.3	Interest on banks		8,813	10,881
1.4	Interest on money market transactions		857,474	344,831
1.5	Interest on marketable securities portfolio		1,009,920	553,119
1.5.1	Financial assets at fair value through profit or loss		9,842	13,771
1.5.2	Financial assets at fair value through other comprehensive income		162,199	106,453
1.5.3	Financial assets measured at amortised cost		837,879	432,895
1.6	Finance lease income		-	-
1.7	Other interest income		1,270	535
II.	**Interest expense (-)**	**(IV-2)**	**(3,688,280)**	**(2,094,699)**
2.1	Interest on deposits		(3,294,249)	(1,773,122)
2.2	Interest on funds borrowed		(328,520)	(190,974)
2.3	Interest on money market transactions		(32,213)	(59,735)
2.4	Interest on securities issued		-	-
2.5	Finance lease expense		(28,712)	(28,922)
2.6	Other interest expenses		(4,586)	(41,946)
III.	**Net interest income/expense (I - II)**		**2,692,169**	**2,801,435**
IV.	**Net fees and commissions income/expense**		**435,233**	**426,316**
4.1	Fees and commissions received		626,325	593,294
4.1.1	Non-cash loans		157,683	181,250
4.1.2	Other	(IV-12)	468,642	412,044
4.2	Fees and commissions paid (-)		(191,092)	(166,978)
4.2.1	Non-cash loans		(479)	(978)
4.2.2	Other	(IV-12)	(190,613)	(166,000)
V	**Dividend income**	**(IV-3)**	**177**	**215**
VI.	**Trading gain/(loss) (net)**	**(IV-4)**	**455,655**	**225,408**
7.1	Trading gain/(loss) on securities		(12,309)	98,406
7.2	Gain/(loss) on derivative financial transactions		1,805,799	500,981
7.3	Foreign exchange gain/(loss)		(1,337,835)	(373,979)
VII.	**Other operating income**	**(IV-5)**	**609,227**	**570,120**
VIII.	**Gross operating income (III+IV+V+VI+VII)**		**4,192,461**	**4,023,494**
IX.	**Expected credit loss (-)**	**(IV-6)**	**(592,907)**	**(1,143,132)**
X.	**Other provision expenses (-)**		**(74,531)**	**(10,640)**
XI.	**Personnel expenses (-)**		**(803,562)**	**(721,229)**
XII	**Other operating expenses**	**(IV-7)**	**(1,299,548)**	**(1,321,862)**
XIII.	**Net operating profit/(loss) (VIII-IX-X-XI-XII)**		**1,421,913**	**826,631**
XIV.	**Income resulted from mergers**		**-**	**-**
XV.	**Income/loss from investments under equity accounting**		**129,955**	**141,491**
XVI.	**Gain/loss on net monetary position**		**-**	**-**
XVII.	**Operating profit/loss before taxes (XIII+...+XVI)**	**(IV-8)**	**1,551,868**	**968,122**
XVIII.	**Provision for taxes of continued operations (±)**	**(IV-9)**	**(351,755)**	**(199,986)**
18.1	Current tax provision		(68,594)	(222,557)
18.2	Expense effect of deferred tax (+)		(408,848)	(28,437)
18.3	Income effect of deferred tax (-)		125,687	51,008
XIX.	**Net profit/(loss) from continuing operations (XVII±XVIII)**	**(IV-10)**	**1,200,113**	**768,136**
XX.	**Income from discontinued operations**		**-**	**-**
20.1	Income from non-current assets held for resale		-	-
20.2	Profit from sales of associates, subsidiaries and joint ventures		-	-
20.3	Income from other discontinued operations		-	-
XXI.	**Expenses for discontinued operations (-)**		**-**	**-**
21.1	Expenses for non-current assets held for resale		-	-
21.2	Loss from sales of associates, subsidiaries and joint ventures		-	-
21.3	Loss from other discontinued operations		-	-
XXII.	**Profit/(loss) before tax from discontinued operations (XX-XXI)**		**-**	**-**
XXIII.	**Tax provision for discontinued operations (±)**		**-**	**-**
23.1	Current tax provision		-	-
23.2	Expense effect of deferred tax (+)		-	-
23.3	Income effect of deferred tax (-)		-	-
XXIV.	**Net profit/(loss) from discontinued operations (XXII±XXIII)**		**-**	**-**
XXV.	**Net profit/(loss) (XIX+XXIV)**	**(IV-11)**	**1,200,113**	**768,136**
	Earnings per share		0.3442	0.2203

[*] The restatement of the previous period is related to the Bank’s TAS 27 policy, and the details are explained in section three, note XXIV.

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ING Bank A.Ş.

Unconsolidated Statement Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

	Profit or loss and other comprehensive income	Audited Current period (01/01/2021-31/12/2021)	Audited Restated prior period (*) (01/01/2020-31/12/2020)
I.	**Current period profit/loss**	**1,200,113**	**768,136**
II.	**Other comprehensive income**	**258,658**	**105,571**
2.1	**Other income/expense items not to be recycled to profit or loss**	**(2,312)**	**1,499**
2.1.1	Gains/(losses) on revaluation of property, plant and equipment	-	-
2.1.2	Gains/(losses) on revaluation of intangible assets	-	-
2.1.3	Defined benefit plans' actuarial gains/(losses)	(2,684)	(420)
2.1.4	Other income/(expense) items not to be recycled to profit or loss	-	1,660
2.1.5	Deferred taxes on other comprehensive income not to be recycled to profit or loss	372	259
2.2	**Other income/expense items to be recycled to profit or loss**	**260,970**	**104,072**
2.2.1	Translation differences	140,128	36,067
2.2.2	Income/(expenses) from valuation and/or reclassification of financial assets measured at FVOCI	(43,526)	(72,915)
2.2.3	Gains/(losses) from cash flow hedges	195,320	158,166
2.2.4	Gains/(losses) on hedges of net investments in foreign operations	-	-
2.2.5	Other income/(expense) items to be recycled to profit or loss	-	-
2.2.6	Deferred taxes on other comprehensive income to be recycled to profit or loss	(30,952)	(17,246)
III.	**Total comprehensive income (I+II)**	**1,458,771**	**873,707**

(*) The restatement of the previous period is related to the Bank's TAS 27 policy, and the details are explained in section three, note XXIV.

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ING Bank A.Ş.

Unconsolidated Statement of Changes in Equity
For the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

Changes in equity

	Statement of changes in shareholders' equity						Other comprehensive income/expense items not to be recycled to profit or loss		
	Audited	Note	Paid-in capital	Share premium	Share cancellation profits	Other capital reserves	Revaluation surplus on tangible and intangible assets	Defined benefit plans' actuarial gains/losses	Other [1]
	Restated prior period (*) (01/01/2020-31/12/2020)								
I.	**Balances at beginning of period**		**3,486,268**	**-**	**-**	**-**	**141,898**	**(2,060)**	**(241)**
II.	**Correction made as per TAS 8**		**-**	**-**	**-**	**-**	**-**	**(250)**	**1,586**
2.1	Effect of corrections		-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies (*)		-	-	-	-	-	(250)	1,586
III.	**New balance (I+II)**		**3,486,268**	**-**	**-**	**-**	**141,898**	**(2,310)**	**1,345**
IV.	Total comprehensive income		-	-	-	-	-	(161)	1,660
V.	Capital increase by cash		-	-	-	-	-	-	-
VI.	Capital increase by internal sources		-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-
VIII.	Convertible bonds to shares		-	-	-	-	-	-	-
IX.	Subordinated debt instruments		-	-	-	-	-	-	-
X.	Increase/decrease by other changes		-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	(24,087)	-	-
11.1	Dividends paid		-	-	-	-	-	-	-
11.2	Transfers to reserves	(II-12)	-	-	-	-	(24,087)	-	-
11.3	Other		-	-	-	-	-	-	-
	Period-end balance (III+IV+......+X+XI)		**3,486,268**	**-**	**-**	**-**	**117,811**	**(2,471)**	**3,005**
	Current period (01/01/2021-31/12/2021)								
I.	**Balances at beginning of period**		**3,486,268**	**-**	**-**	**-**	**117,811**	**(2,471)**	**3,005**
II.	**Correction made as per TAS 8**		**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effect of corrections		-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-
III.	**New balance (I+II)**		**3,486,268**	**-**	**-**	**-**	**117,811**	**(2,471)**	**3,005**
IV.	Total comprehensive income		-	-	-	-	-	(2,373)	61
V.	Capital increase by cash		-	-	-	-	-	-	-
VI.	Capital increase by internal sources		-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-
VIII.	Convertible bonds to shares		-	-	-	-	-	-	-
IX.	Subordinated debt instruments		-	-	-	-	-	-	-
X.	Increase/decrease by other changes		-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	5,583	-	-
11.1	Dividends paid		-	-	-	-	-	-	-
11.2	Transfers to reserves	(II-12)	-	-	-	-	5,583	-	-
11.3	Other		-	-	-	-	-	-	-
	Period-end balance (III+IV+......+X+XI)		**3,486,268**	**-**	**-**	**-**	**123,394**	**(4,844)**	**3,066**

(1) Other (Shares of investments valued by equity method in other comprehensive income not to be recycled to profit or loss and other accumulated amounts of other comprehensive income items not to be recycled to other profit or loss)

(2) Other (Cash flow hedge gain/loss, shares of investments valued by equity method in other comprehensive income recycled to profit or loss and other accumulated amounts of other comprehensive income items recycled to other profit or loss)

(*) The restatement of the previous period is related to the Bank's TAS 27 policy, and the details are explained in section three, note XXIV.

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

Other comprehensive income/expense items to be recycled to profit or loss						
Translation differences	Income/expenses from valuation and/or reclassification of financial assets measured at FVOCI	Other [2]	Profit reserves	Prior period profit or (loss)	Current period profit or (loss)	Total shareholders' equity
326	79,930	(159,623)	3,207,698	-	1,476,311	8,230,507
22,599	-	-	218,544	-	65,555	308,034
-	-	-	-	-	-	-
22,599	-	-	218,544	-	65,555	308,034
22,925	79,930	(159,623)	3,426,242	-	1,541,866	8,538,541
23,969	(57,886)	125,891	-	-	768,136	861,609
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	12,098	-	-	12,098
-	-	-	1,565,953	-	(1,541,866)	-
-	-	-	-	-	-	-
-	-	-	1,565,953	-	(1,541,866)	-
-	-	-	-	-	-	-
46,894	22,044	(33,732)	5,004,293	-	768,136	9,412,248
46,894	22,044	(33,732)	5,004,293	-	768,136	9,412,248
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
46,894	22,044	(33,732)	5,004,293	-	768,136	9,412,248
140,128	(35,076)	155,918	-	-	1,200,113	1,458,771
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	700,553	-	(768,136)	(62,000)
-	-	-	(62,000)	-	-	(62,000)
-	-	-	762,553	-	(768,136)	-
-	-	-	-	-	-	-
187,022	(13,032)	122,186	5,704,846	-	1,200,113	10,809,019

ING Bank A.Ş.

Unconsolidated Statement of Cash Flows
For the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

	Statement of cash flows	Note	Audited Current period (01/01/2021-31/12/2021)	Audited Restated prior period [*] (01/01/2020-31/12/2020)
A.	**Cash flows from banking operations**			
1.1	**Operating profit before changes in operating assets and liabilities**		**3,076,869**	**3,745,151**
1.1.1	Interest received		6,442,703	5,014,708
1.1.2	Interest paid		(3,651,800)	(2,107,182)
1.1.3	Dividend received		177	215
1.1.4	Fees and commissions received		622,895	581,436
1.1.5	Other income	(VI-2)	140,294	119,862
1.1.6	Collections from previously written-off loans and other receivables		430,060	635,292
1.1.7	Payments to personnel and service suppliers		(1,654,242)	(1,567,554)
1.1.8	Taxes paid		(102,156)	(199,976)
1.1.9	Other	(VI-2)	848,938	1,268,350
1.2	**Changes in operating assets and liabilities**		**(2,005,527)**	**(3,853,678)**
1.2.1	Net (increase)/decrease in financial assets at fair value through profit or loss		(69,772)	17,666
1.2.2	Net (increase)/decrease in due from bank		(139,562)	178,572
1.2.3	Net (increase)/decrease in loans		(1,772,540)	(1,761,817)
1.2.4	Net (increase)/decrease in other assets	(VI-2)	(4,172,285)	(120,411)
1.2.5	Net increase/(decrease) in bank deposits		(1,610,457)	(748,092)
1.2.6	Net increase/(decrease) in other deposits		1,704,223	(763,847)
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		(2,980,821)	(840,547)
1.2.9	Net increase/(decrease) in matured payables		-	-
1.2.10	Net increase/(decrease) in other liabilities	(VI-2)	7,035,687	184,798
I.	**Net cash provided from banking operations**		**1,071,342**	**(108,527)**
B.	**Cash flow from investing activities**			
II.	**Net cash provided from investing activities**		**(2,224,708)**	**(1,502,013)**
2.1	Cash paid for acquisition of subsidiaries, investments in associates and joint ventures		-	-
2.2	Cash obtained from disposal of subsidiaries, investments in associates and joint ventures		-	-
2.3	Purchases of property and equipment		(252,635)	(342,202)
2.4	Disposals of property and equipment		458,225	444,554
2.5	Cash paid for purchase of financial assets at fair value through other comprehensive income		(1,111,457)	(1,298,023)
2.6	Cash obtained from sale of financial assets at fair value through other comprehensive income		303,730	1,946,210
2.7	Cash paid for purchase of financial assets measured at amortised cost		(3,378,383)	(3,644,739)
2.8	Cash obtained from sale of financial assets measured at amortised cost		2,006,706	1,553,437
2.9	Other	(VI-2)	(250,894)	(161,250)
C.	**Cash flows from financing activities**			
III.	**Net cash provided from financing activities**		**(143,415)**	**(102,737)**
3.1	Cash obtained from funds borrowed and securities issued	(II-4)	-	-
3.2	Cash used for repayment of funds borrowed and securities issued	(II-4)	-	-
3.3	Issued equity instruments		-	-
3.4	Dividends paid	(II-12)	(62,000)	-
3.5	Payments for finance leases		(81,415)	(102,737)
3.6	Other		-	-
IV.	**Effect of change in foreign exchange rate on cash and cash equivalents**	**(VI-2)**	**4,566,928**	**1,030,782**
V.	**Net increase in cash and cash equivalents (I+II+III+IV)**		**3,270,147**	**(682,495)**
VI.	**Cash and cash equivalents at beginning of the period**	**(VI-1)**	**12,408,788**	**13,091,283**
VII.	**Cash and cash equivalents at the end of the period**	**(VI-1)**	**15,678,935**	**12,408,788**

[*] The restatement of the previous period is related to the Bank's TAS 27 policy, and the details are explained in section three, note XXIV.

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ING Bank A.Ş.

Statement of Profit Distribution
For the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

	Profit distribution table	Audited Current period (31/12/2021) (*)	Audited Prior period (31/12/2020) (*)
I.	**Distribution of current year profit**		
1.1	Current year profit	1,551,868	826,631
1.2	Taxes and duties payable (-)	351,755	199,986
1.2.1	Corporate tax (Income tax)	68,594	222,557
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	283,161	(22,571)
A.	**Net profit for the year (1.1-1.2)**	**1,200,113**	**626,645**
1.3	Prior year losses (-)	-	-
1.4	First legal reserves (-)	-	31,332
1.5	Other statutory reserves (-)	-	-
B.	**Net profit available for distribution (A-(1.3+1.4+1.5))**	**1,200,113**	**595,313**
1.6	First dividend to shareholders (-)	-	62,000
1.6.1	To owners of ordinary shares	-	62,000
1.6.2	To owners of privileged shares	-	-
1.6.3	To owners of preferred shares	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	Dividends to personnel (-)	-	-
1.8	Dividend to board of directors (-)	-	-
1.9	Second dividend to shareholders (-)	-	-
1.9.1	To owners of ordinary shares	-	-
1.9.2	To owners of privileged shares	-	-
1.9.3	To owners of preferred shares	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	Statutory reserves (-)	-	-
1.11	Extraordinary reserves (**)	-	525,858
1.12	Other reserves	-	-
1.13	Special funds (***)	-	7,455
II.	**Distribution of reserves**		
2.1	Appropriated reserves	-	-
2.2	Dividends to shareholders (-)	-	-
2.2.1	To owners of ordinary shares	-	-
2.2.2	To owners of privileged shares	-	-
2.2.3	To owners of preferred shares	-	-
2.2.4	To profit sharing bonds	-	-
2.2.5	To holders of profit and loss sharing certificates	-	-
2.3	Dividends to personnel (-)	-	-
2.4	Dividends to board of directors (-)	-	-
III.	**Earnings per share**		
3.1	To owners of ordinary shares	0.34	0.18
3.2	To owners of ordinary shares (%)	34.42%	17.97%
3.3	To owners of privileged shares	-	-
3.4	To owners of privileged shares (%)	-	-
IV.	**Dividend per share**		
4.1	To owners of ordinary shares	-	0.02
4.2	To owners of ordinary shares (%)	-	1.78%
4.3	To owners of privileged shares	-	-
4.4	To owners of privileged shares (%)	-	-

(*) Profit distribution is realized in accordance with Bank's General Meeting decision and as of the preparation date of the financial statements, 2021 annual ordinary general meeting has not been held yet. In accordance with the regulations in Turkey, companies do not make profit distribution based on consolidated financials. In this respect, the profit distribution tables stated above belong to the Bank.

(**) According to Ordinary General Meeting dated 25 March 2021, among total distributable profit for the year 2020, TL 174,313 has been classified as first dividend share, TL 62,000 as gross amount before tax has been paid in cash while TL 112,313 of first dividend payment and TL 413,545 are kept as extraordinary reserves.

(***) According to Ordinary General Meeting dated 25 March 2021, amounting to TL 7,455 of distributable profit for the year 2020 is composed of the benefit of Corporate Tax exemption on real estate sales profit and related amount is transferred to separate fund under equity in accordance with Corporate Tax Law 5520 article 5. and 1. paragraph clause (e).

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

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Notes to the Unconsolidated Financial Statements As of and for the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

Section three

Accounting policies

I. Explanations on basis of presentation

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

The unconsolidated financial statements have been prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" and other regulations, communiqués, explanations and circulars promulgated by the Banking Regulation and Supervision Agency ("BRSA") in relation to accounting and financial reporting principles of banks and for the issues not regulated by as per Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") (hereafter, referred as "BRSA Accounting and Financial Reporting Legislation"). The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation. TFRS contains Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards and explanations and interpretations related to the standards.

The unconsolidated financial statements have been prepared at Turkish Lira on a historical cost basis, except for the financial assets and financial liabilities measured on a fair value basis.

The preparation of unconsolidated financial statements in conformity with BRSA Accounting and Financial Reporting Legislation requires the use of certain critical accounting estimates and assumptions 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 and assumptions include fair value calculation of financial instruments and impairment of financial assets are being reviewed regularly and, when necessary, adjustments are made and the effects of these adjustments are reflected to the statement of profit or loss.

The spread of the COVID-19 virus to various countries in the world, affects both regional and global economic conditions negatively as well as causing disruptions in operations especially in countries which are heavily exposed to COVID-19. As a result of the spread of COVID-19 around the world, various precautions have been taken and are still being taken in our country as well as in the world in order to prevent the transmission of the virus. In addition to these precautions, extensive economic precautions have also been taken in order to minimize the economic impact of the virus, simultaneously.

b. 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.

c. Accounting policies and valuation principles applied in the presentation of financial statements

The accounting policies and valuation principles applied in the preparation of unconsolidated financial statements are determined and applied in accordance with BRSA Accounting and Financial Reporting Legislation. These accounting policies and valuation principles are explained in Notes II to XXIV below.

The accounting policies adopted in the preparation of the unconsolidated financial statements are consistent with the standards used in the previous year.

d. Changes in accounting policies and disclosures

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 2021 have no material effect on accounting policies, financial position and financial performance of the Bank. New and revised TAS and TFRS issued but not yet effective as of the finalization date of the financial statements will not have material effect on accounting policies, financial position and financial performance of the Bank.

I. Explanations on basis of presentation (continued)

In addition, the Indicator Interest Rate Reform - 2nd Phase, which brings changes in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from 1 January 2021, was published by the POA in the Official Gazette dated 14 December 2019 and numbered 30978 and early implementation of the changes is allowed. With the modifications made, certain exceptions are provided for the basis used in the determination of contractual cash flows and hedge accounting implementations. The effects of the changes on the Bank's financials have been evaluated and it has been concluded that there is no material impact for 31 December 2021. On the other hand, the process for the Interest Rate Benchmark Reform is ongoing and the Bank's studies continue within the scope of compliance with the changes.

According to the announcement made by Public Oversight Accounting and Auditing Standards Authority on 20 January 2022, due to the fact that cumulative change in the general purchasing power of the last 3 years was 74.41%; it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies. Therefore, no inflation adjustment has been applied on the financial statements dated 31 December 2021 in accordance with TAS 29.

II. Explanations on the strategy of using financial instruments and foreign currency transactions

The Bank manages its financial instruments strategies according to its liability structure. The liability structure is mainly comprised of deposits. The investment instruments are generally chosen from liquid instruments. Thus, liquidity is sustained to meet liabilities. As reporting date, the Bank's asset and shareholder's equity structure is sufficient to meet its liabilities.

Due to the risks management policy, the Bank does not take significant currency positions. In case of a currency risk due from the customer transactions, the Bank makes contra transactions in order to close the position.

The investment decisions are made taking the balance sheet items' maturity structure and interest rates into consideration. Limits related to the balance sheet are determined. The distribution of assets is determined and income analyses are made according to this distribution.

When carrying out off-balance sheet forward transactions, the Bank aims to perform contra transactions as well, thus paying maximum attention to the currency and interest rate risks. The customer limits for transactions are determined.

Explanations on foreign currency transactions:

Translation gains and losses arising from foreign currency transactions are accounted for within the period in which the transaction occurs. In period-ends, foreign currency denominated monetary assets and liabilities are translated into TL with the exchange buying rates of the Bank prevailing at the reporting date. Gains and losses arising from such transactions are recognized in the statement of profit or loss under the account of foreign exchange gains or losses.

III. Presentation of information related to consolidated subsidiaries

"Communique on amending the Communique on TAS 27 Separate Financial Statements" (Communique) has been published in the Official Gazette dated 9 April 2015 and numbered 29321 to be applied for accounting periods after 1 January 2016.

Entities have the opportunity to recognize their investments in associates, subsidiaries and joint ventures with equity method in their separate financial statements in line with the amendment while it is stated for entities preparing separate financial statements before the amendment in communique to recognize their investments in associates, subsidiaries and joint ventures in accordance with cost value or TFRS 9 Financial Instruments standard.

The Bank decided to account for its financial subsidiaries in the unconsolidated financial statements as of 31 December 2021 according to the equity method within the scope of TAS 27 and implemented the application retrospectively within the framework of TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Effects of the aforementioned retrospective application are explained in note XXIV "Explanations on other matters".

IV. Explanations on forward and options contracts and derivative instruments

The Bank's derivative instruments consist of forward buy/sell, swaps, futures, and options contracts.

Derivative financial instruments of the Bank are classified as "Derivative Financial Assets Designated at Fair Value through Profit or Loss" per TFRS 9.

IV. Explanations on forward and options contracts and derivative instruments (continued)

Derivatives are initially recorded at their fair values. The related transaction costs are recognized in profit or loss statement at the date they incur. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss". The fair value differences of derivative financial instruments are recognized in the statement of profit or loss under trading profit/loss line in profit/loss from derivative financial transactions. The fair value of derivative instruments is calculated by taking into account the market value of the derivatives or by using the discounted cash flow model.

From 30 June 2020, the Bank started to use TRLibor average interest curves in order to reflect fair valuation measurement of the CBRT swap transactions more accurately and made the necessary fair value measurement arrangements.

Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values.

Explanations on derivative financial instruments held for hedging purpose

As permitted by TFRS 9, the Bank continues to apply hedge accounting in accordance with "TAS 39 Financial Instruments: Recognition and Measurement ("TAS 39").

The Bank applies cash flow hedge accounting using interest rate and cross currency swap transactions, in order to hedge its TL floating rate deposits and revolving loans. Within the scope of cash flow hedge accounting, change in fair value of the hedging instrument, being positive or negative, is accounted in "Derivative financial assets measured at fair value through other comprehensive income" or "Derivative financial liabilities at fair value through other comprehensive income", respectively, in the balance sheet. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TAS 39, in financial statements under equity "accumulated other comprehensive income or expense to be reclassified to profit or loss" whereas the amount concerning ineffective parts is recognised in profit or loss statement. The changes recognized in shareholders' equity is removed and included in profit or loss statement in the same period when the hedged cash flows effect the income or loss.

Effectiveness tests are performed at the beginning of the hedge accounting period and at each reporting period. The effectiveness tests are carried out using the "Dollar off-set model" and the hedge accounting is applied as long as the test results are between the ranges of 80%-125% of effectiveness.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortised to profit or loss statement under trading account income/loss caption over the maturity of the hedged item from that date of the hedge accounting is discontinued. While expiring, sale, discontinuing cash flow hedge accounting or when no longer effective the cumulative gains/losses recognised in shareholders' equity until the cash flows of the hedged item are realized and presented under "accumulated other comprehensive income or expense to be reclassified to profit or loss" are continued to be kept in this account.

When the cash flows of hedged item incur, the gain/losses accounted for under shareholders' equity are recognised in profit or loss statement considering the original maturity.

V. Explanations on interest income and expenses

Interest income and expenses are recognized on an accrual basis using the effective interest method (the rate which equals the future cash flows of a financial asset or liability to its net book value) by taking into consideration present principal amount.

As of 1 January 2018, the Bank applies the effective interest rate on the amortized cost of the asset for subsequent reporting periods for the financial assets impaired and classified as non-performing loan. Such interest income calculation is based on contractual basis for all financial assets subject to impairment calculation. During calculation of loss given default rate in expected credit loss models effective interest rate is used, thus, calculation of expected credit losses includes calculated interest amount. Therefore, a reclassification is made between the accounts of "Expected Credit Losses" and "Interest income from loans" for such calculated interest 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), the system calculates interest income at subsequent reporting periods by applying the effective interest rate to the gross amount.

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

VI. Explanations on fee and commission income and expenses

Commissions paid for the loans provided and fees and commissions collected from clients in return for these loans are reflected on the statement of profit or loss in the period when they arise. On the other hand, of the fees and commissions collected from clients, the portions exceeding the amounts paid, and the fees and commissions collected without being associated with any cost are treated as an element of the effective interest of the loan, and they are recognized in the statement of profit or loss during the term of the loan on an accrual basis. Fees and commission expenses paid to the institutions and companies granting the loan are treated as an element of the effective interest, and they are associated with the statement of profit or loss during the term of the loan.

VII. Explanations on financial instruments

Initial recognition of financial instruments

A financial asset or a financial liability is recognized in the statement of financial position only when it is a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date.

Initial measurement of financial instrument

The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. Except for the assets in the scope of TFRS 15 Revenue from contracts with customers, at initial recognition, the Bank measures financial asset or financial liabilities at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit/loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification of financial instruments

On which category a financial instruments shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Thus, the Bank has classified all financial assets beginning from 1 January 2018 on the basis of the business model used for the management of these assets and the contractual cash flows.

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 has tested the "Solely Payments of Principal and Interest" test for all financial assets within the scope of TFRS 9 transition and evaluated asset classifications within the business model.

Assessment of business model

As per TFRS 9, the business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Bank's business models are divided into three categories.

A business model whose objective is to hold assets in order to collect contractual cash flows:

A business model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortised cost when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Central Bank, banks, money market placements, financial assets measured at amortized cost, loans, lease receivables, factoring receivables and other receivables are evaluated within this business model.

VII. Explanations on financial instruments (continued)

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

The business model in which financial assets are held both for the collection of contractual cash flows and for the sale of financial assets. Fair value change of the financial assets that are held within the scope of this business model are accounted under other comprehensive income when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at fair value through other comprehensive income are evaluated within this business model.

Other business models:

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

Measurement categories of financial assets and liabilities

According to TFRS 9, the Bank's financial assets are classified in three main categories as listed below:

- Financial assets measured at fair value through profit/loss
- Financial assets measured at fair value through other comprehensive income and
- Financial assets measured at amortized cost (including credits).

Financial assets measured at fair value through profit/loss:

Financial assets at fair value through profit/loss are financial assets other than the ones that are managed with business model that aims 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 recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income:

As per TFRS 9, the financial investments are measured at fair value through other comprehensive income if financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to statement of profit or loss. "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 statement of profit or loss 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 "Other comprehensive income income/expense items to be recycled in 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. In this context, the Bank has evaluated that the costs of equity securities, which are classified as financial assets measured at fair value through other comprehensive income, has been assessed that they reflect the approximate fair values. The fair value level of the related assets has been determined as Level 3.

VII. Explanations on financial instruments (continued)

During initial recognition an entity can choose in an irrevocable way to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

Financial assets measured at amortized cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

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 statement of profit or loss.

Loans:

Loans represents financial assets other than those held for trading in short term or generated through providing money, commodity and services to debtors.

Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the effective interest rate method.

The Bank's loans are recorded under the "Loans Measured at Amortized Cost" account.

VIII. Explanations on impairment of financial assets

With the "Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside (Provision Regulation)" promulgated by BRSA in the Official Gazette, no. 29750, dated 22 June 2016, the Bank has started calculating provisions as of 1 January 2018, in scope of TFRS 9 for financial instruments, loans and other receivables. Accordingly, loss allowance for expected credit losses is recognized for the financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income.

Per TFRS 9, loss allowance for expected credit losses is recognised on financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit or loss. Expected credit loss estimates should include objective information weighted according to possibilities and that can be supported about past events, existing conditions and predictions about future economic conditions.

Financial assets within the scope of TFRS 9 are allocated to the three stages according to the change in the quality of the loan after initial recognition and are calculated on the basis of the expected credit loss stage:

- **Stage 1:** For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses.
- **Stage 2:** In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses.

A financial asset is transferred from Stage 1 to Stage 2 when there is a significant increase in credit risk after initial recognition. Bank has established a framework which incorporates quantitative and qualitative information to identify significant risk increase on an asset level applying a relative assessment. Each financial asset is assessed at the reporting date to determine significant risk increase.

VIII. Explanations on impairment of financial assets (continued)

Bank considers the following criteria.

Quantitative criteria: The change in lifetime probability of default is the main trigger the transfer between Stage 1 and Stage 2. The trigger compares probability of default at the origination date versus probability of default at the reporting date, considering the remaining maturity. Assets can be transferred in both directions between Stage 1 and Stage 2. In order to determine if movements can be considered as significant, Bank implements different probability of default thresholds to evaluate absolute and relative changes occurring in both retail and corporate portfolios. Related thresholds are being analyzed by back-testing and revised accordingly if necessary.

Qualitative criteria: Bank considers several indicators aligned with those used in credit risk management. Specific qualitative criteria for retail and corporate portfolio has been defined, according to its particularities and with the policies currently in use. The use of these qualitative criteria is complemented with the use of expert judgement.

- Having past due more than legal regulations
- Loans classified to watch list status according to the decision of the Bank's management,
- Restructured loans in compliance with "Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside ",
- Restructured loans according to an administrative judgement,
- Other consumer loans of individual clients whose one of the consumer loan transferred to non-performing loan portfolio.

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

The following criteria are taken into consideration in determining the impairment:

- Having past due more than legal regulations
- Problems in aspect of client's creditworthiness
- Collaterals and/or debtor's equities are insufficient for the timely payment of receivables
- Collection of receivables is considered to be delayed for more than legal regulations due to macroeconomic, industry specific or customer specific reasons.

In accordance with the BRSA Decision numbered 8948 and dated 17 March 2020, starting from 17 March 2020, the Bank records a loss allowance for loans which have days past due between 90-180 days and classified under Stage 2 at an amount equal to their lifetime expected credit losses where the probability of default is taken into account as 100% until 31 December 2020. Based on the BRSA Decision numbered 9624 and dated 17 June 2021, this period was extended until 30 September 2021 and it was terminated pursuant as of 1 October 2021 to the decision of the Board of Directors dated 16 September 2021 and numbered 9795. However, with the decision of the same date, the default date is more than 91 days and for loans that do not exceed 180 days, BRSA decided to continue in the same way as of 1 October 2021 until 31 December 2021 within the scope of the related decision.

In accordance with the BRSA Decision numbered 8970 and dated 27 March 2020, the Bank records a loss allowance for loans which have days past due between 30 to 90 days and classified under Stage 1 at an amount equal to their lifetime expected credit losses until 31 December 2020. Based on the BRSA Decision numbered 9624 and dated 17 June 2021, this period was extended until 30 September 2021 and it was terminated pursuant as of 1 October 2021 to the decision of the Board of Directors dated 16 September 2021 and numbered 9795.

The Bank implemented the relevant classification changes as of 1 October 2021.

VIII. Explanations on impairment of financial assets (continued)

Use of present, past, future information and macroeconomic predictions:

Expected loss estimations take into consideration multiple macroeconomic scenarios for which the probability is measured according to past events, existing conditions and predictions about future economic conditions for economic variables (such as unemployment rates, GDP growth, real estate prices index and interest rates). Bank has defined three macroeconomic scenarios to use for future predictions, a baseline, an up-scenario and a down-scenario. Macroeconomic models are used to convert the parameters used in expected loss estimations to forward looking versions. Different models exist for large corporate, financial institutions, corporate, retail mortgage and retail portfolios.

Expected credit loss measurement:

Bank applies "Probability of Default x Exposure at Default x Loss Given Default" method which also takes the time value of money into account. For Stage 1 financial assets; a forward-looking approach on a twelve-month period is applied in order to calculate expected credit loss. For Stage 2 financial assets; a lifetime expected loss is calculated. The lifetime expected loss is the discounted sum of the portions of lifetime losses related to default events within each period of twelve months till maturity. For Stage 3 financial assets; the probability of default equals 100%, the loss given default and the exposure at default represent a lifetime expected loss calculated based on properties of the defaulted loan.

According to the Bank's risk policies, lifetime loan loss provision is calculated for the loans which have overdue between 30 to 90 days and classified under Stage 1 in accordance with BRSA Decision numbered 8970 and dated 27 March 2020. Based on the BRSA Decision numbered 9624 and dated 17 June 2021, this period was extended until 30 September 2021 and it was terminated pursuant as of 1 October 2021 to the decision of the Board of Directors dated 16 September 2021 and numbered 9795.

According to the Bank's risk policies, lifetime loan loss provisions are calculated by taking into account the probability of default as 100% for the loans which have overdue between 90 to 180 days and classified under Stage 2 in accordance with BRSA Decision numbered 8948 and dated 17 March 2020. Based on the BRSA Decision numbered 9624 and dated 17 June 2021, this period was extended until 30 September 2021 and it was terminated pursuant as of 1 October 2021 to the decision of the Board of Directors dated 16 September 2021 and numbered 9795. However, with the decision of the same date, the default date is more than 91 days and for loans that do not exceed 180 days, BRSA decided to continue in the same way as of 1 October 2021 until 31 December 2021 within the scope of the related decision.

Disclosures on write-off policy:

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.31533 on 6 July 2021. Pursuant to the regulation, the Bank may write-off the portion of the loans, classified as "Group V Loan" (Loans Classified as Loss)", for which there is no reasonable expectation of recovery, within the scope of TFRS 9, as of the first reporting period (interim or year-end reporting period) following their classification in this Group, deducted from the records within the period deemed appropriate by the Bank, taking into account the situation of the debtor. The Bank performs objective and subjective assessments whether there is a reasonable expectation.

Partial write-off transactions from the financial statements mean that the financial asset will be reimbursed at a certain rate by the debtor, and the amount remaining after the payment of the amount in question or the part of the bank that is classified under group 5 and which does not have reasonable expectations to be recovered.

IX. Explanations on offsetting financial assets

Financial assets and liabilities are shown on the balance sheet at their net amounts when the Bank has a legally enforceable right to offset the recognized amounts and intents to settle the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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

Marketable securities sold under repurchase agreements ("Repo") are classified as financial assets whose fair value difference is reflected on profit-loss, and which are other comprehensive income or will be measured at amortised cost, in parallel to the classification of financial instruments. Funds provided in return for repo transactions are recognized in the "funds provided by repo transactions" accounts. The income related to repurchase agreements are reflected to the interest income on marketable securities and expenses paid in relation to repurchase agreements are recognized in "interest on money market borrowings" accounts.

Securities ("Reverse repo") that are purchased with repurchase agreements are classified under receivables from reverse repo transactions. Interest income obtained from reverse repo transactions are recognized under the account "interest obtained from money market transactions".

Securities lending transactions are classified under "money market placements" and accruals are calculated for the interest expense occurred.

XI. Explanations on property and equipment held for sale and related to discontinued operations and on payables regarding 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 a sale or sales, 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 Bank'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 statement of profit or loss. The Bank does not have any discontinued operations.

XII. Explanations on goodwill and other intangible assets

The intangible assets are measured at their cost calculated by adding the acquisition costs and other direct costs necessary for making the asset in working order. Subsequently, intangible assets are carried at cost less accumulated depreciation and provision for value decrease.

Intangible assets are depreciated according to straight line method and depreciation rates are determined in line with the useful lives of related assets.

The intangible assets	33%

The Bank does not have goodwill.

XIII. Explanations on property and equipment

Property and equipment are initially measured at cost calculated by adding the acquisition fees and any directly attributable costs for making the asset in working order. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for value decrease.

According to precautionary and materiality principles, when the current value of property and equipment is less than their net cost, the net cost which exceeds their current value is recognized in expense account as provision for impairment.

Property and equipment are depreciated according to straight line method and depreciation rates are determined in line with the useful lives of related assets.

Immovables	2%
Movables, assets acquired by financial leasing	2% - 50%
Right-of-use assets	9% - 50%

The depreciation is set aside at the amount calculated through proportion of the yearly depreciation amount foreseen for the assets held for less than one accounting period to the time for which the asset is held in asset.

Gains and losses on the disposal of property and equipment are reflected to the profit and loss of the related period.

Expenditures for the repair and maintenance of property and equipment are recognized as expense.

There is no injunction, pledge or mortgage on property and equipment.

There is no purchase commitment related to property and equipment.

XIV. Explanations on leasing transactions

a. Accounting of leasing operations as lessor

The Bank does not have any leasing operations as lessor.

b. Accounting of leasing operations as lessee

Assets acquired under financial leases are capitalized at lower of the fair values of leased assets or discounted value of lease installments. While the total amounts of lease amounts are recognized as liability, the related interest amounts are accounted for as deferred interest. Assets subject to financial leases are followed under property and equipment and are depreciated by using straight-line method. The estimated depreciation rates are determined according to their estimated useful lives.

The Bank performs operating lease for branches ATM locations and vehicles. With the "TFRS 16 Leases" standard which became effective as of 1 January 2019, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognised under "Tangible Fixed Assets" as an asset and under "Liabilities from Leasing" as a liability. Other operating leases are not considered within the scope of TFRS 16 as they are below the materiality level and the corresponding rent payments are recognized under Other Operating Expenses.

The Bank - as lessee:

The Bank assesses whether a contract is (or contains) a lease at the inception of the contract. A contract is a lease contract or contains a lease on the basis of whether the right to control the use of an identified asset is being transferred for a period of time, against remuneration. In this case, at the commencement date, the right-of-use assets are recognized under "Tangible Assets" and lease liabilities are recognized under "Lease Payables" by the Bank.

XIV. Explanations on leasing transactions (continued)

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

(a) Lease liabilities in the balance sheet, initially measured at the present value,

(b) Remaining lease payment amount before or at the commencement date, after all lease incentives are eliminated,

(c) All initial direct costs beared by the Bank,

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Bank measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability.

The Bank applies the depreciation requirements in TAS 16 Property, Plant and Equipment in depreciating the right-of-use asset.

At the commencement date, the Bank measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the alternative borrowing interest rate.

At the commencement date, the lease payments included into the measurement of lease liabilities are composed of payments will be made during the underlying asset's lease term and payments that are not made at the commencement date are indicated below:

(a) Remaining amount of fixed payments after elimination of any lease incentives receivable,

(b) Variable future lease payments resulting from a change in an index or a rate used to determine those payments' initial measurement at the commencement date,

(c) Amounts expected to be payable under a residual value guarantee by the Bank,

(d) Purchasing option's cost if the Bank is sure at a reasonable level that purchasing option will be used,

(e) Payment of the fine due to the termination of the lease if the lease period refers to an option for the termination of the lease.

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

(a) Measures the lease liability by increasing the carrying amount to reflect interest on the lease liability,

(b) Measures the lease liability by reducing the carrying amount to reflect the lease payments made,

(c) Remeasures the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease.

XV. Explanations on provisions, contingent assets and 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 there is a present legal or constructive obligation as a result of past events at the balance sheet date; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Provisions are set aside for highly probable and reliably estimated amount of liabilities arisen as a result of prior period events, at the time when such liabilities arise.

XVI. Explanations on obligations related to employee rights

Provision for employee severance benefits has been accounted for in accordance with TAS 19 "Employee Benefits".

In accordance with the existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Bank over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Bank.

XVI. Explanations on obligations related to employee rights (continued)

The Bank has calculated provision for employee severance benefits in the attached financial statements in accordance with "Turkish Accounting Standard for Employee Benefits ("TAS 19")" by using the "Projection Method" and discounted the total provision by using the current market yield on government bonds based on their previous experience in the issues of completion of personnel service period and severance pay eligibility. Actuarial gains and losses are recognized under equity in accordance with the "TAS 19" standard.

In accordance with the existing social legislation in Turkey, the Bank is required to make contribution to Social Security Institution ("SSI") on behalf of their employees. Other than the contributions that the Bank is required to pay, there is no additional requirement to make payment to neither their employees nor SSI. These premiums are reflected to personnel expenses when they accrue.

Provision for the employees' unused vacations has been booked in accordance with TAS 19 and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the employees are members.

XVII. Explanations on taxation

a. Current tax

The Bank is subject to tax legislation and practices effective in Turkey.

As of 31 December 2021, the current corporate tax rate is 25%. In accordance with the Law No. 7316 published in the Official Gazette dated 22 April 2021, starting from the declarations that must be submitted as of 1 July 2021 and to be valid for the taxation period starting from 1 January 2021, the corporate tax rate is 25% for the taxation period of 2021 and this rate will be applied as 23% for the taxation period of 2022.

While according to the provisions of Corporate Tax Law, No. 5520, exemption shall be applied for 75% of the earnings from the sale of the properties and participation shares that corporations have kept among their assets for at least two full years (provided that they are added in the capital or kept in a special fund account in liabilities for five years as provided in the Law), and from the sales of founders' shares, preference shares and preferred rights they have kept for same duration; Article 89/a of the Law, No. 7061 effective upon promulgation in the Official Gazette, No. 30261, dated 5 December 2017 and Articles 5.1.e and 5.1.f of Corporate Tax Law have been amended, the exemption applied as 75% was decreased to 50% to be effective as of the promulgation of the Law for the above mentioned sale of properties.

The corporate tax rate is applied to the net corporate income after the addition of expenses not subject to deduction according to tax legislation, deduction of exemptions in tax laws (such as participation earnings exemption) and application of tax relief (reduction). No further tax is paid if the profit is not distributed.

According to the Corporate Tax Law, financial losses can be carried forward to offset against corporate tax base of the related period for up to five years. Tax authorities inspect tax returns and the related accounting records within five years and check the tax calculations.

Corporate tax is required to be filed by the last day of the fourth month following the balance sheet date and taxes must be paid in one installment by the end of the fourth month. Pursuant to the tax legislation, an advance tax is calculated and paid based on earnings generated for each quarter. The amounts thus paid are deducted from the tax calculated over annual earning.

As of 31 December 2021, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298 of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting periods including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022 and the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, will not be subject to inflation adjustment, and for the 2023 accounting period; will not be subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

Current year tax amounts to be paid are netted off as they are related with prepaid tax amounts.

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") and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date. In accordance with the Law No. 7316 published in the Official Gazette dated 22 April 2021, the corporate tax rate is 25% for the taxation period of 2021 and this rate will be applied as 23% for the taxation period of 2022, and 20% for the following periods. As of 31 December 2021, the Bank has evaluated its assets and liabilities according to their maturities and calculated deferred tax at the rates of 23% or 20% corresponding to the relevant maturities.

If transactions and events are recorded in the statement of profit or loss, then the related tax effects are also recognized in the statement of profit or loss. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

The deferred tax assets and liabilities are reported as net in the financial statements.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. An entity shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of deferred tax asset to be utilized.

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 Communique on Disguised Profit Distribution by way of Transfer Pricing" published on 18 November 2007 explains the application related issues in detail. According to this Communique, 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. Disguised profit distribution amount will be recognized as share in net profit and stoppage tax will be calculated depending on whether the profit distributing institution is a real or corporate entity, full-fledged or foreign based taxpayer, is subject to or exempt from tax.

As discussed under subject Communique's "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization Form" section, 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

The Bank, whenever required, generates funds from domestic and foreign sources in the form of borrowings, syndications, securitizations, and bill and bond issuances in the local and international markets. The funds borrowed are recorded at their purchase costs and valued at amortised costs using the effective interest method.

XIX. Explanation on issuance of equity securities

There are no issuance of equity securities in 2021.

XX. Explanations on guarantees and acceptances

The Bank's letters of acceptances with its customers are simultaneously realized with customers' payments and are followed in off-balance sheet items.

XXI. Explanations on government incentives

As of the balance sheet date, there is no government grant for the Bank.

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

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 authorised decision maker for the purpose of taking decisions about resources to be allocated to the segment and assessing its performance, and
c. For which discrete financial information is available.

Reporting according to the operational segment is presented in Note XII of Section Four.

XXIII. Profit reserves and distribution of profit

Under the Turkish Commercial Code ("TCC"), legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital.

XXIV. Explanations on other disclosures

Restatement of prior periods' financials:

Due to the change in the accounting policy regarding the presentation of the subsidiaries in unconsolidated financial statements, explained in Note III of Section Three, the prior period financial statements have been restated in accordance with "Accounting Policies, Changes in Accounting Estimates and Errors (TAS 8)" in order to conform with the presentation of the financial statements dated 31 December 2021. The impact of the restatement of prior period financial statements is stated below.

31 December 2020	Announced	Adjustment	Restated
Balance sheet			
Subsidiaries (net)	111,006	458,183	569,189
Total asset	**61,225,050**	**458,183**	**61,683,233**
Other comprehensive income/expense items not to be recycled to profit or loss	144,420	(26,075)	118,345
Other comprehensive income/expense items to be recycled in profit or loss	(11,364)	46,570	35,206
Legal reserves	317,508	16,844	334,352
Extraordinary reserves	4,390,588	279,353	4,669,941
Profit or (loss)	626,645	141,491	768,136
Total liabilities	**61,225,050**	**458,183**	**61,683,233**
Statement of profit or loss			
Income/loss from investments under equity accounting	-	141,491	141,491

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XXIV. Explanations on other disclosures (continued)

31 December 2019	Announced	Adjustment	Restated
Balance sheet			
Subsidiaries (net)	83,599	308,034	391,633
Total asset	**57,144,721**	**308,034**	**57,452,755**
Other comprehensive income/expense items not to be recycled to profit or loss	139,597	1,336	140,933
Other comprehensive income/expense items to be recycled in profit or loss	(79,367)	22,599	(56,768)
Legal reserves	243,692	13,179	256,871
Extraordinary reserves	2,964,006	205,365	3,169,371
Profit or (loss)	1,476,311	65,555	1,541,866
Total liabilities	**57,144,721**	**308,034**	**57,452,755**
Statement of profit or loss			
Income/loss from investments under equity accounting	-	65,555	65,555

Section four

Information on financial position and risk management of the Bank

I. Explanations on unconsolidated capital

Unconsolidated total capital and capital adequacy ratio has been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks".

In accordance with the BRSA Decision numbered 9996 and dated 21 December 2021, due to the fluctuations in the financial markets as a result of the COVID-19 outbreak; in the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy; with monetary assets and non-monetary assets excluding assets that are measured in terms of historical cost in a foreign currency valued amount of items in accordance with TAS and its special provision amounts, purchase exchange rate can be used in preparation of financial statements as of simple arithmetic average of the Central Bank foreign exchange buying rates for the last 252 business days before and negative revaluation differences of the securities classified under "Financial Assets Measured at Fair Value through Other Comprehensive Income" are not included in capital calculation.

As of 31 December 2021, the amount subject to credit risk in calculating the regulatory capital adequacy ratio was calculated by taking into account the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days before the calculation date. If the specified measure is not taken into account, the unconsolidated capital adequacy ratio decreases to 17.00% as of 31 December 2021.

As of 31 December 2021, taking into consideration the above-mentioned regulations, the Bank's total capital is TL 11,163,309 and the capital adequacy ratio is 20.21%. As of 31 December 2020, the Bank's total capital amounted to TL 12,328,040 and capital adequacy ratio was 25.12%.

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

I. Explanations on unconsolidated capital (continued)

	Current period	Amount related to implementation before 01.01.2014 (*)
COMMON EQUITY Tier I Capital		
Paid-in capital to be entitled for compensation after all creditors	3,486,268	
Share premium	-	
Legal reserves	5,704,846	
Other comprehensive income according to TAS	319,549	
Profit	1,200,113	
Net profit for the period	1,200,113	
Prior period profit	-	
Bonus shares from investments in associates, subsidiaries and joint ventures that are not recognized in profit	1,596	
Common equity Tier I capital before deductions	**10,712,372**	
Deductions from common equity		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on the Capital of Banks	-	
Portion of the current and prior periods' losses not covered by reserves and losses accounted under equity as per TAS	25,539	
Leasehold improvements on operational leases	43,340	
Goodwill netted off deferred tax liability	-	
Other intangibles netted off deferred tax liability except for mortgage servicing rights	34,673	34,673
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Portion of the total expected loss amount calculated as per Communiqué on Calculation of Credit Risk with the Internal Rating Based Approach, which exceeds total provisions	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair value of Bank's liabilities	-	
Net amount of defined-benefit plan assets	-	
Direct and indirect investments of the Bank in its own Common Equity Tier I Capital	-	
Shares obtained contrary to the 4th 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, which exceeds 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, which exceeds 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	-	
Amounts exceeding 15% of the common equity as per the 2nd clause of the provisional article 2 of the Regulation on the Equity of Banks	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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I. Explanations on unconsolidated capital (continued)

	Current period	Amount related to implementation before 01.01.2014 (*)
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 in case adequate additional Tier I capital or Tier II capital is not available	-	
Total deductions from common equity Tier I capital	**103,552**	
Total common equity Tier I capital	**10,608,820**	
ADDITIONAL TIER I CAPITAL		
Preferred stock not included in common equity tier I capital and the related share premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (in scope of Temporary Article 4)	-	
Additional Tier I capital before deductions	**-**	
Deductions from additional Tier I capital	**-**	
Bank's direct and indirect investments in its own Additional Tier I capital	-	
Investments in equity instruments issued by banks and financial institutions that have invested in Bank's additional Tier I Capital, which are compatible with Article 7 of the regulation	-	
Portion of total 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, which Exceeds 10% of Bank's Tier I Capital	-	
The Total of Net Long Positions of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Items continuing to be deducted from Tier I Capital during the Transition Period	**-**	
Portion of the goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier I capital as per the first sub-paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
Portion of the net deferred tax asset/liability not deducted from Common Equity Tier I capital as per the first sub-paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
Deductions to be made from common equity in case adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total deductions from additional Tier I capital	**-**	
Total additional Tier I capital	**-**	
Total Tier I capital (Tier I Capital = Common Equity + Additional Tier I Capital)	**10,608,820**	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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I. Explanations on unconsolidated capital (continued)

	Current period	Amount related to implementation before 01.01.2014 (*)
TIER II CAPITAL		
Bank's borrowing instruments and issue premiums	-	
Bank's borrowing instruments and issue premiums (in scope of Temporary Article 4)	-	
Provisions (amounts stated in Article 8 of the Regulation on the Equity of Banks)	563,228	
Tier II Capital Before Deductions	**563,228**	
Deductions From Tier II Capital		
Bank's direct and indirect investments in its own Tier II Capital (-)	-	
Bank's investments in in equity instruments issued by banks and financial institutions that have invested in Bank's additional Tier I Capital, which are compatible with Article 8 of the regulation	-	
Portion of total 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, which Exceeds 10% of Bank's Tier I Capital (-)	-	
The Total of Net Long Positions 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 (-)	-	
Total Deductions from Tier II Capital	**-**	
Total Tier II Capital	**563,228**	
Total capital (the sum of tier i capital and tier ii capital)	**11,172,048**	
Total of core capital and additional capital (total equities)		
Loans granted against Article 50 and 51 of Banking Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in Article 57, Clause 1 of the Banking Law and of Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Three Years	-	
Other items to be defined by the BRSA (-)	8,739	
Items to be deducted from the sum of Tier I and Tier II Capital (Capital) during transition period	**-**	
Portion of total 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 10% of Bank's Tier I Capital, which is not deducted from Tier I, Tier II and additional capital as per Temporary Article 2 of the Regulation on the Equity of Banks	-	
Portion of total 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 10% of Bank's Tier I Capital, which is not deducted from the tier II capital and additional capital as per Temporary Article 2 of the Regulation on the Equity of Banks (-)	-	
Portion of the total of net long positions of investments made in the common equity items of banks and financial institutions outside the scope of consolidation where the bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per paragraph 1 and 2 of Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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I. Explanations on unconsolidated capital (continued)

	Current period	Amount related to implementation before 01.01.2014 (*)
TOTAL CAPITAL		
Total Capital	11,163,309	
Total risk weighted amounts	55,246,551	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	19.20	
Tier I Capital Adequacy Ratio (%)	19.20	
Capital Adequacy Ratio (%)	20.21	
BUFFERS		
Total buffer requirement	2.66	
Capital protection buffer requirement (%)	2.50	
Bank specific cyclical buffer requirement (%)	0.16	
Systemically important banks buffer ratio (%)	-	
The ratio of Additional Common Equity Tier I capital to be calculated as per the first paragraph of Article 4 of Regulation on Capital Protection and Countercyclical Capital buffers to Risk Weighted Assets (%)	12.22	
Amounts below the Excess Limits as per the Deduction Principles		
Amounts arising from the 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	-	
Amounts arising from the net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital	-	
Mortgage Servicing Rights	-	
Amount arising from deferred tax assets based on temporary differences	185,672	
Limits related to provisions considered in Tier II calculation	-	
General provisions for standard based receivables (before ten thousand twenty five limitation)	563,228	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	563,228	
Amount of total provision exceeding the total expected loss amount calculated according to the Communiqué on the Calculation of the Credit Risk Based Amount as per the Internal Ratings Based Approach	-	
Amount up to 0.6% of the portion of total provision exceeding the total expected loss amount calculated according to the Communiqué on the Calculation of the Credit Risk Based Amount as per the Internal Ratings Based Approach	-	
Debt instruments subject to Temporary Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subject to Temporary Article 4	-	
Amounts exceeding the upper limits of Additional Tier I Capital subject to Temporary Article 4	-	
Upper limit for Additional Tier II Capital subject to temporary Article 4	-	
Amounts exceeding the upper limits of Additional Tier II Capital subject to temporary Article 4	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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I. Explanations on unconsolidated capital (continued)

	Prior period (**)	Amount related to implementation before 01.01.2014 (*)
COMMON EQUITY Tier I Capital		
Paid-in capital to be entitled for compensation after all creditors	3,486,268	
Share premium	-	
Legal reserves	4,708,096	
Other comprehensive income according to TAS	140,179	
Profit	626,645	
Net profit for the period	626,645	
Prior period profit	-	
Bonus shares from investments in associates, subsidiaries and joint ventures that are not recognized in profit	29,003	
Common equity Tier I capital before deductions	**8,990,191**	
Deductions from common equity		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on the Capital of Banks	-	
Portion of the current and prior periods' losses not covered by reserves and losses accounted under equity as per TAS	2,394	
Leasehold improvements on operational leases	50,147	
Goodwill netted off deferred tax liability	-	
Other intangibles netted off deferred tax liability except for mortgage servicing rights	45,733	45,733
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Portion of the total expected loss amount calculated as per Communiqué on Calculation of Credit Risk with the Internal Rating Based Approach, which exceeds total provisions	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair value of Bank's liabilities	-	
Net amount of defined-benefit plan assets	-	
Direct and indirect investments of the Bank in its own Common Equity Tier I Capital	-	
Shares obtained contrary to the 4th 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, which exceeds 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, which exceeds 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	-	
Amounts exceeding 15% of the common equity as per the 2nd clause of the provisional article 2 of the Regulation on the Equity of Banks	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

(**) Previous period adjustments, which are mentioned in Note XXIV of Section three, are not reflected.

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I. Explanations on unconsolidated capital (continued)

	Prior period [**]	Amount related to implementation before 01.01.2014 [*]
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 in case adequate additional Tier I capital or Tier II capital is not available	-	
Total deductions from common equity Tier I capital	**98,274**	
Total common equity Tier I capital	**8,891,917**	
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I capital and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (in scope of Temporary Article 4)	-	
Additional Tier I capital before deductions	**-**	
Deductions from additional Tier I capital	**-**	
Bank's direct and indirect investments in its own Additional Tier I capital (-)	-	
Investments in equity instruments issued by banks and financial institutions that have invested in Bank's additional Tier I Capital, which are compatible with Article 7 of the regulation	-	
Portion of total 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, which Exceeds 10% of Bank's Tier I Capital	-	
The Total of Net Long Positions of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Items continuing to be deducted from Tier I Capital during the Transition Period	**-**	
Portion of the goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier I capital as per the first sub-paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
Portion of the net deferred tax asset/liability not deducted from Common Equity Tier I capital as per the first sub-paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
Deductions to be made from common equity in case adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total deductions from additional Tier I capital	**-**	
Total additional Tier I capital	**-**	
Total Tier I capital (Tier I Capital = Common Equity + Additional Tier I Capital)	**8,891,917**	

[*] Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

[**] Previous period adjustments, which are mentioned in Note XXIV of Section three, are not reflected.

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I. Explanations on unconsolidated capital (continued)

	Prior period (**)	Amount related to implementation before 01.01.2014 (*)
TIER II CAPITAL		
Bank's borrowing instruments and issue premiums	2,922,714	
Bank's borrowing instruments and issue premiums (in scope of Temporary Article 4)	-	
Provisions (amounts stated in Article 8 of the Regulation on the Equity of Banks)	522,581	
Tier II Capital Before Deductions	**3,445,295**	
Deductions From Tier II Capital		
Bank's direct and indirect investments in its own Tier II Capital (-)	-	
Bank's investments in in equity instruments issued by banks and financial institutions that have invested in Bank's additional Tier I Capital, which are compatible with Article 8 of the regulation.	-	
Portion of total 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, which Exceeds 10% of Bank's Tier I Capital (-)	-	
The Total of Net Long Positions 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 (-)	-	
Total Deductions from Tier II Capital	**-**	
Total Tier II Capital	**3,445,295**	
Total capital (the sum of tier i capital and tier ii capital)	**12,337,212**	
Total of core capital and additional capital (total equities)		
Loans granted against Article 50 and 51 of Banking Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in Article 57, Clause 1 of the Banking Law and of Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Three Years	-	
Other items to be defined by the BRSA	9,172	
Items to be deducted from the sum of Tier I and Tier II Capital (Capital) during transition period	**-**	
Portion of total 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 10% of Bank's Tier I Capital, which is not deducted from Tier I, Tier II and additional capital as per Temporary Article 2 of the Regulation on the Equity of Banks	-	
Portion of total 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 10% of Bank's Tier I Capital, which is not deducted from the tier II capital and additional capital as per Temporary Article 2 of the Regulation on the Equity of Banks (-)	-	
Portion of the total of net long positions of investments made in the common equity items of banks and financial institutions outside the scope of consolidation where the bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per paragraph 1 and 2 of Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

(**) Previous period adjustments, which are mentioned in Note XXIV of Section three, are not reflected.

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I. Explanations on unconsolidated capital (continued)

	Prior period (**)	Amount related to implementation before 01.01.2014 (*)
TOTAL CAPITAL		
Total Capital	12,328,040	
Total risk weighted amounts	49,075,278	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	18.12	
Tier I Capital Adequacy Ratio (%)	18.12	
Capital Adequacy Ratio (%)	25.12	
BUFFERS		
Total buffer requirement	2.65	
Capital protection buffer requirement (%)	2.50	
Bank specific cyclical buffer requirement (%)	0.15	
Systemically important banks buffer ratio (%)	-	
The ratio of Additional Common Equity Tier I capital to be calculated as per the first paragraph of Article 4 of Regulation on Capital Protection and Countercyclical Capital buffers to Risk Weighted Assets (%)	12.12	
Amounts below the Excess Limits as per the Deduction Principles		
Amounts arising from the 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	-	
Amounts arising from the net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital	-	
Mortgage Servicing Rights	-	
Amount arising from deferred tax assets based on temporary differences	162,977	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before ten thousand twenty five limitation)	556,541	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	522,581	
Amount of total provision exceeding the total expected loss amount calculated according to the Communiqué on the Calculation of the Credit Risk Based Amount as per the Internal Ratings Based Approach	-	
Amount up to 0.6% of the portion of total provision exceeding the total expected loss amount calculated according to the Communiqué on the Calculation of the Credit Risk Based Amount as per the Internal Ratings Based Approach	-	
Debt instruments subject to Temporary Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subject to Temporary Article 4	-	
Amounts exceeding the upper limits of Additional Tier I Capital subject to Temporary Article 4	-	
Upper limit for Additional Tier II Capital subject to temporary Article 4	-	
Amounts exceeding the upper limits of Additional Tier II Capital subject to temporary Article 4	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

(**) Previous period adjustments, which are mentioned in Note XXIV of Section three, are not reflected.

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I. Explanations on unconsolidated capital (continued)

Information about debt instruments that will be included in total capital calculation

The subordinated loan amounting to USD 62 million obtained from ING Bank N.V. on 26 May 2015 was paid on 26 May 2021, by using the early redemption option, in accordance with the BRSA's approval letter dated 10 March 2021. Remaining amount of EUR 231 million of subordinated loan obtained from ING Bank N.V. on 26 May 2015 and the subordinated loans amounting to EUR 85 million and USD 91 million obtained from ING Bank N.V. on 25 May 2014 were paid on 28 June 2021, by using the early redemption option, in accordance with the BRSA's same approval letters. There is no debt instruments that will be included in total capital calculation as of 31 December 2021.

Explanations on reconciliation of capital items to balance sheet

Risk classifications	Carrying amount	Amounts in equity calculation
Shareholders' equity	10,809,019	10,809,019
Gains from cash flow hedge transactions	122,186	(122,186)
Leasehold improvements on operational leases	43,340	(43,340)
Goodwill and intangible assets	34,021	(34,673)
General provision	563,228	563,228
Other deductions from shareholders' equity	8,739	(8,739)
Capital		**11,163,309**

II. Explanations on unconsolidated credit risk

1. The Bank's credit risk management strategy consists of limit settings within legal limitations, conservative credit allocation structure, proper documentation structure in line with the standards and strong monitoring and follow-up systems. Risk management strategy also includes sector-specific, currency and customer diversification. With the credit evaluations and monthly reporting to the top level management, loans having high exposures and factors that may cause deterioration in the loan quality are closely monitored, preventing the credit quality to decrease. Additionally, various analysis about concentration risks is made for monitoring portfolio risk as well as within the scope of Internal Capital Adequacy Assessment Process ("ICAAP") and these activities are supported by stress tests. The sectoral distributions of loans are reported monthly and can be limited according to the conjunctions. However, geographical limitation is not implemented. Documentation for risk management strategy is revised at least once a year under the supervision of the Audit Committee.

As prescribed in the related legislation, the credit worthiness of the debtors is monitored regularly. The credit limits are determined by the Board of Directors, the Bank's Credit Committee and other related credit departments. The account statements related to given loans are obtained and reviewed as prescribed in the legislation. The Bank receives sufficient collateral for the loans given and other receivables. The received collaterals comprise of personal and legal entity guarantees, pledge of vehicle, mortgages, cash blockage, customer checks and Credit Guarantee Fund suretyship having Treasury guarantee.

Loans that have overdue principal, interest or both for less than 90 days after the maturity or due date are considered past due loans by the Bank. Loans that have overdue principal, interest or both for more than 90 days after the maturity or due date or the debtors of which are deemed unworthy by the Bank are considered impaired loans.

The Bank has started to apply TFRS 9 Financial Instruments ("TFRS 9") published by POA in the accompanying financial statements starting from 1 January 2018. The Bank calculates Expected Credit Loss based provisions for credit losses.

The sum of risk exposures that are offset and for which credit risk mitigation is not applied are presented monthly to the Audit Committee per different risk categories and types and monthly, periodically and annual changes are monitored by the senior management.

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II. Explanations on unconsolidated credit risk (continued)

Risk classifications	Current period risk amount (*)	Current period average (**)	Prior period risk amount (*)	Prior period average (**)
Conditional and unconditional receivables from central governments and Central Banks	21,537,812	16,189,217	12,595,800	13,192,228
Conditional and unconditional receivables from regional or local governments	482,601	675,699	942,635	972,254
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	7,782,004	10,226,672	10,209,491	10,240,723
Conditional and unconditional receivables from corporates	28,010,254	25,317,259	25,416,811	24,475,770
Conditional and unconditional receivables from retail portfolios	13,665,773	13,111,787	13,983,620	14,303,180
Conditional and unconditional receivables secured by mortgages	2,672,531	3,268,156	2,717,007	2,987,316
Past due receivables	453,359	416,133	132,330	220,540
Receivables defined under high risk category by BRSA	9,254	138,860	509,319	854,943
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	-	-	-	-
Stock transactions	737,270	174,915	121,767	104,649
Other receivables	3,398,208	3,190,417	2,677,350	2,758,451
Total	**78,749,066**	**72,709,115**	**69,306,130**	**70,110,054**

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

(**) The average risk amount was calculated by taking the arithmetic average of the values in the monthly reports prepared in balance sheet period in regards to "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

II. Explanations on unconsolidated credit risk (continued)

2. Control limits exist on forward and option agreements and other similar agreements. The undertaken credit risk of these types of instruments is managed together with market risk.
3. Related to forward transactions, options and similar agreements, the bank operates the daily collateral management policies in accordance with ISDA agreements (CSA) and where needed the credit exposure is reduced by the usage of rights and performing of the acts.
4. Non-cash loans turned into cash loans are included in the same risk group as overdue cash loans which are not collected upon maturity.

   When there is an issue or it is evaluated that the company might have an issue on repayments of the loan that are given in Corporate, Commercial, SME Banking segments, such companies have been transferred to Credits Restructuring and Recovery Group. The rating of all companies that were transferred to Credits Restructuring and Recovery Group have been reassessed. As a rule, the rating of the company has been reduced at the time of transfer, company's restructuring decision has been reconsidered and after decision is made the monitoring methods in the legislation have been applied. Existing ratings of the companies that are in legal follow up and are not restructured have been reduced again. On the other hand, companies that have issues on their financial positions or business operations but not restructured, have been monitored closely in terms of company operations and cash flows.

   The Bank considers that long-term commitments are more exposed to credit risk than short-term commitments, and risk decomposition has been made according to that.
5. Transactions in foreign countries have been made with many correspondent banks in many countries. The counterparty limits have been set for the risks that may arise in transactions with banks. Credit risks have been managed according to credit worthiness and limits of the counterparties.

   The Bank does not have any material credit risk concentration as an active participant of international banking market when considered with financial operations of other financial institutions.
6. The proportion of the Bank's top 100 and 200 cash loan balances in total cash loans is 43% and 53% respectively (31 December 2020: 36% and 44%).

   The proportion of the Bank's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 91% and 95% (31 December 2020: 88% and 92%).

   The proportion of the Bank's top 100 and 200 customers' cash and non-cash loan balances in total cash and non-cash loans 51% and 60% (31 December 2020: 47% and 54%).
7. Stage 1 and Stage 2 expected losses for unconsolidated credit risk amount to TL 563,228 (31 December 2020: TL 556,541).

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II. Explanations on unconsolidated credit risk (continued)

8. Amount of profile on significant risks in significant regions

Profile on significant risks in significant regions (*)

	Risk categories (**)							
	1	2	3	4	5	6	7	8
Current period								
Domestic	21,537,812	482,601	-	-	-	2,904,696	27,176,564	13,661,489
European Union Countries	-	-	-	-	-	4,156,400	284,865	2,314
OECD Countries (***)	-	-	-	-	-	165,177	-	16
Off- Shore banking regions	-	-	-	-	-	624	-	-
USA, Canada	-	-	-	-	-	543,062	-	6
Other Countries	-	-	-	-	-	12,045	548,825	1,948
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-
Undistributed assets/liabilities	-	-	-	-	-	-	-	-
Total	**21,537,812**	**482,601**	**-**	**-**	**-**	**7,782,004**	**28,010,254**	**13,665,773**

	Risk categories (**)							
	1	2	3	4	5	6	7	8
Prior period								
Domestic	12,595,800	942,635	-	-	-	5,497,060	23,352,482	13,979,819
European Union Countries	-	-	-	-	-	4,192,475	132,423	2,765
OECD Countries (***)	-	-	-	-	-	162,889	-	65
Off- Shore banking regions	-	-	-	-	-	6,547	-	-
USA, Canada	-	-	-	-	-	332,841	-	11
Other Countries	-	-	-	-	-	17,679	1,142,899	960
Investment in associates, subsidiaries and joint ventures	-	-	-	-	-	-	789,007	-
Undistributed assets/liabilities	-	-	-	-	-	-	-	-
Total	**12,595,800**	**942,635**	**-**	**-**	**-**	**10,209,491**	**25,416,811**	**13,983,620**

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor

(**) Risk categories that are defined in "Communiqué on Measurement and Assessment of Capital Adequacy of Banks"

(***) EU countries, OECD countries other than USA and Canada

1. Conditional and unconditional receivables from central governments and Central Banks
2. Conditional and unconditional receivables from regional or local governments
3. Conditional and unconditional receivables from administrative bodies and non-commercial enterprises
4. Conditional and unconditional receivables from multilateral development banks
5. Conditional and unconditional receivables from international organizations
6. Conditional and unconditional receivables from banks and brokerage houses
7. Conditional and unconditional receivables from corporates
8. Conditional and unconditional receivables from retail portfolios
9. Conditional and unconditional receivables secured by mortgages
10. Past due receivables
11. Receivables defined under high risk category by BRSA
12. Securities collateralized by mortgages
13. Securitization positions
14. Short-term receivables from banks, brokerage houses and corporates
15. Investments similar to collective investment funds
16. Stock transactions
17. Other receivables

Risk categories (**)									
9	10	11	12	13	14	15	16	17	Total
2,670,970	453,340	9,254	–	–	–	–	489,694	3,397,538	72,783,958
911	–	–	–	–	–	–	247,576	239	4,692,305
–	4	–	–	–	–	–	–	–	165,197
–	–	–	–	–	–	–	–	–	624
–	–	–	–	–	–	–	–	431	543,499
650	15	–	–	–	–	–	–	–	563,483
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
2,672,531	**453,359**	**9,254**	**–**	**–**	**–**	**–**	**737,270**	**3,398,208**	**78,749,066**

Risk categories (**)									
9	10	11	12	13	14	15	16	17	Total
2,714,561	132,310	509,319	–	–	–	–	10,448	2,677,350	62,411,784
192	–	–	–	–	–	–	313	–	4,328,168
–	–	–	–	–	–	–	–	–	162,954
–	–	–	–	–	–	–	–	–	6,547
–	–	–	–	–	–	–	–	–	332,852
2,254	20	–	–	–	–	–	–	–	1,163,812
–	–	–	–	–	–	–	111,006	–	900,013
–	–	–	–	–	–	–	–	–	–
2,717,007	**132,330**	**509,319**	**–**	**–**	**–**	**–**	**121,767**	**2,677,350**	**69,306,130**

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II. Explanations on unconsolidated credit risk (continued)

9. Risk profile according to sectors and counterparties (*)

	Risk categories (**)								
Current period	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
Agriculture	**-**	**-**	**-**	**-**	**-**	**-**	**451,177**	**51,443**	**2,928**
Farming and raising livestock	-	-	-	-	-	-	202,859	45,524	2,928
Forestry	-	-	-	-	-	-	32	5,906	-
Fishing	-	-	-	-	-	-	248,286	13	-
Manufacturing	**-**	**-**	**-**	**-**	**-**	**-**	**14,537,066**	**1,592,975**	**478,590**
Mining	-	-	-	-	-	-	1,852,172	15,459	1,845
Production	-	-	-	-	-	-	11,884,612	1,574,730	476,745
Electricity, gas, water	-	-	-	-	-	-	800,282	2,786	-
Construction	**-**	**-**	**-**	**-**	**-**	**-**	**1,806,942**	**192,432**	**37,639**
Services	**14,334,582**	**-**	**-**	**-**	**-**	**7,775,295**	**11,164,327**	**1,344,744**	**580,924**
Wholesale and retail trade	-	-	-	-	-	-	4,072,060	1,144,659	164,056
Hotel food, beverage services	-	-	-	-	-	-	560,121	31,583	339,671
Transportation and telecommunication	-	-	-	-	-	-	1,863,098	92,506	51,299
Financial institutions	14,334,582	-	-	-	-	7,775,295	2,551,887	13,768	414
Real estate and renting service	-	-	-	-	-	-	464,542	20,885	6,996
Self-employment service	-	-	-	-	-	-	1,050,445	33,433	1,380
Education services	-	-	-	-	-	-	1,187	6,362	10,324
Health and social services	-	-	-	-	-	-	600,987	1,548	6,784
Other	**7,203,230**	**482,601**	**-**	**-**	**-**	**6,709**	**50,742**	**10,484,179**	**1,572,450**
Total	**21,537,812**	**482,601**	**-**	**-**	**-**	**7,782,004**	**28,010,254**	**13,665,773**	**2,672,531**

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

(**) Stands for the risk categories listed in "Regulation on Measurement and Assessment of Capital Adequacy of Banks.

1. Conditional and unconditional receivables from central governments and Central Banks
2. Conditional and unconditional receivables from regional or local governments
3. Conditional and unconditional receivables from administrative bodies and non-commercial enterprises
4. Conditional and unconditional receivables from multilateral development banks
5. Conditional and unconditional receivables from international organizations
6. Conditional and unconditional receivables from banks and brokerage houses
7. Conditional and unconditional receivables from corporates
8. Conditional and unconditional receivables from retail portfolios
9. Conditional and unconditional receivables secured by mortgages
10. Past due receivables
11. Receivables defined under high risk category by BRSA
12. Securities collateralized by mortgages
13. Securitization positions
14. Short-term receivables from banks, brokerage houses and corporates
15. Investments similar to collective investment funds
16. Stock transactions
17. Other receivables

	Risk categories (**)									
10	11	12	13	14	15	16	17	TL	FC	Total
5,077	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**160,493**	**350,137**	**510,630**
4,441	-	-	-	-	-	-	4	153,818	101,938	255,756
97	-	-	-	-	-	-	1	6,036	-	6,036
539	-	-	-	-	-	-	-	639	248,199	248,838
146,258	**2,553**	**-**	**-**	**-**	**-**	**-**	**568**	**5,593,905**	**11,164,105**	**16,758,010**
4,612	-	-	-	-	-	-	14	64,136	1,809,966	1,874,102
141,160	2,553	-	-	-	-	-	546	5,359,546	8,720,800	14,080,346
486	-	-	-	-	-	-	8	170,223	633,339	803,562
24,546	**188**	**-**	**-**	**-**	**-**	**-**	**121**	**681,587**	**1,380,281**	**2,061,868**
186,350	**6,193**	**-**	**-**	**-**	**-**	**734,773**	**12,609**	**18,621,849**	**17,517,948**	**36,139,797**
133,815	3,734	-	-	-	-	-	653	4,198,033	1,320,944	5,518,977
25,270	71	-	-	-	-	-	426	171,133	786,009	957,142
15,710	2,348	-	-	-	-	-	90	367,847	1,657,204	2,025,051
292	-	-	-	-	-	734,773	11,267	13,306,596	12,115,682	25,422,278
3,861	8	-	-	-	-	-	97	269,161	227,228	496,389
5,507	32	-	-	-	-	-	48	87,900	1,002,945	1,090,845
1,310	-	-	-	-	-	-	7	9,961	9,229	19,190
585	-	-	-	-	-	-	21	211,218	398,707	609,925
91,128	**320**	**-**	**-**	**-**	**-**	**2,497**	**3,384,905**	**21,152,225**	**2,126,536**	**23,278,761**
453,359	**9,254**	**-**	**-**	**-**	**-**	**737,270**	**3,398,208**	**46,210,059**	**32,539,007**	**78,749,066**

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II. Explanations on unconsolidated credit risk (continued)

9. Risk profile according to sectors and counterparties (*)

	Risk categories (**)								
Prior period	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
Agriculture	**-**	**-**	**-**	**-**	**-**	**-**	**330,460**	**26,366**	**4,894**
Farming and raising livestock	-	-	-	-	-	-	177,004	20,790	4,894
Forestry	-	-	-	-	-	-	30	4,768	-
Fishing	-	-	-	-	-	-	153,426	808	-
Manufacturing	**-**	**-**	**-**	**-**	**-**	**-**	**12,768,707**	**1,591,380**	**553,607**
Mining	-	-	-	-	-	-	2,725,236	23,332	2,600
Production	-	-	-	-	-	-	9,448,075	1,553,249	550,871
Electricity, gas, water	-	-	-	-	-	-	595,396	14,799	136
Construction	**-**	**-**	**-**	**-**	**-**	**-**	**1,732,396**	**183,174**	**104,927**
Services	**7,772,610**	**-**	**-**	**-**	**-**	**10,209,491**	**10,473,291**	**1,448,724**	**838,704**
Wholesale and retail trade	-	-	-	-	-	-	3,787,899	1,144,378	272,368
Hotel food, beverage services	-	-	-	-	-	-	525,489	73,332	483,346
Transportation and telecommunication	-	-	-	-	-	-	1,622,824	143,444	61,933
Financial institutions	7,772,610	-	-	-	-	10,209,491	1,869,054	13,135	1,729
Real estate and renting service	-	-	-	-	-	-	657,813	16,776	10,254
Self-employment service	-	-	-	-	-	-	1,298,653	50,979	7,753
Education services	-	-	-	-	-	-	24,960	1,105	636
Health and social services	-	-	-	-	-	-	686,599	5,575	685
Other	**4,823,190**	**942,635**	**-**	**-**	**-**	**-**	**111,957**	**10,733,976**	**1,214,875**
Total	**12,595,800**	**942,635**	**-**	**-**	**-**	**10,209,491**	**25,416,811**	**13,983,620**	**2,717,007**

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

(**) Stands for the risk categories listed in "Regulation on Measurement and Assessment of Capital Adequacy of Banks.

1. Conditional and unconditional receivables from central governments and Central Banks
2. Conditional and unconditional receivables from regional or local governments
3. Conditional and unconditional receivables from administrative bodies and non-commercial enterprises
4. Conditional and unconditional receivables from multilateral development banks
5. Conditional and unconditional receivables from international organizations
6. Conditional and unconditional receivables from banks and brokerage houses
7. Conditional and unconditional receivables from corporates
8. Conditional and unconditional receivables from retail portfolios
9. Conditional and unconditional receivables secured by mortgages
10. Past due receivables
11. Receivables defined under high risk category by BRSA
12. Securities collateralized by mortgages
13. Securitization positions
14. Short-term receivables from banks, brokerage houses and corporates
15. Investments similar to collective investment funds
16. Stock transactions
17. Other receivables

Risk categories (**)										
10	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**TL**	**FC**	**Total**
-	**4,984**	**-**	**-**	**-**	**-**	**-**	**3**	**159,623**	**207,084**	**366,707**
-	4,005	-	-	-	-	-	3	133,805	72,891	206,696
-	227	-	-	-	-	-	-	5,025	-	5,025
-	752	-	-	-	-	-	-	20,793	134,193	154,986
-	**156,160**	**-**	**-**	**-**	**-**	**-**	**712**	**5,349,396**	**9,721,170**	**15,070,566**
-	7,048	-	-	-	-	-	12	80,650	2,677,578	2,758,228
-	148,242	-	-	-	-	-	690	5,121,226	6,579,901	11,701,127
-	870	-	-	-	-	-	10	147,520	463,691	611,211
10	**31,900**	**-**	**-**	**-**	**-**	**-**	**127**	**645,991**	**1,406,543**	**2,052,534**
-	**297,732**	**-**	**-**	**-**	**-**	**121,767**	**12,361**	**14,788,324**	**16,386,356**	**31,174,680**
-	230,430	-	-	-	-	-	695	4,021,468	1,414,302	5,435,770
-	18,864	-	-	-	-	-	361	148,734	952,658	1,101,392
-	25,719	-	-	-	-	-	118	442,473	1,411,565	1,854,038
-	669	-	-	-	-	121,767	10,962	9,528,197	10,471,220	19,999,417
-	6,217	-	-	-	-	-	104	307,499	383,665	691,164
-	14,395	-	-	-	-	-	88	130,084	1,241,784	1,371,868
-	459	-	-	-	-	-	11	14,017	13,154	27,171
-	979	-	-	-	-	-	22	195,852	498,008	693,860
132,320	**18,543**	**-**	**-**	**-**	**-**	**-**	**2,664,147**	**19,248,392**	**1,393,251**	**20,641,643**
132,330	**509,319**	**-**	**-**	**-**	**-**	**121,767**	**2,677,350**	**40,191,726**	**29,114,404**	**69,306,130**

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II. Explanations on unconsolidated credit risk (continued)

10. Term distribution of risks with term structure (*)

Current period	Time to maturity						
Risk categories	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Demand	Total
Credit risk weighted assets							
Conditional and unconditional receivables from central governments and Central Banks	14,164,622	190,904	95,655	38,561	6,783,983	264,087	21,537,812
Conditional and unconditional receivables from regional or local governments	-	-	-	249,913	232,688	-	482,601
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	3,030,293	1,168,904	576,952	1,011,646	1,319,692	674,517	7,782,004
Conditional and unconditional receivables from corporates	1,620,576	1,939,895	2,162,214	4,567,241	10,316,811	7,403,517	28,010,254
Conditional and unconditional receivables from retail portfolios	462,576	643,831	760,815	1,554,787	9,053,609	1,190,155	13,665,773
Conditional and unconditional receivables secured by mortgages	13,956	28,468	44,811	97,208	2,084,535	403,553	2,672,531
Past due receivables	-	-	-	-	-	453,359	453,359
Receivables defined under high risk category by BRSA	-	-	-	-	-	9,254	9,254
Securities collateralized by mortgages	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-
Stock transactions	-	-	-	-	-	737,270	737,270
Other receivables	-	-	-	-	-	3,398,208	3,398,208
Total	**19,292,023**	**3,972,002**	**3,640,447**	**7,519,356**	**29,791,318**	**14,533,920**	**78,749,066**

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

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II. Explanations on unconsolidated credit risk (continued)

10. Term distribution of risks with term structure (*)

Prior Period	Time to maturity						
Risk categories	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Demand	Total
Credit risk weighted assets							
Conditional and unconditional receivables from central governments and Central Banks	7,744,108	351,772	1,582,341	193,354	2,723,888	337	12,595,800
Conditional and unconditional receivables from regional or local governments	-	-	53,932	-	888,703	-	942,635
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	5,539,983	268,699	411,490	724,555	1,916,883	1,347,881	10,209,491
Conditional and unconditional receivables from corporates	1,115,572	2,737,723	2,437,114	3,137,454	10,480,015	5,508,933	25,416,811
Conditional and unconditional receivables from retail portfolios	431,988	531,733	935,242	1,755,778	9,524,678	804,201	13,983,620
Conditional and unconditional receivables secured by mortgages	11,463	61,113	106,229	245,653	1,830,069	462,480	2,717,007
Past due receivables	-	-	-	-	-	132,330	132,330
Receivables defined under high risk category by BRSA	-	-	-	-	-	509,319	509,319
Securities collateralized by mortgages	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-
Stock transactions	-	-	-	-	-	121,767	121,767
Other receivables	-	-	-	-	-	2,677,350	2,677,350
Total	**14,843,114**	**3,951,040**	**5,526,348**	**6,056,794**	**27,364,236**	**11,564,598**	**69,306,130**

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

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II. Explanations on unconsolidated credit risk (continued)

11. Explanations on risk categories as per the Article 6 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks

In determining the risk weights of the risk categories mentioned in article 6 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks, the Bank uses the ratings provided by international rating firm, Fitch Ratings in the Credit Risk Based Amount calculations as of 31 December 2021. Fitch ratings are used for the risk exposures to banks where the counterparties are resident in abroad. Furthermore, Fitch ratings are used for foreign currency securities issued by Treasury and other foreign currency risks that are associated with Central governments.

Matching of the risk ratings used in calculations with the credit quality grades stated in the Regulation on Measurement and Assessment of Capital Adequacy of Banks is presented below.

Credit quality level	1	2	3	4	5	6
Fitch rating note	AAA and AA-	A+ and A-	BBB+ and BBB-	BB+ and BB-	B+ and B-	CCC+ and below

Risk amounts based on risk weights

Current period	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Deducted from equity
Amount before credit risk mitigation	21,169,485	-	4,623,688	-	5,347,565	12,371,420	32,648,212	2,588,696	-	-	-	112,291
Amount after credit risk mitigation	18,864,117	-	1,928,768	1,569,426	6,256,257	10,326,573	31,553,573	2,499,601	-	-	-	112,291

Prior period	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Deducted from equity
Amount before credit risk mitigation	12,686,125	-	7,882,000	-	3,957,114	15,512,240	29,108,625	160,026	-	-	-	107,446
Amount after credit risk mitigation	13,402,065	-	2,871,777	1,293,912	5,140,206	13,480,530	27,671,737	159,344	-	-	-	107,446

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II. Explanations on unconsolidated credit risk (continued)

12. Miscellaneous information regarding important sectors or counterparty type

The Bank evaluates its financial assets in 3 stages based on TFRS 9 as explained in section three note VIII. In this respect, the lifetime expected credit losses are recognized for impaired loans (defaulted) and the probability of default is considered as 100%.

When the loan is not defaulted yet, but there is a significant increase in the credit risk since origination date, the lifetime expected credit losses are calculated for these loans (stage 2).

For loans in stage 1, 12-month default probability is calculated. The expected credit loss within 12 months from the date of reporting is recognized in the financial statements.

Current period	Loans (*)		
	Impaired (TFRS 9)		
Important sectors/Counterparties	Significant increase in credit risk (Stage 2)	Defaulted (Stage 3)	Expected credit losses (TFRS 9)
Agriculture	**2,561**	**18,968**	**18,052**
Farming and raising livestock	2,561	16,509	12,531
Forestry	-	188	100
Fishing	-	2,271	5,421
Manufacturing	**859,257**	**418,847**	**426,664**
Mining	1,618	34,254	44,095
Production	848,748	378,492	368,576
Electricity, gas, water	8,891	6,101	13,993
Construction	**1,633,023**	**134,562**	**134,705**
Services	**3,045,467**	**691,256**	**696,427**
Wholesale and retail trade	348,766	500,082	403,729
Hotel food, beverage services	872,474	82,505	130,841
Transportation and telecommunication	1,079,169	58,606	76,162
Financial institutions	555	627	8,791
Real estate and lending service	137,432	12,615	18,580
Self-employment service	390,417	29,371	42,668
Education service	8,520	3,695	2,836
Health and social services	208,134	3,755	12,820
Other	**1,320,694**	**462,637**	**491,901**
Total	**6,861,002**	**1,726,270**	**1,767,749**

(*) Represents the distribution of cash loans.

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

II. Explanations on unconsolidated credit risk (continued)

Prior Period	Loans [*]		
	Impaired (TFRS 9)		
Important sectors/Counterparties	Significant increase in credit risk (Stage 2)	Defaulted (Stage 3)	Expected credit losses (TFRS 9)
Agriculture	**6,020**	**20,869**	**18,513**
Farming and raising livestock	5,691	18,273	15,715
Forestry	-	310	95
Fishing	329	2,286	2,703
Manufacturing	**680,602**	**502,552**	**475,562**
Mining	5,700	43,106	48,026
Production	661,792	422,984	382,004
Electricity, gas, water	13,110	36,462	45,532
Construction	**795,274**	**187,372**	**180,578**
Services	**2,377,991**	**973,452**	**836,331**
Wholesale and retail trade	508,305	751,320	569,733
Hotel food, beverage services	555,424	75,423	96,040
Transportation and telecommunication	780,104	78,247	77,012
Financial institutions	119,234	1,293	6,113
Real estate and lending service	186,131	18,608	22,004
Self-employment service	26,412	42,020	36,465
Education service	13,039	2,234	3,069
Health and social services	189,342	4,307	25,895
Other	**1,382,749**	**523,969**	**489,363**
Total	**5,242,636**	**2,208,214**	**2,000,347**

[*] Represents the distribution of cash loans.

13. Information related to value adjustments and credit provisions

Current period	Opening balance	Provisions made within the term	Provision cancellations	Other adjustments [*]	Closing balance
Stage 3 provision	1,595,498	343,140	(638,264)	-	**1,300,374**
Stage 1 and stage 2 provisions [**]	559,809	367,195	(354,645)	-	**572,359**

Prior period	Opening balance	Provisions made within the term	Provision cancellations	Other adjustments [*]	Closing balance
Stage 3 provision	1,609,573	818,963	(833,038)	-	**1,595,498**
Stage 1 and stage 2 provisions [**]	424,127	433,852	(298,170)	-	**559,809**

[*] Determined according to currency differences, merges, acquisitions and selling of subsidiaries.

[**] Includes provisions accounted under equity for financial assets at fair value through other comprehensive income.

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II. Explanations on unconsolidated credit risk (continued)

14. Exposures subject to countercyclical capital buffer

Country name	RWA calculations for private sector loans in banking book	RWA calculations for trading book	Total
Turkey	39,632,170	1,050,418	40,682,588
United Kingdom	118,853	1,156,287	1,275,140
Azerbaijan	549,527	-	549,527
France	66,376	428,843	495,219
USA	42,233	208,912	251,145
Ireland	247,667	-	247,667
Holland	99,451	10,096	109,547
Greece	78,358	-	78,358
Germany	53,249	-	53,249
Romania	43,635	-	43,635
Other	73,066	4	73,070
Total	**41,004,585**	**2,854,560**	**43,859,145**

III. Explanations on unconsolidated currency risk

Management of foreign currency risk is differentiated on the basis of "Banking Book" and "Trading Book", where trading book is managed in accordance with foreign currency trading position limits as well as value at risk ("VaR") and banking book is also managed in terms of foreign currency position limits scope. The results of limit utilizations are shared periodically with related senior management, Asset Liability Committee, Audit Committee and the Board of Directors. Besides, currency risk is also taken into account in the capital adequacy ratio calculation as part of the market risk under the standard method.

The simple arithmetic average of USD and EUR buying rates of the Bank for the thirty days before the balance sheet date are 13.7448 (Full TL) and 15.5362 (Full TL) respectively.

The Bank's USD and EUR buying rates as of balance sheet date and five business days prior to this date are as follows:

	1 USD	1 EUR
The Bank's "foreign exchange buying rates" (31 December 2021)	13.4500	15.2335
Previous days;		
30 December 2021	12.9861	14.7184
29 December 2021	12.5210	14.1525
28 December 2021	11.7837	13.3521
27 December 2021	11.3242	12.8099
24 December 2021	11.6994	13.2402

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III. Explanations on unconsolidated currency risk (continued)

Information related to currency risk

	EURO	USD	Other FC	Total
Current period				
Assets				
Cash (cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	10,985,985	5,355,122	450,151	16,791,258
Banks	109,753	364,894	539,466	1,014,113
Financial assets at fair value through profit or loss	112,536	55,208	-	167,744
Money market placements	-	-	-	-
Financial assets measured at fair value through other comprehensive income	869	-	-	869
Loans	14,494,235	7,069,564	12,470	21,576,269
Investments in associates, subsidiaries and joint ventures	359,706	334	-	360,040
Financial assets measured at amortised cost	-	-	-	-
Hedging derivative financial assets	-	-	-	-
Tangible assets (net)	-	-	-	-
Intangible assets (net)	-	-	-	-
Other assets	3,232	2,419	492	6,143
Total assets	**26,066,316**	**12,847,541**	**1,002,579**	**39,916,436**
Liabilities				
Bank deposit	62	43,209	-	43,271
Foreign currency deposits	11,715,482	16,566,179	4,589,294	32,870,955
Funds from interbank money market	93,896	-	-	93,896
Borrowings	4,732,484	4,368,334	-	9,100,818
Marketable securities issued (net)	-	-	-	-
Miscellaneous payables	2,475,795	229,470	6	2,705,271
Hedging derivative financial liabilities	-	-	-	-
Other liabilities	35,312	70,727	1,047	107,086
Total liabilities	**19,053,031**	**21,277,919**	**4,590,347**	**44,921,297**
Net on balance sheet position	**7,013,285**	**(8,430,378)**	**(3,587,768)**	**(5,004,861)**
Net off-balance sheet position	**(6,665,508)**	**8,494,716**	**3,596,096**	**5,425,304**
Financial derivative assets	9,005,031	23,546,814	5,263,834	37,815,679
Financial derivative liabilities	15,670,539	15,052,098	1,667,738	32,390,375
Non-cash loans	**4,710,752**	**5,779,752**	**453,332**	**10,943,836**
Prior period				
Total assets	**15,010,036**	**6,035,764**	**1,486,812**	**22,532,612**
Total liabilities	**12,789,878**	**12,803,994**	**3,149,958**	**28,743,830**
Net on-balance sheet position	**2,220,158**	**(6,768,230)**	**(1,663,146)**	**(6,211,218)**
Net off-balance sheet position	**(2,131,632)**	**6,771,906**	**1,665,293**	**6,305,567**
Financial derivative assets	6,244,111	16,947,262	2,508,995	25,700,368
Financial derivative liabilities	8,375,743	10,175,356	843,702	19,394,801
Non-cash loans	**3,712,642**	**5,490,207**	**230,866**	**9,433,715**

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

III. Explanations on unconsolidated currency risk (continued)

In the foreign currency risk table:

The principal and accrual amount of the foreign currency indexed loans amounting to TL 19,971 (31 December 2020: TL 51,640) is presented in the loans line.

The foreign currency amounts which are not included in currency risk table according to the regulation about foreign currency net general position/capital adequacy standard ratio are explained below with the order in the table above.

Held-for-trading derivative financial assets: TL 714,905 (31 December 2020: TL 253,921).

Held-for trading derivative financial liabilities: TL 795,937 (31 December 2020: TL 159,593).

Hedge funds: None (31 December 2020: TL (3,772)).

Interest rate swap (buy) transactions and options (buy): TL 8,790,304 (31 December 2020: TL 6,242,443).

Interest rate swap (sell) transactions and options (sell): TL 8,790,304 (31 December 2020: TL 6,242,443).

Financial derivative assets/liabilities include the foreign currency buy/sell transactions indicated below.

Forward foreign currency-buy transactions: TL 833,029 (31 December 2020: TL 653,653).

Forward foreign currency-sell transactions: TL 1,025,938 (31 December 2020: TL 705,580).

Sensitivity to currency risk

Table below shows the sensitivity of the Bank to a 10% change in USD and EUR rates.

	Percentage change in exchange rates	Effect on profit/loss before tax		Effect on equity (*)	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
USD	10% increase	6,434	368	-	-
USD	10% decrease	(6,434)	(368)	-	-
EURO	10% increase	34,778	4,196	-	(377)
EURO	10% decrease	(34,778)	(4,196)	-	377

(*) Represents effect on equity excluding profit/loss before tax

IV. Explanations on unconsolidated interest rate risk

Interest risk, which refers to the loss due to interest sensitive assets and liabilities in balance sheet and off balance sheet items that might be subject to the changes in the interest rate as a result of maturity mismatch, is differentiated and managed on the basis of banking book and trading book as part of compliance with both Basel regulations and other international standards. Within this context, in addition to the value at risk limit for trading book, sensitivity limits against interest rate shocks are defined for trading books and banking books. Capital requirement that relates to market risk is calculated through the Standard Method according to Basel II.

In order to hedge interest rate risk, hedging strategies are applied through off-balance sheet transactions within the limits approved by the Board of Directors, and interest rate risk is managed by ensuring optimum balance between fixed and floating rate assets and liabilities within the balance sheet.

The limit utilizations and sensitivity analysis related to the interest rate risk on the balance sheet are performed regularly and the results are shared with the related senior management, Asset Liability Committee, the Audit Committee and the Board of Directors periodically. Internal analysis for the interest rate risk in the banking books are made on a daily and monthly basis, whereas interest rate risk in the banking books standard ratio is reported to BRSA on a monthly basis.

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IV. Explanations on unconsolidated interest rate risk (continued)

1. Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on re-pricing dates)

Current period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non-interest bearing	Total
Assets							
Cash (cash in vault, foreign currency cash, money in transit, checks-purchased) and balances with the Central Bank of Turkey	15,742,303	46,062	-	-	-	3,014,104	18,802,469
Banks	361,311	-	-	-	-	653,007	1,014,318
Financial assets at fair value through profit and loss	1,262,301	3,304,427	375,439	45,538	32,463	50	5,020,218
Money market placements	2,601,024	-	-	-	-	-	2,601,024
Financial assets measured at fair value through other comprehensive income	33,182	99,343	-	1,324,500	-	11,317	1,468,342
Loans	10,801,402	8,129,806	13,977,131	11,785,344	1,001,793	1,769,653	47,465,129
Financial assets measured at amortised cost	13,979	53,991	2,766,602	2,775,222	-	-	5,609,794
Other assets (*)	-	-	-	-	-	662,257	662,257
Total assets	**30,815,502**	**11,633,629**	**17,119,172**	**15,930,604**	**1,034,256**	**6,110,388**	**82,643,551**
Liabilities							
Bank deposits	43,098	-	-	-	-	8,118	51,216
Other deposits	35,673,970	3,533,819	328,237	3,126	-	13,491,657	53,030,809
Money market borrowings	2,501,827	-	93,896	-	-	-	2,595,723
Miscellaneous payables	243,361	-	-	-	-	2,931,288	3,174,649
Securities issued	-	-	-	-	-	-	-
Funds obtained from other financial institutions	2,753,496	5,141,158	1,340,993	189,561	-	-	9,425,208
Other liabilities (**)	909,843	1,018,285	227,361	3,908	-	12,206,549	14,365,946
Total liabilities	**42,125,595**	**9,693,262**	**1,990,487**	**196,595**	**-**	**28,637,612**	**82,643,551**
Balance sheet long position	-	1,940,367	15,128,685	15,734,009	1,034,256	-	33,837,317
Balance sheet short position	(11,310,093)	-	-	-	-	(22,527,224)	(33,837,317)
Off-balance sheet long position	-	-	549,118	3,123,575	-	-	3,672,693
Off-balance sheet short position	(318,833)	(381,392)	-	-	(150,000)	-	(850,225)
Total position	**(11,628,926)**	**1,558,975**	**15,677,803**	**18,857,584**	**884,256**	**(22,527,224)**	**2,822,468**

(*) Non-interest bearing column in other assets line consists of tangible assets, intangible assets, assets held for sale, associates and subsidiaries, expected credit losses, current tax asset and other assets.

(**) Non-interest bearing column in other liabilities line consists of other foreign liabilities, provisions, taxes payable and equity.

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IV. Explanations on unconsolidated interest rate risk (continued)

Prior year's information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on re-pricing dates)

Prior period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non-interest bearing	Total
Assets							
Cash (cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	7,719,891	7,607	-	-	-	1,382,291	9,109,789
Due from other banks and financial institutions	302,017	-	-	-	-	1,125,484	1,427,501
Financial assets at fair value through profit and loss	723,803	1,711,243	128,551	81,557	13,459	62	2,658,675
Money market placements	4,952,440	-	-	-	-	-	4,952,440
Available-for-sale financial assets	5,102	20,766	-	569,876	-	10,761	606,505
Loans and receivables	6,504,551	4,884,062	13,712,104	10,521,588	852,228	2,250,877	38,725,410
Held-to-maturity investments	33,547	404,107	1,691,674	2,123,986	-	-	4,253,314
Other assets (*)	-	-	-	-	-	(50,402)	(50,402)
Total assets	**20,241,351**	**7,027,785**	**15,532,329**	**13,297,007**	**865,687**	**4,719,073**	**61,683,232**
Liabilities							
Bank deposits	1,650,302	-	-	-	-	12,634	1,662,936
Other deposits	29,030,879	1,588,399	125,616	-	-	7,797,272	38,542,166
Money market borrowings	9,438	-	-	57,784	-	-	67,222
Miscellaneous payables	120,318	-	-	-	-	303,316	423,634
Securities issued	-	-	-	-	-	-	-
Funds obtained from other financial institutions	4,062,358	4,238,791	657,036	360,536	-	-	9,318,721
Other liabilities (**)	469,247	367,638	357,048	1,302	-	10,473,318	11,668,553
Total liabilities	**35,342,542**	**6,194,828**	**1,139,700**	**419,622**	**-**	**18,586,540**	**61,683,232**
Balance sheet long position	-	832,957	14,392,629	12,877,385	865,687	-	28,968,658
Balance sheet short position	(15,101,191)	-	-	-	-	(13,867,467)	(28,968,658)
Off-balance sheet long position	-	1,100,635	656,959	341,014	-	-	2,098,608
Off-balance sheet short position	(339,878)	-	-	-	(30,000)	-	(369,878)
Total position	**(15,441,069)**	**1,933,592**	**15,049,588**	**13,218,399**	**835,687**	**(13,867,467)**	**1,728,730**

(*) Non-interest bearing column in other assets line consists of tangible assets, intangible assets, assets held for sale, associates and subsidiaries expected credit losses, current tax asset and other assets.

(**) Non-interest bearing column in other liabilities line consists of other foreign liabilities, provisions, lease payables, taxes payable and equity.

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IV. Explanations on unconsolidated interest rate risk (continued)

2. Current period average interest rates applied to monetary financial instruments by the Bank

Current period	EURO (%)	USD (%)	Yen (%)	TL (%)
Assets				
Cash (Cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	-	-	-	8.50
Banks	(0.34)	0.04	-	-
Financial assets at fair value through profit and loss	2.48	5.93	-	12.87
Money market placements	-	-	-	14.38
Financial assets measured at fair value through other comprehensive income	-	-	-	15.95
Loans	3.38	4.13	-	18.77
Financial assets measured at amortised cost	-	-	-	15.55
Liabilities				
Bank deposits	-	0.25	-	-
Other deposits	0.27	0.39	-	13.61
Money market borrowings	-	-	-	13.98
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	-
Funds obtained from other financial institutions	1.54	1.74	-	13.58

Prior period average interest rates applied to monetary financial instruments by the Bank

Prior period	EURO (%)	USD (%)	Yen (%)	TL (%)
Assets				
Cash (Cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	-	-	-	12.00
Due from other banks and financial institutions	(0.43)	0.11	-	3.50
Financial assets at fair value through profit and loss	2.34	5.87	-	10.48
Money market placements	-	-	-	17.99
Financial assets available-for-sale	-	-	-	14.74
Loans and receivables	2.85	4.10	-	13.98
Held-to-maturity investments	-	-	-	13.87
Liabilities				
Bank deposits	(0.47)	0.08	-	-
Other deposits	0.12	0.56	-	12.69
Money market borrowings	-	-	-	11.00
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	-
Funds obtained from other financial institutions	1.01	1.79	-	3.13

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V. Explanations on equity securities position risk derived from unconsolidated banking books

1. Explanations on accounting policies for equity investments in subsidiaries and associates

Accounting policies for equity investments in subsidiaries and associates are disclosed in section III disclosure III.

2. Comparison of carrying value, fair value and market value of equity investments

Current period	Carrying value	Fair value (*)	Market value
Quoted	**-**	**-**	**-**
Equity investments	-	-	-
Not quoted	**11,317**	**887**	**887**
Equity investments	11,317	887	887
Financials subsidiaries	**839,286**	**-**	**-**
Financials subsidiaries	839,286	-	-

Prior period	Carrying value	Fair value (*)	Market value
Quoted	**-**	**-**	**-**
Equity investments	-	-	-
Not quoted	**10,761**	**887**	**887**
Equity investments	10,761	887	887
Financials subsidiaries	**569,189**	**-**	**-**
Financials subsidiaries	569,189	-	-

(*) Only equity investments having market value are presented under "Fair Value" column.

3. Information on realized gains or losses on revaluation of securities, revaluation surplus and unrealized gains or losses and their included amounts in core and additional capital

		Revaluation increases		Unrealized gains/losses		
Current period	Realized gains/losses during the period	Total	Including into the additional capital	Total	Including into the core capital	Including into the additional capital
Private equity investments	-	-	-	-	-	-
Shares traded on a stock exchange	-	-	-	-	-	-
Other stocks	-	127	-	(254)	(254)	-
Total	**-**	**127**	**-**	**(254)**	**(254)**	**-**

		Revaluation increases		Unrealized gains/losses		
Prior period	Realized gains/losses during the period	Total	Including into the supplementary capital	Total	Including into the core capital	Including into the supplementary capital
Private equity investments	-	-	-	-	-	-
Shares traded on a stock exchange	-	-	-	-	-	-
Other stocks	-	127	-	(254)	(254)	-
Total	**-**	**127**	**-**	**(254)**	**(254)**	**-**

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V. Explanations on equity securities position risk derived from unconsolidated banking books (continued)

4. Capital requirement as per equity shares

Current period	Carrying value	Total RWA	Minimum capital requirement (*)
Private equity investments	-	-	-
Shares traded on a stock exchange	-	-	-
Other equity shares	850,603	850,603	68,048

Prior period	Carrying value	Total RWA	Minimum capital requirement (*)
Private equity investments	-	-	-
Shares traded on a stock exchange	-	-	-
Other equity shares	579,950	579,950	46,396

(*) The amount is calculated by using standard method within the scope of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks".

VI. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio

1. Information on matters related to liquidity risk

a. Information on liquidity risk management, such as risk capacity, responsibilities and the structure of liquidity risk management, the Bank's internal liquidity risk reporting, communication between the Board of Directors and business lines on liquidity risk strategy, policy and application

A policy ("Market Risk Management Policy") was established which includes actions to be taken and practices that might be applied in business as usual and stressed conditions for liquidity risk management and responsibilities of the senior management. This policy has been approved by the Asset Liability Committee and by the Board of Directors. Within the scope of this policy, the liquidity risk is managed by Asset Liability Committee where senior representatives of businesses are members of the Committee.

In accordance with the policy, a liquidity buffer that can supply adequate liquidity level under any economic circumstances and which is unpledged, has been defined. In addition, the Contingency Capital and Funding Plan was established to be implemented in times of stress. Besides, liquidity risk appetite (that is approved by Asset Liability Committee and Board of Directors) has been established in order to enable monitoring and managing the risk quantitatively. The relevant parameters are analyzed regularly and reported to the members of Asset Liability Committee and Board of Directors.

Furthermore, the Bank's liquidity buffer is evaluated under different stress scenarios with the comprehensive liquidity stress test approach established in accordance with ING Group's common policies on market risk and global regulations (Internal Liquidity Adequacy Assessment Process/ILAAP-Internal Liquidity Adequacy Assessment Process). In addition, there is also the Risk Control Self- Assessment process still within scope of ILAAP, comprehensive assessments are performed related to liquidity risk, and after the relevant risks are identified, and their potential financial impact on the Bank's operations and the impact on risk metrics is assessed periodically.

To ensure proactive management of funding liquidity risk, risk thresholds specified on the deposit flows are monitored. The Contingency Capital and Funding Plan monitoring metrics are not limited to this scope but also include other liquidity risk indicators. The Contingency Capital and Funding Plan monitoring metrics can trigger decision-making conditions on whether the Bank will implement the Contingency Capital and Funding Plan in order to anticipate the potential development in liquidity stressed conditions.

VI. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

b. Information on the centralization degree of liquidity management and funding strategy and the functioning between the Bank and the Bank's subsidiaries

The liquidity risk of the Bank is managed by the Asset Liability Management. Furthermore, subsidiaries manage their own liquidity risk by themselves. In order to make a central funding strategy, a funding plan including subsidiaries is established every year. In addition, information about the implementation and realization of the funding plan is shared with the Asset Liability Committee. According to the limits that are approved by the Board of Directors, liquidity gap and surplus are monitored and actions are taken in accordance with the price, interest rate and maturity structure.

c. Information on the Bank's funding strategy including the policies on funding types and variety of maturities

As for the funding diversification; short, medium and long term targets are determined in parallel to business line planning as part of the budgeting process in the Bank. Besides, the Bank's funding capacity is monitored regularly, and shared with Asset Liability Committee and Board of Directors. In this way, the factors which may affect the ability to create additional funding and the validity of the estimated funding capacity can be monitored closely by senior management.

ç. Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Bank's total liabilities

Almost all of the Bank's liabilities are in TL, USD or EUR, and TL funds consist of mainly equity and deposits. The Bank's liquidity in TL is managed via repo/reverse repo transactions with/in CBRT/BIST using high quality securities owned by the Bank. While the main purpose is using liabilities in TL to fund TL assets, the necessary FX swap transactions and FC funds are used in creating assets in TL within the limits that is approved by the Board of Directors. Foreign currency funds are obtained through FC deposit and foreign based FC borrowings including syndications. Liquidity shortage/surplus are calculated on a daily basis by Asset Liability Management and these figures are reported to the related Asset Liability Committee members. Besides, the Total and FC liquidity coverage ratio is calculated on a daily basis, and shared with all related units and senior management, and reported separately to Asset Liability Committee and Board of Directors. The Bank has TL/FC borrowing limits ready to use in CBRT and other banks.

d. Information on liquidity risk mitigation techniques

The first measure towards the mitigation of the liquidity risk as part of the budget process is planning the reduction of maturity mismatch and funding diversity. Within this context, syndication, other foreign funding, parent funding and other domestic funding facilities are used. In addition to this, active swap markets are used to provide liquidity in a particular currency. In addition to all these, Contingency Capital and Funding Plan monitoring indicators are continuously monitored and reported regularly to Asset Liability Committee and Board of Directors. With these indicators, intervals indicating the actions to be taken according to the triggering levels and measurement methods such as actual deposit inflows and outflows, stress test, liquidity buffer level, regulatory and structural liquidity ratios and so on are defined and these intervals support the decision making process. Moreover, a set of mitigating actions was set in the Contingency Capital and Funding Plan to bring the Bank's liquidity buffer back to reasonable levels during the crisis period. The important factors that will support the decision making mechanism, including the feasibility of these actions depending on the financial impact and stress scenarios, execution time of the actions are also explained.

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VI. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

e. Information on the use of stress tests

The Bank has a written liquidity stress testing procedure which includes the implementation of stress testing and responsibilities that is approved by Asset Liability Committee. To ensure that the existing positions remain within risk tolerance, the Market Risk Management and Product Control Directorate plans, designs, manages the stress tests, reports the results to Asset Liability Committee and Board of Directors on a regularly basis and reviews the stress tests annually. Stress test scenarios of the Bank consider Bank specific, market-wide and combined scenario, and reflect short term or long term consequences, are used in stress testing where the scenario and parameters are reviewed annually with the participation of the Asset and Liability Management and related business lines. On the other hand, results of stress testing are used as the leading indicator within the process of activating the Contingency Capital and Funding Plan.

f. Overview on contingency funding plan

The Bank has established the Contingency Capital and Funding Plan that was approved by Asset Liability Committee and Board of Directors, which includes the policies, methods and responsibilities of senior management and business lines that can be applied in stressed situations or in liquidity shortages. In addition, as an early warning of liquidity shortage or an unexpected situation, contingency capital and funding plan monitoring indicators are monitored and presented to the ALCO members monthly and to the Board of Directors (per meeting) by the Market Risk Management and Product Control Directorate. The effective internal and external communication channels and a liquidity contingency team are defined in order to ensure the liquidity contingency management and implement management actions of the plan. Monitoring metrics of the contingency capital and funding plan are reviewed annually in terms of changes in market and stress conditions.

2. Liquidity coverage ratio

In accordance with BRSA's "Regulation on Banks' Liquidity Coverage Ratio Calculation", promulgated in the Official Gazette, No. 28948, dated 21 March 2014, the Bank calculates and shares the Liquidity Coverage Ratio to BRSA on a weekly basis. Liquidity Coverage Ratio is above the values stated in the regulation.

Dates and values of the lowest and highest FC and total liquidity coverage ratio calculated monthly over the last three months are presented in the below table.

	Minimum	Date	Maximum	Date
TL+FC	197.53%	24 December 2021	271.81%	12 November 2021
FC	168.37%	29 October 2021	264.42%	31 December 2021

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VI. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

Liquidity coverage ratio

	Total unweighted value (*)		Total weighted value (*)	
Current period	**TL+FC**	**FC**	**TL+FC**	**FC**
High quality liquid assets				
High quality liquid assets			24,007,821	13,811,594
Cash Outflows				
Real person and retail deposits	41,074,175	19,832,786	3,603,422	1,983,279
Stable deposits	10,079,910	-	503,996	-
Less stable deposits	30,994,265	19,832,786	3,099,426	1,983,279
Unsecured funding other than real person and retail deposits	12,738,394	8,595,037	7,991,010	5,105,910
Operational deposits	75,498	12,254	18,875	3,064
Non-operational deposits	10,252,591	8,066,723	5,617,206	4,587,753
Other unsecured debt	2,410,305	516,060	2,354,929	515,093
Secured funding			-	-
Other cash outflows	17,776,838	9,740,406	8,652,089	4,845,429
Derivative exposures and collateral completion liabilities	7,006,814	3,574,492	7,006,814	3,574,492
Payables due to structured financial instruments	-	-	-	-
Payment commitments and other off-balance sheet commitments granted for debts to financial markets	10,770,024	6,165,914	1,645,275	1,270,937
Other contractual funding obligations	-	-	-	-
Other irrevocable or conditionally revocable off balance sheet liabilities	-	-	-	-
Total cash outflows			**20,246,521**	**11,934,618**
Cash inflows				
Secured lending	2,689,870	-	-	-
Unsecured lending	5,438,287	1,745,139	3,250,845	1,349,808
Other cash inflows	6,949,776	3,751,602	6,701,315	3,745,938
Total cash inflows	**15,077,933**	**5,496,741**	**9,952,160**	**5,095,746**
			Total adjusted value	
Total high quality liquid assets stock			24,007,821	13,811,594
Total net cash outflows			10,294,361	6,838,872
Liquidity coverage ratio (%)			**236.07**	**203.26**

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

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VI. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

	Total unweighted value (*)		Total weighted value (*)	
Prior period	**TL+FC**	**FC**	**TL+FC**	**FC**
High quality liquid assets				
High quality liquid assets			15,360,017	7,653,124
Cash Outflows				
Real person and retail deposits	32,286,940	14,491,281	2,728,314	1,449,128
Stable deposits	10,007,604	-	500,380	-
Less stable deposits	22,279,336	14,491,281	2,227,934	1,449,128
Unsecured funding other than real person and retail deposits	10,101,927	6,495,698	6,565,049	4,057,631
Operational deposits	58,152	6,603	14,538	1,651
Non-operational deposits	8,101,351	6,257,394	4,681,243	3,825,347
Other unsecured debt	1,942,424	231,701	1,869,268	230,633
Secured funding			-	-
Other cash outflows	18,759,980	10,092,547	8,988,794	4,472,422
Derivative exposures and collateral completion liabilities	7,426,006	3,275,182	7,426,006	3,275,181
Payables due to structured financial instruments	-	-	-	-
Payment commitments and other off-balance sheet commitments granted for debts to financial markets	11,333,974	6,817,365	1,562,788	1,197,241
Other contractual funding obligations	-	-	-	-
Other irrevocable or conditionally revocable off balance sheet liabilities	-	-	-	-
Total cash outflows			**18,282,157**	**9,979,181**
Cash inflows				
Secured lending	2,048,130	-	-	-
Unsecured lending	4,528,483	1,782,818	2,866,405	1,464,677
Other cash inflows	7,246,452	4,396,228	7,028,341	4,392,739
Total cash inflows	**13,823,065**	**6,179,046**	**9,894,746**	**5,857,416**
			Total adjusted value	
Total high quality liquid assets stock			15,360,017	7,653,124
Total net cash outflows			8,387,411	4,124,350
Liquidity coverage ratio (%)			**184.03**	**193.92**

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

VI. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

3. Other explanations on unconsolidated liquidity coverage ratio

Short term liquidity is managed within the regulatory limits in the Bank, the liquid assets are managed by using "Liquidity Coverage Ratio" calculations to monitor the minimum liquidity limits and keep sufficient stock of high quality liquid assets to meet the net cash outflows. Liquidity coverage ratio is calculated as per the Regulation on Banks' Liquidity Coverage Ratio Calculation. The ratio is affected from Bank's unpledged high quality liquid asset value that can be converted to cash any time and the possible cash inflows and outflows arising from assets, liability and off balance sheet items of the Bank.

The Bank evaluates cash equivalents, time and demand deposit accounts held in Central Bank of Turkey, reserve requirements and the unencumbered securities issued by the Treasury as high quality liquid assets.

The primary sources to meet the liquidity needs of the Bank are funds from interbank money market or repurchasing agreements or direct sales of the HTC&S portfolio. Besides the borrowing from the parent company in the medium and long term, in order to manage concentration risk with respect to funding resources, the Bank aims to reduce maturity mismatch and mitigate the liquidity risk by taking actions aiming to increase diversification in funding resources. A strategy in targeting small ticket size on the deposits is implemented as another element of the strategy to mitigate the concentration risk.

Although the Bank's wide range and small ticket size deposit structure including Orange Account represents a short term funding source parallel to the sector it renews itself at the maturity date and remains in the Bank for a longer period compared to its original maturity.

Details of the Bank's foreign currency balance sheet as of 31 December 2021 are summarized as follows:

Foreign currency deposits constitute the majority of the foreign currency liabilities. 20% of the Bank's foreign currency liabilities consist of funds obtained from other financial institutions and 72% is composed of deposits. Cash and cash equivalents comprise 44% and loans comprise 53% of the foreign currency assets. The bank placements have the shortest maturity within the assets denominated in foreign currency.

Details of the Bank's Turkish Lira balance sheet as of 31 December 2021 are summarized as follows:

The majority of Turkish Lira balance sheet's liability consists of deposits. 55% of the Bank's total Turkish Lira liabilities consists of deposits. However, in case of necessity, the Bank has borrowing facilities both in domestic & foreign banks and Takasbank & BIST repo market. 57% of the assets in Turkish Lira balance sheet are net loans and 17% are marketable securities.

The cash flows from derivative financial instruments are included in LCR calculations according to the terms of regulation. The Bank also considers changes in fair value of the liabilities that result in margin calls when calculating cash outflows.

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VI. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

4. Breakdown of assets and liabilities according to their outstanding maturities

Current period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Unallocated	Total
Assets								
Cash (cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	8,205,586	10,596,883	-	-	-	-	-	18,802,469
Banks	1,014,318	-	-	-	-	-	-	1,014,318
Financial assets at fair value through profit or loss	-	933,391	1,442,421	1,924,202	687,691	32,463	50	5,020,218
Money market placements	-	2,601,024	-	-	-	-	-	2,601,024
Financial assets measured at fair value through other comprehensive income	-	5,954	5,699	24,481	1,415,583	5,308	11,317	1,468,342
Loans	43,383	10,640,081	5,310,230	14,132,003	14,528,750	1,084,412	1,726,270	47,465,129
Financial assets measured at amortised cost	-	13,979	53,991	203,477	5,338,347	-	-	5,609,794
Other assets (*)	-	-	-	-	-	-	662,257	662,257
Total assets	**9,263,287**	**24,791,312**	**6,812,341**	**16,284,163**	**21,970,371**	**1,122,183**	**2,399,894**	**82,643,551**
Liabilities								
Bank deposits	8,176	43,040	-	-	-	-	-	51,216
Other deposits	13,588,633	35,576,994	3,533,819	328,237	3,126	-	-	53,030,809
Borrowings	-	448,747	1,141,194	6,279,631	1,555,636	-	-	9,425,208
Funds from interbank money market	-	2,501,827	-	93,896	-	-	-	2,595,723
Securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	2,931,288	-	-	-	-	-	243,361	3,174,649
Other liabilities (**)	-	636,975	312,683	569,265	640,474	-	12,206,549	14,365,946
Total liabilities	**16,528,097**	**39,207,583**	**4,987,696**	**7,271,029**	**2,199,236**	**-**	**12,449,910**	**82,643,551**
Liquidity (deficit)/surplus	**(7,264,810)**	**(14,416,271)**	**1,824,645**	**9,013,134**	**19,771,135**	**1,122,183**	**(10,050,016)**	**-**
Net Off Balance Sheet Position	**-**	**470,479**	**1,083,015**	**1,238,479**	**40,208**	**-**	**-**	**2,832,181**
Derivative financial assets	-	21,943,029	12,179,118	12,797,159	10,295,712	150,000	-	57,365,018
Derivative financial liabilities	-	21,472,550	11,096,103	11,558,680	10,255,504	150,000	-	54,532,837
Non-cash loans	**5,762**	**236,246**	**3,387,776**	**3,791,658**	**3,683,831**	**1,211,100**	**-**	**12,316,373**
Prior period								
Total assets	5,599,018	15,375,701	5,318,585	15,908,618	16,444,083	868,037	2,169,190	61,683,232
Total liabilities	10,006,780	30,910,203	2,255,281	1,492,943	6,378,479	45,910	10,593,636	61,683,232
Liquidity (deficit)/surplus	**(4,407,762)**	**(15,534,502)**	**3,063,304**	**14,415,675**	**10,065,604**	**822,127**	**(8,424,446)**	**-**
Net Off Balance Sheet Position	**-**	**(11,927)**	**66,341**	**580,980**	**1,077,141**	**-**	**-**	**1,712,535**
Derivative financial assets	-	16,649,491	6,056,788	10,651,521	8,622,823	270,000	-	42,250,623
Derivative financial liabilities	-	16,661,418	5,990,447	10,070,541	7,545,682	270,000	-	40,538,088
Non-cash loans	**58,753**	**351,876**	**3,386,903**	**2,920,272**	**2,766,715**	**1,303,737**	**-**	**10,788,256**

(*) Unallocated column in other assets mainly consists of other assets that are necessary for banking activities and that cannot be liquidated in the short term as tangible assets, intangible assets, assets held for sale, associates and subsidiaries, expected credit losses and other assets.

(**) Unallocated column in other liabilities mainly consists of provisions, taxes payables, other foreign liabilities and shareholders' equity.

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VI. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

5. Breakdown of liabilities according to their remaining contractual maturities

The Bank's remaining maturities of the contractual liabilities excluding derivative transactions are presented below. Interests on liabilities are included in the distribution. The "Adjustments" column presents probable cash flow on later periods. These amounts are included into the maturity analysis, but not included into the carrying value of liabilities in the balance sheet.

Current period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total	Adjustments	Balance sheet value
Liabilities									
Deposits	13,596,809	35,637,645	3,583,307	354,580	3,480	-	53,175,821	(93,796)	53,082,025
Funds borrowed from other financial institutions	-	448,747	1,141,194	6,289,813	1,558,174	-	9,437,928	(12,720)	9,425,208
Funds from interbank money market	-	2,505,463	-	93,896	-	-	2,599,359	(3,636)	2,595,723
Securities issued	-	-	-	-	-	-	-	-	-

Prior period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and over	Total	Adjustments	Balance sheet value
Liabilities									
Deposits	9,703,464	28,815,267	1,607,249	129,759	-	-	40,255,739	(50,637)	40,205,102
Funds borrowed from other financial institutions	-	1,713,036	472,104	1,176,406	6,000,973	-	9,362,519	(43,798)	9,318,721
Funds from interbank money market	-	9,449	-	-	57,784	-	67,233	(11)	67,222
Securities issued	-	-	-	-	-	-	-	-	-

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VI. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

6. Breakdown of derivative instruments according to their remaining contractual maturities

Current period	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 Years	5 years and over	Total
Derivative financial instruments held for hedging						
Transactions for fair value hedge (I)	**-**	**-**	**-**	**-**	**-**	**-**
Buying transactions	-	-	-	-	-	-
Selling transactions	-	-	-	-	-	-
Transactions for cash flow hedge (II)	**19,248**	**68,451**	**470,204**	**3,155,500**	**394,709**	**4,108,112**
Buying transactions	9,723	49,437	264,076	1,607,960	190,801	2,121,997
Selling transactions	9,525	19,014	206,128	1,547,540	203,908	1,986,115
Transactions for foreign net investment hedge (III)	**-**	**-**	**-**	**-**	**-**	**-**
Buying transactions	-	-	-	-	-	-
Selling transactions	-	-	-	-	-	-
A. Total derivative financial instruments held for hedging (I+II+III)	**19,248**	**68,451**	**470,204**	**3,155,500**	**394,709**	**4,108,112**
Derivative transactions held for trading						
Trading transactions (I)	**43,386,984**	**23,301,479**	**14,948,710**	**2,443,188**	**-**	**84,080,361**
Forward foreign currency transactions - buy	3,135,008	4,205,604	3,304,926	97,553	-	10,743,091
Forward foreign currency transactions - sell	3,232,843	4,261,068	3,311,450	101,547	-	10,906,908
Swap transactions- buy	16,321,644	7,535,010	4,793,290	1,165,273	-	29,815,217
Swap transactions - sell	15,732,365	6,406,011	3,539,044	1,078,815	-	26,756,235
Foreign currency options - buy	2,467,226	445,523	-	-	-	2,912,749
Foreign currency options - sell	2,497,898	448,263	-	-	-	2,946,161
Foreign currency futures - buy	-	-	-	-	-	-
Foreign currency futures - sell	-	-	-	-	-	-
Interest rate derivatives (II)	**189,812**	**311,776**	**11,107,132**	**16,919,337**	**-**	**28,528,057**
Interest rate swap - buy	90,209	161,219	5,581,477	8,473,651	-	14,306,556
Interest rate swap - sell	99,603	150,557	5,525,655	8,445,686	-	14,221,501
Interest rate options - buy	-	-	-	-	-	-
Interest rate options - sell	-	-	-	-	-	-
Securities options - buy	-	-	-	-	-	-
Securities options - sell	-	-	-	-	-	-
Interest futures - buy	-	-	-	-	-	-
Interest futures - sell	-	-	-	-	-	-
Other trading derivative transactions (III)	-	-	-	-	-	**-**
B. Total trading derivative transactions (I+II+III)	**43,576,796**	**23,613,255**	**26,055,842**	**19,362,525**	**-**	**112,608,418**
Derivative transaction total (A+B)	**43,596,044**	**23,681,706**	**26,526,046**	**22,518,025**	**394,709**	**116,716,530**

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VI. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

6. Breakdown of derivative instruments according to their remaining contractual maturities (continued)

Prior period	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 Years	5 years and over	Total
Derivative financial instruments held for hedging						
Transactions for fair value hedge (I)	-	-	-	-	-	-
Buying transactions	-	-	-	-	-	-
Selling transactions	-	-	-	-	-	-
Transactions for cash flow hedge (II)	**17,804**	**41,118**	**1,525,823**	**2,240,558**	**602,597**	**4,427,900**
Buying transactions	6,661	30,157	748,153	1,077,718	283,808	2,146,497
Selling transactions	11,143	10,961	777,670	1,162,840	318,789	2,281,403
Transactions for foreign net investment hedge (III)	-	-	-	-	-	-
Buying transactions	-	-	-	-	-	-
Selling transactions	-	-	-	-	-	-
A. Total derivative financial instruments held for hedging (I+II+III)	**17,804**	**41,118**	**1,525,823**	**2,240,558**	**602,597**	**4,427,900**
Derivative transactions held for trading						
Trading transactions (I)	**32,623,602**	**11,217,646**	**9,824,330**	**6,056,976**	-	**59,722,554**
Forward foreign currency transactions - buy	1,953,062	1,472,472	1,691,201	191,372	-	5,308,107
Forward foreign currency transactions - sell	1,907,485	1,425,477	1,595,002	198,021	-	5,125,985
Swap transactions- buy	12,618,940	4,159,993	3,495,285	3,411,323	-	23,685,541
Swap transactions - sell	12,658,313	4,152,991	3,042,842	2,256,260	-	22,110,406
Foreign currency options - buy	1,715,422	3,312	-	-	-	1,718,734
Foreign currency options - sell	1,770,380	3,401	-	-	-	1,773,781
Foreign currency futures - buy	-	-	-	-	-	-
Foreign currency futures - sell	-	-	-	-	-	-
Interest rate derivatives (II)	**883,782**	**1,112,582**	**11,006,308**	**9,473,675**	**89,140**	**22,565,487**
Interest rate swap - buy	440,040	548,708	5,486,454	4,700,351	45,690	11,221,243
Interest rate swap - sell	443,742	563,874	5,519,854	4,773,324	43,450	11,344,244
Interest rate options - buy	-	-	-	-	-	-
Interest rate options - sell	-	-	-	-	-	-
Securities options - buy	-	-	-	-	-	-
Securities options - sell	-	-	-	-	-	-
Interest futures - buy	-	-	-	-	-	-
Interest futures - sell	-	-	-	-	-	-
Other trading derivative transactions (III)	-	-	-	-	-	-
B. Total derivative transactions held for trading (I+II+III)	**33,507,384**	**12,330,228**	**20,830,638**	**15,530,651**	**89,140**	**82,288,041**
Derivative transaction total (A+B)	**33,525,188**	**12,371,346**	**22,356,461**	**17,771,209**	**691,737**	**86,715,941**

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

VII. Explanations on unconsolidated leverage ratio

Leverage ratio table prepared in accordance with the communique "Regulation on Measurement and Assessment of Leverage Ratios of Banks" published in the Official Gazette No.28812 dated 5 November 2013 is presented below. As of 31 December 2021, the Bank's leverage ratio is calculated by taking average of end of month leverage ratios for the last three months is 9.93% (31 December 2020: 10.71%). This ratio is above the minimum ratio of 3%. While the capital increased by 11% mainly as a result of increase in net profits, total risk amount increased by 21% compared to the prior period. Therefore, the current period leverage ratio decreased by 78 basis points compared to prior period.

Information on unconsolidated leverage ratio (**)

	Current period (*)	Prior period (*)
On-balance sheet items		
On-balance sheet exposures (excluding derivatives and credit derivatives including collateral)	*78,150,321*	*62,440,445*
Asset deducted from core capital	*(74,015)*	*(85,636)*
The total amount of risk on-balance sheet exposures	78,076,306	62,354,809
Derivative financial instruments and credit derivative exposures		
Replacement cost associated with derivative financial instruments and credit derivatives	*3,951,916*	*3,027,673*
The potential credit risk amount of derivative financial instruments and credit derivatives	*226,931*	*470,074*
The total risk amount of derivative financial instruments and credit derivatives	4,178,847	3,497,747
Securities or commodity guaranteed financing transactions		
Risk amount of securities or commodity collateral financing transactions (excluding on balance sheet items)	*221,089*	*112,236*
Risk amount of exchange brokerage operations	-	-
The total risk amount of securities or commodity collateral financing transactions	221,089	112,236
Off-balance sheet items		
Gross notional amount for off-balance sheet items	*18,336,772*	*17,590,614*
Adjustments for conversion to credit equivalent amounts	-	-
The total amount of risk for off-balance sheet items	18,336,772	17,590,614
Capital and total exposures		
Core capital	9,944,894	8,944,235
Total exposures	100,813,014	83,555,406
Leverage ratio		
Leverage ratio	9.93	10.71

(*) The amounts in the table represents the average of last three months.

(**) Previous period adjustments, which are mentioned in Note XXIV of Section three, are not reflected.

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VIII. Explanations on presentation of financial assets and liabilities at their fair values

1. In the current and the prior period, the fair values of financial assets and liabilities are calculated as stated below.

The fair value of financial assets at fair value through other comprehensive income and financial assets measured at amortised cost (financial assets available for sale in the prior period) are determined based on market prices.

The fair value of the loans with fixed interest rates is determined by the discounted cash flows using the current market interest rates. For the loans with floating interest rates, the fair value is determined by discounted cash flows using the market interest rate, taking into account the repricing date of the loan.

The fair value of demand deposit represents the carrying value. The fair values of time deposits and funds are calculated by the discounted cash flows using the current market interest rates.

The fair value of funds borrowed from other financial institutions with fixed interest rates are determined by discounted cash flows using the current market interest rates. For funds with floating interest rates, it is determined by discounted cash flows using the market interest rate, taking into account the repricing date of the borrowing.

Carrying value of miscellaneous payables represents their fair value.

2. The following table summarizes the carrying values and fair values of financial assets and liabilities.

	Carrying value Current period	Fair value Current period	Carrying value Prior period	Fair value Prior period
Financial assets	**56,262,839**	**54,679,170**	**47,938,400**	**46,425,425**
Money market placements	2,601,024	2,599,917	4,952,440	4,951,204
Due from banks	1,014,318	1,014,253	1,427,501	1,426,880
Financial assets at fair value through other comprehensive income	1,341,058	1,341,058	580,637	580,637
Financial assets measured at amortised cost	5,609,059	5,607,549	4,252,759	4,382,198
Loans	45,697,380	44,116,393	36,725,063	35,084,506
Financial liabilities	**68,277,605**	**66,384,625**	**50,014,679**	**48,391,113**
Bank deposits	51,216	51,156	1,662,936	1,661,610
Other deposits	53,030,809	51,056,116	38,542,166	36,901,989
Funds borrowed	9,425,208	9,509,967	9,318,721	9,336,666
Money market borrowings	2,595,723	2,592,737	67,222	67,214
Securities issued	-	-	-	-
Miscellaneous payables	3,174,649	3,174,649	423,634	423,634

3. Hierarchy of valuation techniques which establishes basis for fair value calculation of financial assets and liabilities:

Level 1: Quoted market prices (non-adjusted) for identical assets or liabilities.

Level 2: Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the Level 1.

Level 3: Data not based on observable data regarding assets or liabilities.

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

VIII. Explanations on presentation of financial assets and liabilities at their fair values (continued)

Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value in financial statements as of 31 December 2021 and 31 December 2020 is presented in the table below:

Current period	Level 1	Level 2	Level 3	Total
Total assets	**1,504,619**	**4,972,624**	**11,317**	**6,488,560**
Financial assets at fair value through profit or loss	174,878	4,845,340	-	5,020,218
Government debt securities	174,828	-	-	174,828
Trading derivative financial assets	-	4,845,340	-	4,845,340
Equity instruments	50	-	-	50
Other marketable securities	-	-	-	-
Financial assets at fair value through other comprehensive income	1,329,741	-	11,317	1,341,058
Equity instruments	-	-	11,317	11,317
Government debt securities	1,329,741	-	-	1,329,741
Hedging derivative financial assets	-	127,284	-	127,284
Cash flow hedges	-	127,284	-	127,284
Total liabilities	**-**	**1,997,872**	**-**	**1,997,872**
Trading derivative financial liabilities	-	1,986,804	-	1,986,804
Hedging derivative financial liabilities	-	11,068	-	11,068
Cash flow hedges	-	11,068	-	11,068

Prior period	Level 1	Level 2	Level 3	Total
Total assets	**675,681**	**2,578,738**	**10,761**	**3,265,180**
Financial assets at fair value through profit or loss	105,805	2,552,870	-	2,658,675
Government debt securities	105,743	-	-	105,743
Trading derivative financial assets	-	2,552,870	-	2,552,870
Equity instruments	62	-	-	62
Other marketable securities	-	-	-	-
Financial assets at fair value through other comprehensive income	569,876	-	10,761	580,637
Equity instruments	-	-	10,761	10,761
Government debt securities	569,876	-	-	569,876
Hedging derivative financial assets	-	25,868	-	25,868
Cash flow hedges	-	25,868	-	25,868
Total liabilities	**-**	**966,159**	**-**	**966,159**
Trading derivative financial liabilities	-	848,992	-	848,992
Hedging derivative financial liabilities	-	117,167	-	117,167
Cash flow hedges	-	117,167	-	117,167

There are no transfers between the 1st and the 2nd levels as of 31 December 2021 and 31 December 2020.

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VIII. Explanations on presentation of financial assets and liabilities at their fair values (continued)

The movement table of financial assets at Level 3 is presented below.

	Current period	Prior period
Balance at the end of the prior period	10,761	9,081
Purchases	-	1,596
Redemption/sale	-	-
Valuation difference	556	84
Transfers	-	-
Balance at the end of the current period	**11,317**	**10,761**

IX. Explanations on the transactions carried out on behalf and account of other persons and fiduciary transactions

The Bank performs purchase, sale, custody, and fund management services on behalf of its customers, and information about these transactions are shown in the off-balance sheet statement.

The Bank has no trust transactions.

X. Explanations on unconsolidated risk management

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to be announced to Public by Banks, promulgated in the Official Gazette, No. 29511, dated 23 October 2015 and became effective as of 31 March 2016. Due to usage of standard approach for credit risk in the calculation of capital adequacy by the Bank, tables required by Internal Rating Based approach ("IRB") are not presented.

1. General explanations on Bank's risk management and risk weighted assets

a. Bank's risk management approach

Bank's risk management strategy and activities have been formed under the responsibility of the Board of Directors. The risk management strategy applied in the Bank is based on three lines of defence model.

First line of defence

Business units are the first line of defence and primarily responsible for performance, operation, compliance and control of the risks affecting the business line.

Second line of defence

Risk Management, Financial Control and Asset Liability Management and Legal functions, which are the second line of defence, support the first line of defence in terms of implementation, training, advising, monitoring and reporting.

Risk Management is responsible for identifying, measuring, monitoring, controlling and reporting risks at corporate level. Bank's Risk Management consists of Financial Risk Management, Operational and Information Risk Management, Compliance departments and reports to the Audit Committee. Financial Risk Management includes Market Risk Management and Product Control, Credit Risk Control, Validation, Risk&Capital Integration and Reporting departments.

X. Explanations on unconsolidated risk management (continued)

Third line of defence

Internal Audit Department is the third line of defence. Internal Audit Department carries out both risks based and general audits. In addition, Internal Audit Department is responsible for reviewing and ensuring the integrity of the whole governance structure including risk governance, and presence, effectiveness and implementation of policies and procedures.

According to this strategy, these lines of defence carry out their activities through certain decision making committees such as the Executive Committee, Asset Liability Committee, Credit Committee and Non-Financial Risk Committee. External auditors and relevant Regulators and Regulating Entities are considered as third line of defence.

Senior Management and Board of Directors are notified on the market risks monthly or on a more frequent basis; and this notification consists of balance sheet developments, market developments, assessment of the risks incurred despite the determined risk appetite and other risk developments. Furthermore, credit risk reports focusing on development of performing and non-performing loan portfolios, rating distribution of portfolios, transitions and trends of ratings, concentration risks, business units and product based risk parameters and risk appetite indicators are closely followed.

In addition to measurement and assessment of the risks under normal market conditions, stress tests under the scope of ICAAP and also for internal purposes are performed to evaluate the possible risks under adverse market conditions. In this stress test, all kinds of financial risks that can be faced by the Bank are taken into account and evaluated under adverse and extremely adverse scenarios. Also reverse stress test is performed which defines the conditions that the Bank's regulatory limits is breached. The Bank prepares stress test reports within the context of ICAAP on a consolidated basis as per the guideline, numbered 6656, dated 14 January 2016 on the Stress Test to be Used in Banks' Capital and Liquidity Planning. The Stress Test provides a prospective perspective in possible adverse incidents or adverse situations.

It is aimed that all important risks are defined and relations between them are established in order to perform sensitivity analyses in the most effective manner throughout the Bank. Accordingly, the Bank performs the stress test together with all relevant units in a consolidated manner.

Detailed explanations on the Bank's risk appetite and credit risk can be found in section "Credit Risk", and detailed explanations on market risk can be found in section "Market Risk" while detailed explanations on operational risk can be found in section "Operational Risk".

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X. Explanations on unconsolidated risk management (continued)

b. Overview of risk weighted amounts

	Risk weighted amount		Minimum capital requirement
	Current period	Prior period	Current period
Credit risk (excluding counterparty credit risk) (CCR)	**44,130,735**	**39,850,503**	**3,530,459**
Standardized approach (SA)	44,130,735	39,850,503	3,530,459
Internal rating-based (IRB) approach	-	-	-
Counterparty credit risk	**3,346,691**	**1,955,949**	**267,735**
Standardized approach for counterparty credit risk (SA-CCR)	3,346,691	1,955,949	267,735
Internal model method	-	-	-
Basic risk weight approach to internal models equity position in the banking account	-	-	-
Investments made in collective investment companies - look-through approach	-	-	-
Investments made in collective investment companies - mandate-based approach	-	-	-
Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
Settlement Risk	-	-	-
Securitization positions in banking accounts	-	-	-
IRB ratings-based approach (RBA)	-	-	-
IRB Supervisory Formula Approach (SFA)	-	-	-
SA/simplified supervisory formula approach	-	-	-
Market risk	**389,500**	**202,225**	**31,160**
Standardized approach (SA)	389,500	202,225	31,160
Internal model approaches (IMM)	-	-	-
Operational risk	**7,379,625**	**7,066,601**	**590,370**
Basic indicator approach	7,379,625	7,066,601	590,370
Standard approach	-	-	-
Advanced measurement approach	-	-	-
The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
Floor adjustment	-	-	-
Total	**55,246,551**	**49,075,278**	**4,419,724**

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X. Explanations on unconsolidated risk management (continued)

2. Linkages between financial statements and risk amounts

a. Differences and linkage between scope of accounting consolidation and regulatory consolidation

		Revalued amount in accordance with TAS				
Assets	**Revalued amount in accordance with TAS as reported in published financial statements**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Securitization positions**	**Subject to market risk**	**Not subject to capital requirements or subject to deduction from capital**
Cash and balances with Central Bank	18,802,469	18,802,469	-	-	-	-
Financial assets at fair value through profit and loss	5,020,218	-	4,845,340	-	5,020,218	-
Banks	1,014,318	1,014,318	-	-	-	-
Money market placements	2,601,024	-	2,601,024	-	-	-
Financial assets measured at fair value through other comprehensive income	1,341,058	1,341,058	-	-	-	-
Financial assets measured at amortised cost	5,609,794	5,609,794	-	-	-	-
Expected credit losses (-)	2,674	-	-	-	-	2,674
Loans (Net)	**45,696,645**	**46,201,472**	**-**	**-**	**-**	**(496,088)**
Loans	45,738,859	45,738,859	-	-	-	8,739
Lease receivables	-	-	-	-	-	-
Factoring receivables	-	-	-	-	-	-
Non performing receivables	1,726,270	1,726,270	-	-	-	-
Expected credit losses (-)	1,768,484	1,263,657	-	-	-	504,827
Associates (net)	-	-	-	-	-	-
Subsidiaries (net)	839,286	839,286	-	-	-	-
Joint ventures (net)	-	-	-	-	-	-
Derivative financial assets held for hedging	127,284	-	127,284	-	-	-
Tangible assets (net)	669,170	625,830	-	-	-	43,340
Intangible assets (net)	34,021	-	-	-	-	34,673
Investment property (net)	-	-	-	-	-	-
Tax asset	195,100	263,696	-	-	-	(68,596)
Property and equipment held for sale and related to discontinued operations (net)	660	660	-	-	-	-
Other assets	695,178	702,244	-	-	-	(7,066)
Total assets	**82,643,551**	**75,400,827**	**7,573,648**	**-**	**5,020,218**	**(496,411)**
Liabilities						
Deposit	53,082,025	-	-	-	-	53,082,025
Derivative financial liabilities at fair value through profit or loss	1,986,804	-	-	-	-	1,986,804
Loans received	9,425,208	-	-	-	-	9,425,208
Money market funds	2,595,723	-	2,595,723	-	-	-
Securities issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Factoring payables	-	-	-	-	-	-
Lease payables	161,525	-	-	-	-	161,525
Derivative financial liabilities at fair value through other comprehensive income	11,068	-	-	-	-	11,068
Provisions	299,711	36,717	-	-	-	214,333
Tax liability	615,594	-	-	-	-	615,594
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-
Other liabilities	3,656,874	-	-	-	-	-
Shareholders' equity	10,809,019	-	-	-	-	10,799,888
Total liabilities	**82,643,551**	**36,717**	**2,595,723**	**-**	**-**	**76,296,445**

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X. Explanations on unconsolidated risk management (continued)

b. Main differences between risk amounts and the amounts revalued in accordance with TAS financial statement

	Total	Subject to credit risk	Securitization positions	Subject to counterparty credit risk	Subject to market risk (*)
Assets carrying value in accordance with TAS	**83,139,962**	**75,400,827**	**-**	**7,573,648**	**5,020,218**
Liabilities carrying value in accordance with TAS under scope of regulatory consolidation	6,347,106	36,717	-	2,595,723	-
Total net amount under scope of regulatory consolidation	**76,792,856**	**75,364,110**	**-**	**4,977,925**	**5,020,218**
Off-balance sheet amount	15,659,862	7,143,378	-	5,577,597	-
Differences due to risk mitigation	-	(295,864)	-	(5,196,747)	-
Differences due to different netting rules	-	-	-	-	-
Differences due to consideration of provisions	-	-	-	-	-
Differences due to the applications of the Bank	-	-	-	-	(4,630,718)
Effect of average exchange rate (**)	-	(14,572,084)	-	-	-
Exposure amounts	-	**67,639,540**	-	**5,358,775**	**389,500**

(*) The amounts of financial instruments, which are measured according to TAS and included in trading accounts within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", is represented in "Subject to market risk framework" column are presented.

(**) It shows the average exchange rate effect used in the calculation of credit risk within the scope of the BRSA's letter dated 21 December 2021.

c. Explanations on differences between carrying values in financial statements and risk amounts in capital adequacy calculation of assets and liabilities:

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

3. Explanations about credit risk

3.1. General Information on Credit Risk

a. General Qualitative Information on Credit Risk

Bank's Credit Risk Management reports to the Audit Committee. In order to carry out its functions and responsibilities more effectively, Credit Risk Management is structured as Credit Risk Control and Risk&Capital Integration and Reporting Department. Credit Risk Control team is responsible for developing, monitoring and sustaining the models to be used in Internal Ratings Based Method and TFRS 9 calculations and the integration of rating models in the bank systems. Risk&Capital Integration is responsible to form ICAAP process to carry out stress testing, IRB calculations.

Risk appetite expresses the total risk level assumed by the Bank in order to realise its strategies. To ensure that the Bank's risk appetite is equal to or below risk capacity, in general there is a buffer between the risk capacity and risk appetite. Bank's risk appetite is compatible with the main shareholder's risk appetite, and the Bank pays sufficient attention to protect the interests of all stakeholders such as deposit holders and legal regulators.

Risk appetite is determined according to the risk identification and assessment results, the risk capacity formed by the Bank considering the legal qualitative and quantitative limits and similarly the Bank's risk management and control abilities. If it is possible to implement, risk appetite indicators are approved by the management units (committees) formed for the relevant risk type. Both the risk appetite structure and risk appetite indicators are revised by the Audit Committee and presented by the Audit Committee to the Board of Directors. The approval authority for risk appetite structure and indicators is the Board of Directors.

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X. Explanations on unconsolidated risk management (continued)

Bank's risk profile is regularly measured, monitored in comparison with the risk appetite and reported to the Board of Directors and certain senior committees. Under credit risk, general condition of the credit portfolio, non-performing loans, risk appetite indicators, firm and group concentrations, legal credit ratios, development of capital adequacy ratio, development and distribution of ratings based on business units, rating and risk transitions, Probability of Default ("PD"), loss given default ("LGD") and Exposure at Default ("EAD") parameters are followed. Reports prepared in scope of ICAAP study are presented to the senior management and Board of Directors before they are sent to the BRSA.

Many rating models and scorecards are used in different processes such as allocation, monitoring, collection, pricing, etc. for the purpose of managing credit risk. With these models, internal data sources and external data sources (such as CB credit risk and limit report, Credit Bureau) are used and creditworthiness of new clients is measured; and development of the existing credit portfolio is closely monitored. Performance of models is regularly monitored by Model Risk Management team under Financial Risk Management in addition to the teams developing the models.

b. Credit quality of assets

	Gross carrying values of (according to TAS)			
	Defaulted	Non-defaulted	Provisions/ amortization and impairment	Defaulted
Loans	1,726,270	45,738,859	1,767,749	45,697,380
Debt securities (*)	-	6,939,535	9,866	6,929,669
Off-balance sheet exposures	295,699	17,641,196	85,378	17,851,517
Total	**2,021,969**	**70,319,590**	**1,862,993**	**70,478,566**

(*) Includes provisions accounted under equity for financial assets at fair value through other comprehensive income.

c. Changes in stock of defaulted loans and debt securities

	Current period	Prior period
Defaulted loans and debt securities at the end of the previous reporting period	2,208,214	2,944,615
Loans and debt securities defaulted since the last reporting period	320,123	236,597
Transferred to non-defaulted status	-	-
Amounts written off (*)	(357,487)	(337,706)
Other changes (**)	(444,580)	(635,292)
Defaulted loans and debt securities at the end of the reporting period	**1,726,270**	**2,208,214**

(*) Specific provisions for undrawn non-cash loans are not included in the table. Amounts written off also includes the NPL sale of the Bank amounting to TL 203,788 (31 December 2020: TL 314,769).

(**) Collections within the period have included "Other changes" account.

ç. Additional explanations on the creditworthiness of assets

Definitions of overdue and provision set aside are presented in Section Four - II explanations on credit risk footnote.

Definitions of the methods used in determining the provision amounts:

The methods used are presented in the footnote of Section Three VIII - explanations on impairment in financial assets.

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X. Explanations on unconsolidated risk management (continued)

Definitions of the restructured receivables:

The Bank can restructure the first and second group loans and other receivables, as well as non-performing loans and receivables. All loan products are considered together and a single restructuring protocol is formed; according to the legislation and general economic situation, variable or fixed terms are provided to enhance customers' ability to repay the loan.

Breakdown of receivables according to geographical regions, sector and remaining maturity:

Breakdown of receivables according to geographical regions, sector and remaining maturity is presented in footnote in Section Four II - explanations on credit risk.

Receivable amounts for which provisions are set aside on geographical regions and sectors and amounts written off with the provisions:

Breakdown of receivables according to geographical regions

	Non-performing loans (**)	Specific provision
Domestic	1,726,153	1,263,559
EU Countries	-	-
OECD Countries (*)	36	32
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other countries	81	66
Total	**1,726,270**	**1,263,657**

(*) OECD countries other than EU countries, USA and Canada.

(**) Non-cash loans are not included.

Sectoral receivables and related provisions are presented in Section Four - II. explanations on credit risk disclosure.

Aging of overdue exposures

	Current period	Prior period
Overdue 31 - 60 days	394,427	165,301
Overdue 61 - 90 days	62,693	50,883
Total	**457,120**	**216,184**

Breakdown of restructured receivables by whether or not provisions are allocated

	Current period	Prior period
Loans structured from standard loans and other receivables	-	-
Loans structured from closely monitored loans and other receivables	931,038	994,236
Loans restructured from non-performing loans	79,540	48,137

The Bank classifies all of its loans and receivables as Stage 2 if they meet the restructured loan conditions while being in the performing loan portfolio according to the "Provision Regulation". Restructured loans classified as Stage 2 are subject to Stage 2 expected credit losses while restructured loans classified as non-performing loans are subject to specific provision.

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X. Explanations on unconsolidated risk management (continued)

Information on expected credit loss

	Stage 1	Stage 2	Stage 3	Total
Opening balance (*)	**192,168**	**367,641**	**1,595,498**	**2,155,307**
Additional provision during the period	126,340	240,855	343,140	710,335
Disposals (-)	(71,008)	(146,602)	(344,433)	(562,043)
Amounts written off (-)	-	-	(293,810)	(293,810)
Transferred to Stage 1	-	(58,346)	-	(58,346)
Transferred to Stage 2	(23,373)	-	(21)	(23,394)
Transferred to Stage 3	(17,741)	(37,575)	-	(55,316)
Ending balance	**206,386**	**365,973**	**1,300,374**	**1,872,733**

(*) Includes provisions for non-cash loans and provisions accounted under equity for financial assets at fair value through other comprehensive income.

3.2. Credit risk mitigation techniques

a. Qualitative disclosure requirements related to credit risk mitigation techniques

The Bank pays specific attention to the fact that the risk is completely covered by the collaterals and the easiness of collateral conversion into cash in case of default. In addition, the primary repayment source of loan is the cash flows from operations. Therefore, the financial status and retrospective and prospective cash flows of the firms to which credit proposal is made (the debtor) are analysed with due care during loan disbursement.

Collaterals in the Bank are divided into two groups as financial collaterals and guarantees. Collaterals are considered as allowed by the related regulations.

If credit assignment is conditioned to a collateral extension, the data of the collaterals must be entered to the banking information system. Collaterals are entered in the main banking application Finsoft through branches. Collaterals are activated after the Credit Operation Centre ("CROM") teams' check and approval of the collateral entries.

The Bank monitors up to date value of the collaterals by type. As a general principle, the Bank revises all collaterals at least once a year. For the firms which still have a credit risk, the existing collaterals are not released unless the guarantees in the credit notification are fully ensured or risk amount is decreased.

The Bank makes the assessment according to the latest expert value in the real estate guarantees taken as a real property.

The Bank's credit risk exposure and mitigation techniques used in order to reduce the exposure level are taken into account according to the principles stated in the related regulation. The Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals. The standardized risk weights are applied to the rest of the loans and receivables that remained unprotected after credit risk mitigation techniques. Financial collaterals that are composed of cash or similar assets and instruments of a high credit quality as well as real estate mortgages have been used in credit risk mitigation.

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X. Explanations on unconsolidated risk management (continued)

b. Credit risk mitigation techniques

	Exposures unsecured carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collaterals	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
Loans [*]	40,700,992	4,996,388	3,679,850	355,383	323,264	-	-
Debt securities [*]	6,929,669	-	-	-	-	-	-
Total	**47,630,661**	**4,996,388**	**3,679,850**	**355,383**	**323,264**	**-**	**-**
Of which defaulted	1,726,270	-	-	-	-	-	-

[*] Stage 1 and Stage 2 expected credit losses are deducted from the related balance sheet amounts according to regulation.

c. Qualitative disclosures on Banks' use of external credit ratings under the standardised approach for credit risk

Explanations are disclosed in Section Four II - explanations on credit risk disclosures.

ç. Credit risk exposure and credit risk mitigation effects

	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Risk classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
Claims on sovereigns and Central Banks	21,507,059	249,211	19,278,005	30,754	3,002,387	15.55%
Claims on regional governments or local authorities	482,601	-	422,643	-	256,989	60.81%
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-
Claims on banks and intermediary institutions	6,635,869	3,440,901	3,940,949	1,146,135	520,110	10.22%
Claims on corporates	23,549,643	7,303,016	23,179,024	4,448,675	24,887,907	90.08%
Claims on retails	13,295,482	3,024,637	12,917,893	363,612	11,805,760	88.89%
Claims secured by residential property	1,569,426	-	1,569,426	-	549,299	35.00%
Claims secured by commercial property	1,094,089	35,159	1,094,090	9,016	648,649	58.80%
Past due loans	453,360	-	453,359	-	389,485	85.91%
Higher risk categories decided by the Board	9,253	-	9,254	-	5,724	61.85%
Secured by mortgages	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-
Other receivables	3,393,274	24,676	3,393,275	4,935	1,327,155	39.05%
Equity securities	737,270	-	737,270	-	737,270	100.00%
Total	**72,727,326**	**14,077,600**	**66,995,188**	**6,003,127**	**44,130,735**	**60.45%**

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X. Explanations on unconsolidated risk management (continued)

d. Standardised approach - exposures by asset classes and risk weights

Risk classes	0%	10%	20%	35%	50%	75%	100%	150%	200%	Others	Total credit exposures amount (post CCF and post-CRM)
Claims on sovereigns and Central Banks	16,275,618	-	-	-	-	-	3,033,141	-	-	-	19,308,759
Claims on regional governments or local authorities	-	-	-	-	331,308	-	91,335	-	-	-	422,643
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	-	-	1,590,678	-	3,391,638	-	60,126	44,642	-	-	5,087,084
Claims on corporates	517,444	-	338,090	-	1,400,194	-	25,301,601	70,370	-	-	27,627,699
Claims on retails	-	-	-	-	-	10,326,573	659,738	2,295,194	-	-	13,281,505
Claims secured by residential property	-	-	-	1,569,426	-	-	-	-	-	-	1,569,426
Claims secured by commercial property	-	-	-	-	908,913	-	194,193	-	-	-	1,103,106
Past due loans	-	-	-	-	217,145	-	146,819	89,395	-	-	453,359
Higher risk categories decided by the Board	-	-	-	-	7,059	-	2,195	-	-	-	9,254
Secured by mortgages	-	-	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-	-	-
Other receivables	2,071,055	-	-	-	-	-	1,327,155	-	-	-	3,398,210
Equity securities	-	-	-	-	-	-	737,270	-	-	-	737,270
Total	**18,864,117**	**-**	**1,928,768**	**1,569,426**	**6,256,257**	**10,326,573**	**31,553,573**	**2,499,601**	**-**	**-**	**72,998,315**

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X. Explanations on unconsolidated risk management (continued)

4. Evaluation of counterparty credit risk according to measurement methods

a. Qualitative disclosure on counterparty credit risk

According to Appendix 2 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks, promulgated in the Official Gazette, no. 29511, dated 23 October 2015, the counterparty credit risk arising from the transactions that binding both parties such as derivatives and repo, is calculated. The sum of renewal cost for derivative transactions and potential credit risk amount is considered as the risk amount. Renewal cost is calculated with valuation of contracts at fair value and potential credit risk amount is calculated by multiplying the contract amounts with the credit conversion ratios stated in the appendix of the regulation.

For the forward, option and other derivative contracts, collateral management is conducted daily according to the International Swap and Derivative Association ("ISDA") and Credit Support Annex ("CSA") agreements concluded with international counterparties, and when needed, short term total credit risk is reduced by usage of rights and performance of duties.

For the forward, option and other derivative transactions which are done by local agreements and not according to ISDA agreement, the credit risk is controlled via "Pre-Settlement" limit monitoring. Pre-settlement limit is allocated for the firms and organizations according to analysis and allocation processes. The basic rule for the Bank is that client risks do not exceed such limits. Risks are monitored simultaneously with the market and developed models are used in calculation.

The maximum risk that the counterparty may incur due to futures, options and other derivative transactions are limited, monitored with daily and instant reports. Possible limit breaches are reported to the high level committees and senior management of the bank and related actions taken to mitigate the risk.

b. Counterparty credit risk (CCR) approach analysis

	Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
Standardised Approach - CCR (for derivatives)	4,724,644	386,428	-	1.40	5,111,072	2,942,519
Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	247,703	37,831
Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	-	-	-	-	-	-
Total						**2,980,350**

(*) Effective expected positive exposure

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X. Explanations on unconsolidated risk management (continued)

c. Credit valuation adjustment (CVA) for capital charge

	Exposure at default post-CRM	RWA
Total portfolios subject to the advanced CVA capital charge	-	-
(i) VaR component (including the 3*multiplier)	-	-
(ii) Stressed VaR component (including the 3*multiplier)	-	-
All portfolios subject to the standardised CVA capital charge	5,111,072	366,341
Total subject to the CVA capital charge	5,111,072	366,341

ç. Analysis of counterparty credit risk (CCR) exposure

Asset classes/Risk weight	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure (*)
Claims on sovereigns and Central Banks	506,790	-	-	-	-	30,754	-	-	537,544
Claims on regional governments or local authorities	-	-	-	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	-	-	366,469	3,093,880	-	700	-	-	3,461,049
Claims on corporates	-	-	860	33,864	-	1,269,859	-	-	1,304,583
Claims included in the regulatory retail portfolios	-	-	-	-	55,599	-	-	-	55,599
Claims secured by residential property	-	-	-	-	-	-	-	-	-
Past due loans	-	-	-	-	-	-	-	-	-
Higher risk categories decided by the Board	-	-	-	-	-	-	-	-	-
Secured by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-
Stock investment	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets (**)	-	-	-	-	-	-	-	-	-
Total	**506,790**	**-**	**367,329**	**3,127,744**	**55,599**	**1,301,313**	**-**	**-**	**5,358,775**

(*) Total credit exposure: After applying counterparty credit risk measurement techniques that are related to the amount of capital adequacy calculation.

(**) Other assets: Includes counterparty credit risk that does not reported in "central counterparty" table.

X. Explanations on unconsolidated risk management (continued)

d. Collaterals for counterparty credit risk (CCR)

Related table is not presented due to not having derivative collaterals which is considered in the calculation of capital adequacy ratio.

e. Credit derivatives

There is no credit derivative transaction.

5. Explanations on securitisation

There is no securitisation transaction.

6. Explanations on market risk

The Bank has reviewed activities of market risk management and has taken necessary precautions in order to mitigate the market risk within the framework of financial risk management, according to the "Regulation on the Internal Systems of Banks and Internal Capital Adequacy Valuation Process" and the "Regulation on Measurement and Assessment of Capital Adequacy of Banks", which was published in the Official Gazette No. 29057 and dated 11 July 2014.

Market risk is managed based on different product mandates based on banking books and trading books and within the risk limits including sensitivity that is approved by Board of Directions in where related limits are monitored on a regular basis and the results are shared with senior management and the Board of Directors. In addition, the impacts of change in balance sheet due to banking activities on risk appetite are simulated.

Audit Committee monitors and evaluates market risk closely. Recommendations are presented to the Asset Liability Committee and Board of Directors in terms of the risk management.

Risk management strategies and policies are updated regarding to regulations stated above and is approved by Board of Director's. In relation to the regulatory capital requirements, on a consolidated and the bank only basis, standard method is used in measuring the market risk. In addition to the standard method, for internal reporting purposes, value-at-risk (VaR) is used in daily calculation of amount subject to market risk and are reported to the senior management. Stress tests and scenario analyses are also applied within the scope of ICAAP to complement the risk analysis. In addition, compliance on ING Bank's policies related to market risk, especially for the international regulations, is reviewed regularly. All these analysis are reflected in the relevant written procedures and policies. Due to the increase in the regulations and the need for pursuing more sophisticated risk management in recent years, the project of a software has been launched to manage risks related to asset liability management in a more integrated structure and currently enhancements are in progress.

	RWA
Outright products	**389,500**
Interest rate risk (general and specific)	313,550
Equity risk (general and specific)	-
Foreign exchange risk	75,950
Commodity risk	-
Options	**-**
Simplified approach	-
Delta-plus method	-
Scenario approach	-
Securitisation	-
Total	**389,500**

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X. Explanations on unconsolidated risk management (continued)

7. Explanations on operational risk

The "Basic Indicator Method" that is stated in "Regulation on Measurement and Assessment of Capital Adequacy of Banks" Communiqué published in the Official Gazette no. 28337 on 28 June 2012, is used in the annual operational risk calculation of the Bank. The amount subject to the operational risk as of 31 December 2021 is calculated by using the gross income of the Bank in 2018, 2019 and 2020.

Annual gross revenue is calculated by deduction of profit/loss derived from the sale of available-for-sale assets and held-to-maturity securities, extraordinary income and indemnity insurance gains from the total of net interest income and non-interest income.

Current period	2018 amount	2019 amount	2020 amount	Total/Number of years of positive gross income	Ratio (%)	Total
Gross income	3,911,401	4,491,330	3,404,668	3,935,800	15	590,370
Amount subject to operational risk (Amount*12.5)						**7,379,625**

8. Interest rate risk arising from banking book

Interest rate risk in the banking book is managed within the framework of sensitivity based risk limits which is internally determined by the Board of Directors, and results are shared periodically with senior management, Asset Liability Committee, Audit Committee and Board of Directors. In addition, interest rate risk in the banking book is calculated according to the interest structure profile of all interest sensitive assets and liabilities and the period remaining for their maturity or re-pricing dates under the Regulation on Measurement and Evaluation of the Interest Rate Risk in the Banking Book through Standard Shock Method published by the BRSA in the Official Gazette no: 28034 and dated 23 August 2011.

Under the regulation, core deposit is calculated only for demand deposits and also separately for each currency. Maturity profile of demand deposit assumptions have been determined by taking into account the analyses conducted by the Bank through using historical data for demand deposit portfolio and the maximum hypothetical maturity limit stated in the Regulation.

In addition, analysis being performed about asset and liability accounts comprising different customer behavior characteristics such as internal interest sensitivity and optionality, and effects on balance sheet risk are evaluated within the framework of analysis results and business lines' expectations.

Interest rate risk in the banking book standard ratio is calculated at the end of months by measuring and evaluating the interest rate risk resulting from balance sheet and off-balance sheet positions in the banking books through standard shock method. Profits/losses refer to the profit/loss risk that might occur in the market value of financial assets and liabilities in the balance sheet as a result of applying upward/downward scenarios to the market interest rate.

Currency	Applied shock (+/-x basis points)	Gains/ (Losses)	Gains/Equity (Losses)/Equity
TL	(-) 400	470,388	4.21%
TL	(+) 500	(523,210)	(4.69)%
EURO	(-) 200	(3,813)	(0.03)%
EURO	(+) 200	(80,943)	(0.73)%
USD	(-) 200	30,112	0.27%
USD	(+) 200	(72,991)	(0.65)%
Total (for negative shocks)		**496,687**	**4.45%**
Total (for positive shocks)		**(677,144)**	**(6.07)%**

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XI. Explanations on hedge transactions

Breakdown of the derivative transactions used in cash flow hedges

	Current period			Prior period		
	Notional	Assets	Liabilities	Notional	Assets	Liabilities
Interest rate swaps	2,540,000	127,284	11,068	3,245,834	25,868	117,167
Cross currency swaps	-	-	-	-	-	-
Total	**2,540,000**	**127,284**	**11,068**	**3,245,834**	**25,868**	**117,167**

Explanations on derivative transactions used in cash flow hedges

Current period

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV Assets	Hedging instrument FV Liabilities	Net gain/ (loss) recognized in OCI during the period	Net gain/ (loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
Interest rate swaps	TL/FC customer deposits	Cash flow risk due to the changes in the interest rates of TL and FC customer deposits	127,284	11,068	219,327	(17,805)	(6,711)
Interest rate swaps	TL revolving loans	Cash flow risk due to the changes in the interest rates of TL revolving loans	-	-	-	13,549	-
Cross currency swaps	TL customer deposits and FC borrowings	Cash flow risk due to the changes in the interest rates of deposits and currency risk of FC borrowings	-	-	(24,007)	-	-
Total			**127,284**	**11,068**	**195,320**	**(4,256)**	**(6,711)**

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XI. Explanations on hedge transactions (continued)

Prior period

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/ (loss) recognized in OCI during the period	Net gain/ (loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
Interest rate swaps	TL/FC customer deposits	Cash flow risk due to the changes in the interest rates of TL and FC customer deposits	15,117	115,088	198,147	(33,397)	(4,493)
Interest rate swaps	TL revolving loans	Cash flow risk due to the changes in the interest rates of TL revolving loans	10,751	2,079	2,375	-	-
Cross currency swaps	TL customer deposits and FC borrowings	Cash flow risk due to the changes in the interest rates of deposits and currency risk of FC borrowings	-	-	(42,356)	-	-
Total			**25,868**	**117,167**	**158,166**	**(33,397)**	**(4,493)**

Contractual maturity analysis of the derivative transactions subject to cash flow hedges:

Maturity analysis of the derivative transactions subject to cash flow hedges is provided in the Note VI of Section Four.

XII. Explanations on segment reporting

The Bank operates mainly in corporate, business and retail banking services. In scope of corporate, business banking operations, customers are provided with special banking services including cash management service. In retail banking operations, customers are provided with debit and credit card, retail loan, online banking and private banking services. Spot TL, foreign exchange buy/sell transactions, derivative transactions, and treasury bill/government bond buy/sell transactions are performed at treasury operations.

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

XII. Explanations on segment reporting (continued)

Information on operating segments is prepared in accordance with the data provided by the Bank's Management Reporting System.

Current period - 31 December 2021	Corporate, Business Banking	Retail Banking	Other	Total
Net interest income	988,715	1,105,490	597,964	2,692,169
Net fees and commissions income and other operating income	599,089	393,603	51,768	1,044,460
Trading gain/loss	288,225	128,213	39,217	455,655
Dividend income	-	-	177	177
Expected credit loss	(346,273)	(246,618)	(16)	(592,907)
Segment results	1,529,756	1,380,688	689,110	3,599,554
Other operating expenses (*) (**)	-	-	-	(2,177,641)
Income/loss from investments under equity accounting	-	-	-	129,955
Income from continuing operations before tax	-	-	-	1,551,868
Tax provision (*)	-	-	-	(351,755)
Net profit				**1,200,113**

Prior period - 31 December 2020	Corporate, Business Banking	Retail Banking	Other	Total
Net interest income	961,638	1,503,882	335,915	2,801,435
Net fees and commissions income and other operating income	537,753	310,831	147,852	996,436
Trading gain/loss	143,672	75,856	5,880	225,408
Dividend income	-	-	215	215
Expected credit loss	(707,199)	(405,446)	(30,487)	(1,143,132)
Segment results	935,864	1,485,123	459,375	2,880,362
Other operating expenses (*) (**)	-	-	-	(2,053,731)
Income/loss from investments under equity accounting	-	-	-	141,491
Income from continuing operations before tax	-	-	-	968,122
Tax provision (*)	-	-	-	(199,986)
Net profit				**768,136**

(*) Other operational expenses and tax provision are presented at total column due to inability to allocate among the sections.

(**) Includes "Personnel Expenses" and "Other Provision Expenses" that presented in the statement of profit or loss as a different items.

Current period - 31 December 2021	Corporate, Business Banking	Retail Banking	Other	Total
Asset	34,978,182	12,358,728	35,306,641	82,643,551
Liability	14,721,651	38,472,522	18,640,359	71,834,532
Equity	-	-	10,809,019	10,809,019

Prior period - 31 December 2020	Corporate, Business Banking	Retail Banking	Other	Total
Asset	26,250,297	12,342,747	23,090,189	61,683,233
Liability	11,540,729	28,809,496	11,920,760	52,270,985
Equity	-	-	9,412,248	9,412,248

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

Section five

Information and disclosures related to unconsolidated financial statements

I. Explanations and notes related to assets of the unconsolidated balance sheet

1. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey

1.1. Information on cash equivalents

	Current period		Prior period	
	TL	FC	TL	FC
Cash in TL/foreign currency	134,580	2,879,131	224,383	1,157,572
Balances with the Central Bank of Turkey	1,876,631	13,912,127	761,934	6,965,900
Other	-	-	-	-
Total	**2,011,211**	**16,791,258**	**986,317**	**8,123,472**

1.2. Information related to the account of the Central Bank of Turkey

	Current period		Prior period	
	TL	FC	TL	FC
Unrestricted demand deposit	1,876,631	3,315,244	761,934	2,064,549
Restricted time deposit	-	4,265,380	-	2,050,448
Reserve requirement	-	6,331,503	-	2,850,903
Total	**1,876,631**	**13,912,127**	**761,934**	**6,965,900**

As per the "Communiqué on Reserve Requirements" promulgated by the Central Bank, banks operating in Turkey must keep required reserves as of the balance sheet date at a rate ranging between 3% and 8% for Turkish lira deposits and liabilities depending on their maturity. The reserve rates vary between 5% and 25% for foreign currency deposits and other foreign currency liabilities and vary between 22% and 26% for gold liabilities depending on their maturity.

In accordance with the "Communiqué Regarding the Reserve Requirements", the reserve requirements can be maintained as TL, USD, EUR and standard gold.

Within the scope of the Communiqué No. 2021/14 on Supporting the Conversion of TL Deposit and Participation Accounts, the conversion rate from foreign currency deposit accounts in USD, EUR, GBP and participation fund accounts in foreign currency to time deposits and participation funds in TL as of the obligation date of 15 April 2022, it has been decided not to apply an annual commission of 1.5% to the banks that have reached the 10% level and the 20% level as of the 8 July 2022 obligation date, up to the amount to be kept for their liabilities until the end of 2022.

TL 1,876,237 (31 December 2020: TL 761,598) of the TL reserve deposits provided over the average balance and TL 3,315,244 (31 December 2020: TL 2,064,549) of the FC reserve deposits provided over the average balance are presented under unrestricted demand deposit account.

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I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

2. Information on financial assets at fair value through profit/loss

2.1. Information on financial assets at fair value through profit/loss subject to repo transactions and those given as collateral/blocked

Financial assets at fair value through profit or loss subject to repo transactions and those given as collateral/blocked are stated below in net amount.

	Current period	Prior period
Unrestricted portfolio	134,575	67,198
Collateral/blocked	40,303	38,607
Total	**174,878**	**105,805**

2.2. Positive differences related to derivative financial assets held for trading

	Current period		Prior period	
	TL	FC	TL	FC
Forward transactions	-	477,496	-	185,704
Swap transactions	4,102,247	258,886	2,242,982	123,811
Futures transactions	-	-	-	-
Options	85	6,626	-	373
Other	-	-	-	-
Total	**4,102,332**	**743,008**	**2,242,982**	**309,888**

3. Information on banks and foreign banks accounts

3.1. Information on banks

	Current period		Prior period	
	TL	FC	TL	FC
Banks	205	1,014,113	636	1,426,865
Domestic	205	690	516	37
Foreign	-	1,013,423	120	1,426,828
Headquarters and branches abroad	-	-	-	-
Total	**205**	**1,014,113**	**636**	**1,426,865**

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

3.2. Information on foreign banks

	Unrestricted amount		Restricted amount	
	Current period	Prior period	Current period	Prior period
EU countries	528,177	1,184,056	361,311	222,045
USA, Canada	76,479	10,717	-	388
OECD Countries (*)	45,894	8,611	-	-
Off-shore banking regions	-	-	-	-
Other	1,562	1,131	-	-
Total	**652,112**	**1,204,515**	**361,311**	**222,433**

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

As of 31 December 2021, restricted bank balance amounting to TL 361,311 (31 December 2020: TL 222,433) all of which is comprised of (31 December 2020: all amount) collaterals that is held by counter banks under CSA (credit support annex) contracts and is calculated based on related derivatives market price.

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

4.1. Financial assets at fair value through other comprehensive income subject to repo transactions and those given as collateral/blocked

Financial assets at fair value through other comprehensive income subject to repo transactions and those given as collateral/blocked with net amounts are shown in below table.

Financial assets measured at fair value through other comprehensive income:

	Current period	Prior period
Unrestricted portfolio	209,662	447,474
Repo transactions	1,131,396	-
Collateral/blocked	-	133,163
Total	**1,341,058**	**580,637**

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

Financial assets measured at fair value through other comprehensive income:

	Current period	Prior period
Debt securities	1,335,706	570,257
Quoted to stock exchange	1,335,706	570,257
Not quoted	-	-
Equity certificates	11,317	10,761
Quoted to stock exchange	-	-
Not quoted	11,317	10,761
Provision for impairment (-)	(5,965)	(381)
Total	**1,341,058**	**580,637**

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I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

5. Information on loans

5.1. Information on the balance of all types of loans and advances given to shareholders and employees of the Bank

	Current period		Prior period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders of the Bank	187	1,082,968	3,714	944,813
Corporate shareholders	-	1,082,968	3,692	944,813
Real person shareholders	187	-	22	-
Indirect loans granted to shareholders of the Bank	395	428,782	8,949	358,190
Loans granted to employees of the Bank	42,595	-	40,689	-
Total	**43,177**	**1,511,750**	**53,352**	**1,303,003**

5.2. Information on the first and second group loans and other receivables including restructured or rescheduled loans

		Loans and other receivables under close monitoring		
			Restructured loans and receivables	
Cash loans	Standard loans	Loans and receivables not subject to restructuring	Revised contract terms	Refinance
Non-specialized loans	38,877,857	5,929,964	693,702	237,336
Business loans	13,725,134	4,386,369	485,766	218,653
Export loans	9,404,279	382,821	39,383	18,683
Import loans	-	-	-	-
Loans given to financial sector	2,461,399	-	-	-
Consumer loans	10,222,203	1,086,163	155,022	-
Credit cards	507,276	58,542	13,531	-
Other	2,557,566	16,069	-	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	**38,877,857**	**5,929,964**	**693,702**	**237,336**

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I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

	Current period		Prior period	
	Standard loans	Loans and other receivables under close monitoring	Standard loans	Loans and other receivables under close monitoring
12 Month Expected Credit Losses	173,327	21	156,633	58
Loans	*162,873*	-	*148,595*	-
Other assets	*7,045*	*21*	*4,629*	*58*
Banks and money market placements	*2,674*	-	*2,854*	-
Marketable securities	*735*	-	*555*	-
Lifetime expected credit losses significant increase in credit risk	-	341,219	-	285,187
Loans	-	*341,219*	-	*285,187*
Total	**173,327**	**341,240**	**156,633**	**285,245**

5.3. Loans according to their maturity structure

		Loans and other receivables under close monitoring	
Cash loans	**Standard loans**	**Loans and receivables not subject to restructuring**	**Restructured loans and receivables**
Short-term loans and other receivables	15,897,148	2,690,287	148,827
Medium and long-term loans and other receivables	22,980,709	3,239,677	782,211
Total	**38,877,857**	**5,929,964**	**931,038**

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I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

5.4. Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel

	Short term	Medium and long term	Total
Consumer loans - TL	**475,355**	**10,760,634**	**11,235,989**
Mortgage loans	242	3,768,120	3,768,362
Automotive loans	35,594	418,153	453,747
General purpose loans	439,519	6,574,361	7,013,880
Other	-	-	-
Consumer loans - indexed to FC	**-**	**-**	**-**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Consumer loans - FC	**-**	**-**	**-**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Consumer credit cards - TL	**527,613**	**9,996**	**537,609**
With installments	152,025	9,996	162,021
Without installments	375,588	-	375,588
Consumer credit cards - FC	**-**	**-**	**-**
With installments	-	-	-
Without installments	-	-	-
Personnel loans - TL	**4,423**	**27,731**	**32,154**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	4,423	27,731	32,154
Other	-	-	-
Personnel loans - indexed to FC	**-**	**-**	**-**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel loans - FC	**-**	**-**	**-**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel credit cards - TL	**10,628**	**-**	**10,628**
With installments	3,384	-	3,384
Without installments	7,244	-	7,244
Personnel credit cards - FC	**-**	**-**	**-**
With installments	-	-	-
Without installments	-	-	-
Overdraft accounts - TL (real person)	**195,245**	**-**	**195,245**
Overdraft accounts - FC (real person)	**-**	**-**	**-**
Total	**1,213,264**	**10,798,361**	**12,011,625**

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

5.5. Information on commercial loans with installments and corporate credit cards

	Short term	Medium and long term	Total
Commercial installment loans - TL	**1,210,454**	**1,413,587**	**2,624,041**
Real estate loans	-	5,881	5,881
Automotive loans	2,319	122,322	124,641
General purpose loans	-	-	-
Other	1,208,135	1,285,384	2,493,519
Commercial installment loans - indexed to FC	**-**	**17,156**	**17,156**
Real estate loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	17,156	17,156
Commercial installment loans - FC	**-**	**1,935**	**1,935**
Real estate residential loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	1,935	1,935
Corporate credit cards - TL	**31,112**	**-**	**31,112**
With installments	15,246	-	15,246
Without installments	15,866	-	15,866
Corporate credit cards - FC	**-**	**-**	**-**
With installments	-	-	-
Without installments	-	-	-
Overdraft loans - TL (legal entity)	**48,212**	**-**	**48,212**
Overdraft loans - FC (legal entity)	**-**	**-**	**-**
Total	**1,289,778**	**1,432,678**	**2,722,456**

5.6. Loans according to borrowers

	Current period	Prior period
Public	1,354,545	1,791,031
Private	44,384,314	34,726,165
Total	**45,738,859**	**36,517,196**

5.7. Domestic and foreign loans

	Current period	Prior period
Domestic loans	45,730,773	36,497,039
Foreign loans	8,086	20,157
Total	**45,738,859**	**36,517,196**

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I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

5.8. Loans granted to subsidiaries and associates

	Current period	Prior period
Direct loans granted to subsidiaries and associates	757,539	783,360
Indirect loans granted to subsidiaries and associates	-	-
Total	**757,539**	**783,360**

5.9. Specific provisions set aside against loans

	Current period	Prior period
Loans and receivables with limited collectability	60,838	15,806
Loans and receivables with doubtful collectability	33,277	36,622
Uncollectible loans and receivables	1,169,542	1,514,137
Total	**1,263,657**	**1,566,565**

5.10. Information on non-performing loans (net)

5.10.1 Information on non-performing loans and other receivables restructured or rescheduled

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period			
Gross amounts before specific provision	-	1,332	78,208
Restructured loans	-	1,332	78,208
Prior period			
Gross amounts before specific provision	-	209	47,928
Restructured loans	-	209	47,928

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I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

5.10.2. Information on total non-performing loans

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior period end balance	**29,180**	**63,584**	**2,115,450**
Additions (+)	295,769	1,925	22,429
Transfers to other categories of non-performing loans (+)	-	181,621	171,650
Transfers from other categories of non-performing loans (-)	(181,621)	(171,650)	-
Collections (-)	(51,750)	(17,835)	(374,995)
Write-offs (-) (*)	(9)	(30)	(153,660)
Sold Portfolio (-) (**)	-	(2,793)	(200,995)
Corporate and commercial loans	-	(2,793)	(90,035)
Retail loans	-	-	(90,430)
Credit cards	-	-	(20,530)
Other	-	-	-
Current period end balance	**91,569**	**54,822**	**1,579,879**
Provisions (-)	(60,838)	(33,277)	(1,169,542)
Net balance on balance sheet	**30,731**	**21,545**	**410,337**

(*) In current period, the amount of write-off made according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 6 July 2021 and numbered 31533 is TL 139,458 and its effect on the NPL ratio is 0.28% (31 December 2020: TL 31,241 and its effect on the NPL ratio is 0.08%).

(**) The Bank sold non-performing loan portfolio amounting to TL 203,788 (31 December 2020: TL 314,769) to domestic asset management companies at 26 October 2021.

5.10.3. Information on foreign currency non-performing loans and other receivables

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period			
Balance at the end of the period	1,545	-	165,780
Provision (-)	(742)	-	(106,817)
Net balance on balance sheet	**803**	**-**	**58,963**
Prior period			
Balance at the end of the period	2,654	6,447	165,675
Provision (-)	(1,947)	(5,142)	(106,500)
Net balance on balance sheet	**707**	**1,305**	**59,175**

Non-performing loans granted as foreign currency are followed under TL accounts at the balance sheet.

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I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

5.10.4. Gross and net amounts of non-performing loans per customer categories

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period (net)	**30,731**	**21,545**	**410,337**
Loans granted to corporate entities and real person (gross)	91,569	54,822	1,579,879
Provision amount (-)	(60,838)	(33,277)	(1,169,542)
Loans granted to corporate entities and real person (net)	30,731	21,545	410,337
Banks (gross)	-	-	-
Provision amount (-)	-	-	-
Banks (net)	-	-	-
Other loans (gross)	-	-	-
Provision amount (-)	-	-	-
Other loans (net)	-	-	-
Prior period (net)	**13,374**	**26,962**	**601,313**
Loans granted to corporate entities and real person (gross)	29,180	63,584	2,115,450
Provision amount (-)	(15,806)	(36,622)	(1,514,137)
Loans granted to corporate entities and real person (net)	13,374	26,962	601,313
Banks (gross)	-	-	-
Provision amount (-)	-	-	-
Banks (net)	-	-	-
Other loans (gross)	-	-	-
Provision amount (-)	-	-	-
Other loans (net)	-	-	-

5.10.5. According to TFRS 9, accruals, valuation differences and related provisions calculated for non-performing loans

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectable loans and receivables
Current period (Net)	**2,742**	**1,858**	**22,891**
Interest accruals and valuation differences	9,436	5,200	77,914
Provision (-)	(6,694)	(3,342)	(55,023)
Prior period (Net)	**1,949**	**3,249**	**29,102**
Interest accruals and valuation differences	4,262	7,503	82,158
Provision (-)	(2,313)	(4,254)	(53,056)

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I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

5.11. Liquidation policy for uncollectible loans and receivables

As with the loans classified in the other liquidation accounts, "Loans and receivables with limited collectability" and "Loans and receivables with doubtful collectability" accounts, according to the Provisions Regulation, the most appropriate action is determined by evaluating the quality of the loan, the collateral status, bona fide of the debtor and assessment of the emergency, in order to ensure the collection and liquidation of the loans classified in the accounts of "Uncollectable loans and receivables".

5.12. Information on the write-off policy

Accounting policies regarding the write-off policy are explained in the section three, note VIII.

In current period, the amount of write-off made according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 6 July 2021 and numbered 31533 is TL 139,458 (31 December 2020: TL 31,241) and its effect on the NPL ratio is 0.28% (31 December 2020: 0.08%).

6. Financial assets measured at amortised cost

6.1. Financial assets subject to repurchase agreements and provided as collateral/blocked

	Current period	Prior period
Investments subject to repurchase agreements	1,397,601	9,081
Collateralised/blocked investments (*)	1,026,088	1,274,855
Total	**2,423,689**	**1,283,936**

(*) Consists of bonds given as collaterals by the Bank to be a member of Interbank, BIST, Derivatives Exchange, Takasbank, Money Markets and to operate in those markets.

6.2. Government securities measured at amortised cost

	Current period	Prior period
Government bonds	5,609,794	4,253,314
Treasury bills	-	-
Other government securities	-	-
Total	**5,609,794**	**4,253,314**

6.3. Financial assets measured at amortised cost

	Current period	Prior period
Debt securities	5,609,794	4,253,314
Quoted to stock exchange	5,609,794	4,253,314
Not quoted	-	-
Impairment provision (-)	-	-
Total	**5,609,794**	**4,253,314**

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I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

6.4. Movement of financial assets measured at amortised cost

	Current period	Prior period
Balances at the beginning of the period	4,253,314	2,114,571
Foreign currency differences on monetary assets	-	-
Purchases during the period	3,378,383	3,644,739
Disposals through sales and redemptions	(2,006,706)	(1,553,437)
Provision for impairment (-)	-	-
Valuation effect	(15,197)	47,441
Period end balance	**5,609,794**	**4,253,314**

7. Information on associates (net)

7.1. Explanations related to the associates

The Bank does not have any associates.

8. Information on subsidiaries (net)

8.1. Information on equity of subsidiaries

As of 31 December 2021, information on the equities of subsidiaries is as follows:

	ING European Financial Services Plc.	ING Factoring (*)	ING Leasing	ING Securities
Paid in capital and adjustment to paid-in capital	2,942	50,000	50,000	31,907
Profit reserves, capital reserves and prior year profit/loss	116,169	104,191	150,492	28,114
Profit	56,840	17,192	38,044	29,719
Development cost of operating lease (-)	-	-	-	-
Intangible assets (-)	-	-	(273)	-
Total core capital	**175,951**	**171,383**	**238,263**	**89,740**
Supplementary capital	**-**	**-**	**-**	**-**
Capital	**175,951**	**171,383**	**238,263**	**89,740**
Net usable shareholder's equity	**175,951**	**171,383**	**238,263**	**89,740**

(*) In accordance with the Bank's Board of Directors decision dated 28 December 2020; it has been decided for initiating the liquidation process of its subsidiary, ING Factoring A.Ş., applying for the approval of the BRSA on this matter by taking a decision in the ING Faktoring A.Ş.'s Board of Directors for the liquidation of the company and giving authorization to General Management to carry out the liquidation procedures and processes. The Bank applied to the BRSA on 27 December 2021 for the liquidation of ING Factoring. With the decision of the BRSA Board numbered 10043 and dated 13 January 2022, the cancellation of the operating license of ING Factoring was approved.

The Bank does not have any additional capital requirements due to the subsidiaries included in the calculation of capital requirement.

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I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

8.2. Information on consolidated subsidiaries

Title	Address (City/Country)	The Bank's share percentage-If different voting (%)	The Bank's risk group share (%)
(1) ING European Financial Services Plc.	Dublin/Ireland	100%	100%
(2) ING Factoring	İstanbul/Turkey	100%	100%
(3) ING Leasing	İstanbul/Turkey	100%	100%
(4) ING Securities	İstanbul/Turkey	100%	100%

As of 31 December 2021, financial information on consolidated subsidiaries as follows [*]:

	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit/loss	Prior period profit/loss	Fair value
(1)	6,449,907	175,951	29	141,604	-	56,840	53,271	-
(2)	175,369	171,383	345	30,701	-	17,192	6,655	-
(3)	1,117,244	238,536	1,711	64,975	-	38,044	30,833	-
(4)	397,536	89,740	648	15,512	-	29,719	25,994	-

(*) The financial information of ING Factoring, ING Leasing, ING Securities and ING European Financial Services Plc are obtained from 31 December 2021 audited financial statements.

8.3. Information on consolidated subsidiaries

	Current period	Prior period
Balance at the beginning of the period	**569,189**	**391,634**
Movements during the period	270,097	177,555
Purchases	-	-
Bonus shares obtained	-	-
Dividends from current year income	129,955	141,491
Sales	-	-
Revaluation increase [*]	140,142	36,064
Provisions for impairment	-	-
Balance at the end of the period	**839,286**	**569,189**
Capital commitments	-	-
Share percentage at the end of the period (%)	100	100

(*) Amounts refer to revaluation differences arising from accounting of financial subsidiaries under the equity method as explained in the Note XXIV of Section Three.

8.4. Sectoral information on consolidated financial subsidiaries and the related carrying amounts

	Current period	Prior period
Banks	-	-
Insurance companies	-	-
Factoring companies	169,507	174,100
Leasing companies	216,381	172,675
Finance companies	-	-
Other financial subsidiaries	453,398	222,414

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I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

8.5. Subsidiaries quoted in a stock exchange

There are no subsidiaries quoted on a stock exchange.

9. Information on entities under common control (net)

9.1. Information on entities under common control (net)

There are no entities under common control.

10. Information on finance lease receivables (net)

The Bank has no receivables from finance lease.

11. Information on derivative financial assets held for hedging

11.1 Information on positive differences of derivative financial assets held for hedging

	Current period		Prior period	
	TL	FC	TL	FC
Fair value hedge	-	-	-	-
Cash flow hedge	127,284	-	25,868	-
Net investment hedge	-	-	-	-
Total	**127,284**	**-**	**25,868**	**-**

12. Information on tangible assets (net)

Current period	Real estates	Right-of-use assets	Other fixed assets	Total
Cost				
Opening balance	286,399	303,614	922,415	1,512,428
Additions	5,086	134,859	112,690	252,635
Disposals	(3,201)	(202,936)	(199,904)	(406,041)
Transfers	-	-	-	-
Currency differences	-	-	194	194
Provisions for impairment	-	-	-	-
Closing balance	288,284	235,537	835,395	1,359,216
Accumulated depreciation				
Opening balance	(131,261)	(86,173)	(477,507)	(694,941)
Current year depreciation expense	(6,919)	(46,197)	(66,746)	(119,862)
Disposals	416	45,770	79,010	125,196
Transfers	-	-	(245)	(245)
Currency differences	-	-	(194)	(194)
Closing balance	(137,764)	(86,600)	(465,682)	(690,046)
Net book value	**150,520**	**148,937**	**369,713**	**669,170**

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

Prior period	Real estates	Right-of-use assets	Other fixed assets	Total
Cost				
Opening balance	282,843	349,428	948,214	1,580,485
Additions	3,988	153,546	184,668	342,202
Disposals	(586)	(199,360)	(210,072)	(410,018)
Transfers	-	-	(395)	(395)
Currency differences	-	-	-	-
Provisions for impairment	154	-	-	154
Closing balance	286,399	303,614	922,415	1,512,428
Accumulated depreciation				
Opening balance	(124,641)	(55,150)	(454,217)	(634,008)
Current year depreciation expense	(6,882)	(64,990)	(62,312)	(134,184)
Disposals	262	33,967	38,370	72,599
Transfers	-	-	652	652
Currency differences	-	-	-	-
Closing balance	(131,261)	(86,173)	(477,507)	(694,941)
Net book value	**155,138**	**217,441**	**444,908**	**817,487**

13. Information on intangible assets (net)

	Current period	Prior period
Cost		
Opening balance	266,649	246,970
Additions	19,310	19,694
Disposals	(120)	(15)
Closing balance	285,839	266,649
Accumulated amortization		
Opening balance	(221,069)	(192,708)
Current year's amortization expense	(30,762)	(28,376)
Disposals	13	15
Closing balance	(251,818)	(221,069)
Net book value	**34,021**	**45,580**

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I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

14. Information on investment properties (net)

The Bank does not have investment properties.

15. Explanations on deferred tax asset

15.1. Explanations on current tax asset

The Bank has current tax asset relating to corporation tax by the amount of TL 195,100 (31 December 2020: TL 150,352 current tax liability) under the asset items.

15.2. Explanations on deferred tax asset

Deferred tax asset and liability are netted and shown in liabilities of unconsolidated balance sheet as deferred tax liability, and explanations about deferred tax asset/liability for the current and prior period are disclosed in Note II 9 of Section Five.

16. Explanations on assets held for sale and discontinued operations (net)

16.1. Explanations on assets held for sale

	Current period	Prior period
Opening balance (net)	660	660
Additions	-	-
Disposals (-)	-	-
Depreciation (-)	-	-
Balance at the end of the period (net)	**660**	**660**

16.2. Explanations on discontinued operations

The Bank does not have assets with respect to the discontinued operations.

17. Other assets exceed 10% of the balance sheet total (excluding off balance sheet commitments), breakdown of the names and amounts of accounts constructing at least 20% of grand totals

Other assets in the balance sheet excluding off balance sheet commitments do not exceed 10% of the balance sheet total.

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II. Explanations and notes related to liabilities of the unconsolidated balance sheet

1. Information on deposits

1.1 Maturity structure of deposits

Current period	Demand	7 day call accounts	Up to 1 month	1-3 months	3-6 months	6 months - 1 year	1 year and over	Cumulative deposits	Total
Saving deposits	1,265,135	-	11,974,081	3,694,786	469,204	68,904	78,941	-	17,551,051
Foreign currency deposits	9,156,294	-	12,515,284	7,449,834	333,193	72,249	49,281	-	29,576,135
Residents in Turkey	8,987,422	-	12,429,830	7,289,998	318,202	59,535	44,203	-	29,129,190
Residents abroad	168,872	-	85,454	159,836	14,991	12,714	5,078	-	446,945
Public sector deposits	230,878	-	-	-	-	-	-	-	230,878
Commercial deposits	734,689	-	1,264,912	350,886	3,807	1,191	33	-	2,355,518
Other institutions deposits	9,569	-	9,672	3,135	14	11	6	-	22,407
Precious metals deposits	2,192,068	-	1,102,752	-	-	-	-	-	3,294,820
Interbank deposits	8,176	-	43,040	-	-	-	-	-	51,216
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	225	-	43,040	-	-	-	-	-	43,265
Foreign banks	7,951	-	-	-	-	-	-	-	7,951
Participation banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	**13,596,809**	**-**	**26,909,741**	**11,498,641**	**806,218**	**142,355**	**128,261**	**-**	**53,082,025**

Foreign exchange-protected deposit instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against changes in foreign exchange rates, started to be offered to the Bank's customers. In this context, the total amount of deposits opened as of 31 December 2021 is TL 384,135.

Prior period	Demand	7 day call accounts	Up to 1 month	1-3 months	3-6 months	6 months - 1 year	1 year and over	Cumulative deposits	Total
Saving deposits	1,019,238	-	12,916,901	3,257,890	66,226	27,754	14,045	-	17,302,054
Foreign currency deposits	4,318,662	-	9,103,314	2,951,563	100,843	50,860	29,907	-	16,555,149
Residents in Turkey	4,036,918	-	9,041,070	2,839,428	91,135	41,595	26,110	-	16,076,256
Residents abroad	281,744	-	62,244	112,135	9,708	9,265	3,797	-	478,893
Public sector deposits	75,720	-	6	16,019	86	-	-	-	91,831
Commercial deposits	658,156	-	1,125,935	41,269	2,209	89	-	-	1,827,658
Other institutions deposits	8,944	-	6,550	2,795	32	35	52	-	18,408
Precious metals deposits	1,959,808	-	787,258	-	-	-	-	-	2,747,066
Interbank deposits	1,662,936	-	-	-	-	-	-	-	1,662,936
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	10	-	-	-	-	-	-	-	10
Foreign banks	1,662,926	-	-	-	-	-	-	-	1,662,926
Participation banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	**9,703,464**	**-**	**23,939,964**	**6,269,536**	**169,396**	**78,738**	**44,004**	**-**	**40,205,102**

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

II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

1.2. Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance

	Under the guarantee of saving deposit insurance		Exceeding the limit of saving deposit insurance	
Saving deposits	**Current period**	**Prior period**	**Current period**	**Prior period**
Saving deposit	11,045,377	11,915,530	6,499,960	5,380,088
Foreign currency saving deposits	7,659,628	6,027,959	16,611,654	7,678,193
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Deposits in off-shore banking regions' under foreign authorities' insurance	-	-	-	-

1.3. Information on whether the saving deposits/private current accounts of real persons not subject to commercial transactions in the Turkey branch of the Bank headquartered abroad are in scope of insurance in the country where the head office is located

The Bank's head office is in Turkey and its saving deposits are covered by saving deposit insurance.

1.4. Saving deposits of real persons not under the guarantee of saving deposit insurance fund

	Current period	Prior period
Deposits and other accounts in foreign branches	-	-
Saving deposits and other accounts of controlling shareholders and their mothers, fathers, spouses, children in care	-	-
Saving deposits and other accounts of president and members of board of directors, general manager and vice presidents, and their mothers, fathers, spouses and children in care	17,844	22,033
Saving deposits and other accounts in scope of the property holdings derived from crime defined in Article 282 of Turkish Criminal Law No: 5237, dated 26 September 2004	-	-
Saving deposits in deposit bank established in Turkey in order to engage solely in off-shore banking activities	-	-

2. Information on derivative financial liabilities held for trading

2.1. Table of negative differences for derivative financial liabilities held for trading

	Current period		Prior period	
	TL	**FC**	**TL**	**FC**
Forward transactions	-	733,145	-	40,999
Swap transactions	1,169,273	76,017	678,567	128,082
Future transactions	-	-	-	-
Options	63	8,306	7	1,337
Other	-	-	-	-
Total	**1,169,336**	**817,468**	**678,574**	**170,418**

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II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

3. Banks and other financial institutions

3.1. Information on banks and other financial institutions

	Current period		Prior period	
	TL	FC	TL	FC
Funds borrowed from Central Bank of Turkey	-	-	-	-
Funds borrowed from domestic banks and institutions	115,519	389,185	140,946	7,814
Funds borrowed from foreign banks, institutions and funds	208,871	8,711,633	1,658,818	3,491,299
Total	**324,390**	**9,100,818**	**1,799,764**	**3,499,113**

3.2. Maturity analysis of funds borrowed

	Current period		Prior period	
	TL	FC	TL	FC
Short term	303,248	965,364	1,798,732	65,300
Medium and long term	21,142	8,135,454	1,032	3,433,813
Total	**324,390**	**9,100,818**	**1,799,764**	**3,499,113**

3.3. Funding industry group where the Bank's liabilities are concentrated

The liabilities providing the funding sources of the Bank are deposits, borrowings, marketable securities issued and money market borrowings. Deposits are the most important funding source of the Bank and the diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. The borrowings are composed of funds such as syndicated and post-financing obtained from different financial institutions with different maturity-interest structures and characteristics. There is no risk concentration in any of the funding sources of the Bank.

4. Explanations on securities issued (net)

The Bank does not have any securities issued end of the reporting period (31 December 2020: None).

5. If other liabilities exceed 10% of the balance sheet total, names and amounts of the accounts constituting at least 20% of grand totals

Other liabilities do not exceed 10% of the balance sheet total.

6. Explanations on lease liabilities (net)

	Current period		Prior period	
	Gross	Net	Gross	Net
Less than 1 year	14,477	5,079	2,509	2,343
Between 1-4 years	71,331	49,307	103,996	84,738
More than 4 year	178,280	107,139	227,229	141,995
Total	**264,088**	**161,525**	**333,734**	**229,076**

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II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

7. Information on derivative financial liabilities held for hedging

7.1. Negative differences related to derivative financial liabilities held for hedging

	Current period		Prior period	
	TL	FC	TL	FC
Fair value hedge	-	-	-	-
Cash flow hedge	11,068	-	112,999	4,168
Net investment hedge	-	-	-	-
Total	**11,068**	**-**	**112,999**	**4,168**

8. Information on provisions

8.1. Information on the exchange rate decrease provision on foreign currency indexed loans and financial lease receivables

None (31 December 2020: None).

8.2. Information on other provisions

	Current period	Prior period
Specific provisions for undrawn non-cash loans	36,717	28,933
Provision for credit card score promotion	1,287	1,291
Other provisions	189,630	231,016
Allowance for expected credit losses (Stage 1 and Stage 2) (*)	*48,661*	*114,663*
Other	*140,969*	*116,353*
Total	**227,634**	**261,240**

(*) Non-cash loan provisions are included.

Amount to TL 110,292 (31 December 2020: TL 73,642) of the other provisions consist of provisions set aside as a result of the legal assessment for the lawsuits that are likely to result against the Bank.

The deposit holders of off-shore accounts held at Sümerbank A.Ş. (together with other dissolved banks merged into Sümerbank A.Ş., all of which were ultimately merged into the Bank), which were opened before Savings Deposit Insurance Fund (SDIF) seized these banks, initiates lawsuits against the Bank (former title Oyak Bank A.Ş.). As a result of these lawsuits, the Bank pays certain amounts to these off-shore deposit holders of the dissolved banks. SDIF indemnifies these amounts in accordance with the Share Sale Agreement entered into between Turkish Armed Forces Assistance (and Pension) Fund (OYAK) and SDIF (SSA).

II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

SDIF, however, does not fully indemnify the Bank and pays these amounts subject to legal reservation against the SSA provisions. SDIF initiated nine enforcement proceedings to claim the amount it had indemnified, a total of approximately TL 499 million (Full TL). Upon the Bank's objection to legal grounds of the enforcement proceedings initiated by SDIF against the Bank, SDIF initiated cancellation of objection lawsuits against the Bank. Currently, there are eight of such lawsuits: (i) the first case relates to the first enforcement proceeding of approximately TL 21.9 million (Full TL) (the "First Case"), (ii) the second case relates to the second enforcement proceeding of approximately TL 21.8 million (Full TL) (the "Second Case"), (iii) the third case relates to the third and fifth enforcement proceedings of a total of approximately TL 97.7 million (Full TL) (the "Third Case") and (iv) the fourth case relates to the fourth enforcement proceeding of approximately TL 109.5 million (Full TL) (the "Fourth Case"). SDIF has not yet initiated a case in connection with the sixth enforcement proceeding of approximately TL 126 million (Full TL) against which the Bank objected and SDIF filed a lawsuit (the "Sixth Case") for the cancellation of objection lawsuit. Furthermore, SDIF initiated the seventh enforcement procedure for approximately TL 52 million and the Bank objected to this payment request and the case was filed by the SDIF. The case is going on the first instance court. SDIF initiated the eighth enforcement procedure for approximately TL 49 million (Full TL) in 2019 and the Bank objected to this payment request. The mediation meeting was taken in 9 July 2020 between parties (mandatory mediation before proceedings) and a minute was drawn up in order not to agree between the bank and the SDIF. A lawsuit has been filed by the SDIF for the cancellation of the Bank's objection to this execution proceeding.

In the First Case, the first instance court ruled in favor of the Bank, which has been later reversed by the Supreme Court of Appeals (Yargıtay). The First Case has been returned to the first instance court following the appellate decision, where the court of first instance decided to obtain an expert opinion in accordance with the Supreme Court of Appeals' decision. Following the court appointed expert's examination of the case, the expert report has been completed and it was in favor of the Bank. The first instance court decided in favor of the Bank however SDIF appealed against the decision and the appeal of the SDIF has been rejected in favor of the Bank. Against this decision, the Court of Cassation, the way of correction of the decision was clear. SDIF made a decision correction, the decision. Saving Deposit Insurance Fund's request of revision of decision has been approved in April 2021 with the following justification: "Share Sale Agreement executed by and between OYAK and ING Bank N.V. and dated 18 June 2007 should also be presented and an expert examining should be conducted by a new panel of experts". At this point, the lawsuit started to re-reviewed by Istanbul 1st Commercial Court of First Instance. On the trial dated 14 October 2021, the Court of First Instance decided to abide by the reversal decision of the Supreme Court of Appeal and decided to gather the Share Sale Agreement between ING Bank N.V. and OYAK, then to conduct an expert examination again, and accepted ING Bank N.V.'s request for ancillary intervention.

The first instance court held the trial of the Second Case, Third Case and Fourth Case together due to the first instance court's earlier decision to merge these cases. However, the first instance court only ruled on the merits of the Second Case in favor of ING Bank A.Ş. and rejected SDIF's claims and decided to demerge each of the Third Case and the Fourth Case from the Second Case. In the proceedings held after the court's demerger decision, the court decided in favor of the Bank for each case. Also, in the Sixth Case, the first instance court decided in favor of the Bank. The court's decision in the Second Case and in the other cases are subject to a two-tiered appeal, i.e., appeal before the regional appellate court and the Supreme Court of Appeals. The Regional Appeal Court decided in favor of the Bank in Second, Third and the Fourth cases. Also, SDIF initiated the Ninth enforcement procedure for approximately TL 20.9 million which is objected by ING Turkey. After 30 September 2021, SDIF applied to the mandatory mediation institution regarding this enforcement proceeding. The Bank attended the meeting in October 2021 and there is no settlement between the parties. SDIF applied for the Ninth Case. Currently, there are 9 enforcement proceedings and 9 ongoing lawsuits based on the same legal grounds.

On the other hand, there is an administrative law dispute between the Bank and SDIF. The Bank has filed a lawsuit for the annulment of the administrative resolution No. 2013/36 dated 31 January 2013 of SDIF's Fund Board (the "SDIF Fund Board Decision"), which constitutes the legal basis of the SDIF's abovementioned actions. Although the first instance administrative court ruled in favor of the Bank to annul the SDIF Fund Board Decision, the Council of State (i.e., the Administrative Supreme Court of Appeals, Danıştay) reversed the first instance court's decision on the grounds that the administrative courts lack jurisdiction because the dispute was a matter of private law and not one of administrative law. The Bank submitted a motion for the post judgment relief, i.e., correction of judgment which the Council of State rejected. Upon completion of the Council of State's review, the first instance court rendered a decision in line with the Council of State's decision against which the Bank (claiming the annulment of the SDIF Fund Board Decision) and SDIF (claiming the determination of the SDIF Fund Board Decision's legal validity by the administrative courts rather than a lack of jurisdiction decision) filed an appeal.

No provisions were set aside in respect of the amounts that the Bank paid in connection with the off-shore lawsuits, court decisions on off-shore lawsuits and lawsuits filed by SDIF, considering the (i) relevant provisions of the SSA, (ii) relevant provisions of the of the Share Sale Agreement dated 18 June 2007 relating to the purchase of the Bank's shares (owned by OYAK) by ING Bank N.V. and (iii) the course of the pending lawsuits against SDIF.

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II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

8.3. Information on provisions for employee benefits

As of 31 December 2021, TL 36,797 (31 December 2020: TL 31,054) of TL 72,077 (31 December 2020: TL 59,554) provisions for employee benefits is the unused vacation provisions. Full provision is provided for the unused vacation liability.

TL 35,280 (31 December 2020: TL 28,500) of the provisions for employee benefits is the termination benefit provision. In accordance with the labor law, the Bank is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation and misconduct. The payments are calculated on the basis of 30 days' pay limited to a maximum of historical TL 8,284.51 (Full TL) at 31 December 2021 and TL 7,117.17 (Full TL) at 31 December 2020 per year of employment at the rate of pay applicable at the date of retirement or termination.

In the unconsolidated financial statements dated 31 December 2021 and 31 December 2020, the Bank operating in Turkey has calculated severance pay by taking into account their experience in personnel service completion or termination, and by discounting it via using the forecasted annual inflation and interest rates.

	Current period	Prior period
Net discount rate	3.33%	3.27%
Inflation rate	20.00%	9.40%
Interest rate	24.00%	12.98%
Probability of severance	33.55%	35.03%

Movement of the provision for termination benefit:

	Current period	Prior period
Balance at the beginning of the period	28,500	25,210
Change during the year	17,614	12,605
Actuarial gain	2,684	352
Benefits paid during the year	(13,518)	(9,667)
Balance at the end of the period	**35,280**	**28,500**

9. Explanations on tax liability

9.1. Explanations on current tax liability

9.1.1. Explanations on tax provision

As of 31 December 2021, prepaid taxes and current tax liability are netted of on financials and shown as tax asset in the balance sheet. The explanations about tax asset for the current period are disclosed in Note 15.1 of Section Five (31 December 2020: TL 84,739 current tax liability).

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II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

9.1.2. Information on taxes payable

	Current period	Prior period
Corporate tax payable	-	84,739
Taxation of securities	25,418	17,344
Banking insurance transaction tax (“BITT”)	27,809	17,861
Foreign exchange transaction tax	20,137	2,642
Value added tax payable	11,654	2,604
Property tax	795	512
Other	14,018	11,000
Total	**99,831**	**136,702**

9.1.3. Information on premiums

	Current period	Prior period
Social security premiums-employee	6,289	5,062
Social security premiums-employer	9,339	7,518
Bank social aid pension fund premium-employee	-	-
Bank social aid pension fund premium-employer	-	-
Pension fund membership fees and provisions-employee	-	-
Pension fund membership fees and provisions-employer	-	-
Unemployment insurance-employee	443	356
Unemployment insurance-employer	888	714
Other	-	-
Total	**16,959**	**13,650**

9.2. Explanations on deferred tax liabilities

As of 31 December 2021, the net deferred tax liabilities of the Bank amounts to TL 498,804 (31 December 2020: TL 185,063) which is calculated based on the deductible temporary differences.

	Current period		Prior period	
Timing differences constituting the basis for deferred tax	Accumulated temporary differences	Deferred tax asset/(liability)	Accumulated temporary differences	Deferred tax asset/(liability)
Provisions (*)	204,483	46,211	147,258	29,452
Fair value differences for financial assets and liabilities	(74,364)	(14,953)	(33,301)	(6,698)
Derivative valuation differences	(2,994,386)	(660,587)	(1,645,778)	(329,156)
Expected credit losses of Stage I and II	563,228	118,294	556,541	111,308
Other	62,613	12,231	57,420	10,031
Total deferred tax assets/(liabilities) net		**(498,804)**		**(185,063)**

(*) Consists of reserve for employee benefits, provision for promotion expenses of credit cards and other provisions.

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II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

Deferred tax assets/liabilities movements of the current and previous years are as follows:

Deferred tax assets/(liabilities) net	Current period (1 January - 31 December 2021)	Prior period (1 January - 31 December 2020)
Opening balance	**(185,063)**	**(190,647)**
Deferred tax income/(expense) net	(283,161)	22,571
Deferred tax recognized under equity	(30,580)	(16,987)
Balance at the end of the period	**(498,804)**	**(185,063)**

10. Information on liabilities regarding assets held for sale

As of 31 December 2021 and 31 December 2020, there are no liabilities regarding assets held for sale.

11. Explanations on the subordinated loans (*)

	Current period		Prior period	
	TL	FC	TL	FC
To be included in the calculation of additional capital borrowing instruments	**-**	**-**	**-**	**-**
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in contribution capital calculation	**-**	**-**	**-**	**4,019,844**
Subordinated loans	-	-	-	4,019,844
Subordinated debt instruments	-	-	-	-
Total	**-**	**-**	**-**	**4,019,844**

(*) The subordinated loan amounting to USD 62 million obtained from ING Bank N.V. on 26 May 2015 was paid on 26 May 2021, by using the early redemption option, in accordance with the BRSA's approval letter dated 10 March 2021. Remaining amount of EUR 231 million of subordinated loan obtained from ING Bank N.V. on 26 May 2015 and the subordinated loans amounting to EUR 85 million and USD 91 million obtained from ING Bank N.V. on 25 May 2014 were paid on 28 June 2021, by using the early redemption option, in accordance with the BRSA's same approval letters.

12. Information on shareholders' equity

12.1. Paid-in capital

	Current period	Prior period
Common stock (*)	3,486,268	3,486,268
Preferred stock	-	-

(*) The amount represents nominal capital.

12.2. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so, the amount of registered share capital ceiling

Paid-in-capital amount is TL 3,486,268 and registered share capital system is not applied.

12.3. Information on share capital increases and their sources; other information on increased capital shares in current period

None.

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II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

12.4. Information on share capital increases from capital reserves

There is no capital increase from capital reserves in the current period.

12.5 Capital commitments in the last fiscal year and in the interim period following the last fiscal year, the general purpose of these commitments and projected resources required to meet these commitments

There are no capital commitments in the last fiscal year and in the interim period following the last fiscal year.

12.6. Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of future assumptions made by taking into account the uncertainties of these indicators on the Bank's equity:

The Bank's balance sheet is managed in a conservative manner in order to be minimally affected by interest, currency and credit risks. The Bank's operations are aimed to be continued with a conservative approach and with an increasing profitability. The year end income is transferred to the statutory reserves and extraordinary reserves under the shareholder's equity. The Bank tries to invest the majority of its shareholder's equity in interest bearing assets and to keep investments in non-banking assets such as tangible assets, investments in non-financial subsidiaries limited.

12.7. Information on preferred shares

There are no preferred shares.

12.8. Information on marketable securities revaluation reserve

	Current period		Prior period	
	TL	FC	TL	FC
From associates, subsidiaries, and entities under common control	-	-	-	-
Valuation difference	(11,562)	-	23,453	-
Foreign exchange difference	-	-	-	-
Total	**(11,562)**	**-**	**23,453**	**-**

12.9. Profit reserves and profit distribution

Under the Turkish Commercial Code ("TCC"), legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital.

As per the decision made at the annual general assembly of shareholders of the Bank on 25 March 2021, the distribution of the net profit of the year 2020, is as follows. Dividend distribution was made on 29 March 2021.

Profit distribution table of 2020	
2020 net profit	**626,645**
A - I. Legal Reserve (TCC 519/A) 5%	(31,332)
B - The First Dividend for Shareholders	(62,000)
C - Extraordinary Reserves	(525,858)
D - Special funds	(7,455)

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

1. Explanations on off-balance sheet commitments

1.1. Type and amount of irrevocable commitments

	Current period	Prior period
Forward asset purchase commitments	2,233,024	1,621,623
Forward deposit purchase and sales commitments	-	-
Loan granting commitments	2,085,527	1,873,607
Commitments for cheque payments	200,991	231,822
Commitments for credit card limits	1,065,190	1,146,789
Commitments for credit cards and banking services promotions	7,093	5,929
Other irrevocable commitments	28,697	26,529
Total	**5,620,522**	**4,906,299**

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

1.2.1 Non-cash loans including guarantees, bank acceptances, collaterals and others deemed as financial commitments and other letter of credits

	Current period	Prior period
Commitments and contingencies	2,859,189	2,610,238
Letter of credits	909,056	723,168
Bank acceptance loans	-	1,269
Total	**3,768,245**	**3,334,675**

1.2.2. Irrevocable guarantees, temporary guarantees and other similar commitments and contingencies

	Current period	Prior period
Irrevocable letters of guarantees	6,848,396	6,184,978
Cash loans letters of guarantees	695,953	561,537
Advance letters of guarantees	830,462	576,439
Temporary letters of guarantees	59,184	46,459
Other	114,133	84,168
Total	**8,548,128**	**7,453,581**

1.3. Explanation on non-cash loans

1.3.1. Total amount of non-cash loans

	Current period	Prior period
Non-cash loans given against cash loans	3,537,806	3,095,056
With original maturity of 1 year or less than 1 year	64,984	45,314
With original maturity of more than 1 year	3,472,822	3,049,742
Other non-cash loans	8,778,567	7,693,200
Total	**12,316,373**	**10,788,256**

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III. Explanations and notes related to unconsolidated off-balance sheet accounts (continued)

1.3.2. Information on sectoral risk concentrations of non-cash loans

	Current period				Prior period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	**993**	**0.07**	**-**	**-**	**6,928**	**0.51**	**838**	**0.01**
Farming and raising	940	0.07	-	-	6,240	0.46	838	0.01
Forestry	34	-	-	-	34	-	-	-
Fishing	19	-	-	-	654	0.05	-	-
Manufacturing	**226,551**	**16.51**	**4,388,323**	**40.09**	**239,131**	**17.65**	**4,900,910**	**51.95**
Mining	4,221	0.31	1,972,520	18.02	4,251	0.31	2,566,686	27.21
Production	195,217	14.22	2,382,939	21.77	202,304	14.94	2,328,234	24.68
Electric, gas and water	27,113	1.98	32,864	0.30	32,576	2.40	5,990	0.06
Construction	**164,473**	**11.98**	**921,903**	**8.42**	**186,030**	**13.73**	**606,823**	**6.43**
Services	**974,007**	**70.96**	**5,628,538**	**51.45**	**915,059**	**67.56**	**3,921,361**	**41.57**
Wholesale and retail trade	713,655	52.00	630,070	5.78	563,257	41.58	395,717	4.21
Hotel, food and beverage	8,002	0.58	2,281	0.02	7,667	0.57	32,254	0.34
Transportation and telecommunication	72,077	5.25	1,030,615	9.42	87,372	6.45	554,914	5.88
Financial institutions	152,558	11.12	2,590,795	23.67	219,267	16.19	1,558,793	16.52
Real estate and renting services	8,539	0.62	182	-	9,591	0.71	6,953	0.07
Self-employment services	18,406	1.34	801,815	7.33	25,864	1.91	889,842	9.43
Education services	25	-	-	-	25	-	-	-
Health and social services	745	0.05	572,780	5.23	2,016	0.15	482,888	5.12
Other	**6,513**	**0.48**	**5,072**	**0.04**	**7,393**	**0.55**	**3,783**	**0.04**
Total	**1,372,537**	**100.00**	**10,943,836**	**100.00**	**1,354,541**	**100.00**	**9,433,715**	**100.00**

1.3.3. Non-cash loans classified in Group I and Group II

	Group I		Group II	
	TL	FC	TL	FC
Non-cash loans	**1,327,649**	**10,716,572**	**17,857**	**7,864**
Letter of guarantees	1,327,322	6,948,654	17,857	7,864
Bank acceptances	-	-	-	-
Letter of credits	327	908,729	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other	-	2,859,189	-	-

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

III. Explanations and notes related to unconsolidated off-balance sheet accounts (continued)

2. Information on derivative transactions

	Current period	Prior period
Types of hedging transactions		
Fair value hedges (I)	**-**	**-**
Purchase transactions	-	-
Sale transactions	-	-
Cash flow hedges (II)	**2,540,000**	**3,245,834**
Purchase transactions	1,270,000	1,622,917
Sale transactions	1,270,000	1,622,917
Net investment hedges (III)	**-**	**-**
Purchase transactions	-	-
Sale transactions	-	-
A. Total derivatives held for hedging (I+II+III)	**2,540,000**	**3,245,834**
Derivative transactions held for trading		
Trading transactions (I)	**83,847,247**	**59,321,825**
Forward foreign currency transactions - buy	10,743,091	5,308,107
Forward foreign currency transactions - sell	10,906,908	5,125,985
Swap transactions- buy	29,667,168	23,462,816
Swap transactions - sell	26,671,170	21,932,403
Foreign currency options - buy	2,929,455	1,746,257
Foreign currency options - sell	2,929,455	1,746,257
Foreign currency futures - buy	-	-
Foreign currency futures - sell	-	-
Interest rate derivatives (II)	**25,510,608**	**20,221,052**
Interest rate swap - buy	12,755,304	10,110,526
Interest rate swap - sell	12,755,304	10,110,526
Interest rate options - buy	-	-
Interest rate options - sell	-	-
Securities options - buy	-	-
Securities options - sell	-	-
Interest futures - buy	-	-
Interest futures - sell	-	-
Other trading derivative transactions (III)	-	**-**
B. Total derivative transactions held for trading (I+II+III)	**109,357,855**	**79,542,877**
Total derivative transactions (A+B)	**111,897,855**	**82,788,711**

3. Information on credit swaps and related risks

As of 31 December 2021 and 31 December 2020, there are no credit derivative transactions.

4. Information on contingent liabilities and assets

As of 31 December 2021, a total provision of TL 110,292 (31 December 2020: TL 73,642) separated other provisions are under the item, considering legal assessment for the lawsuits with a high probability of resulting against the Bank and as a result of the audits of public authorities.

5. Information on the services provided on behalf of others

Related information is provided in note IX of section four.

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

IV. Explanations and notes related to unconsolidated statement of profit or loss

1. Information on interest income

1.1. Information on interest income from loans (*)

	Current period		Prior period	
	TL	FC	TL	FC
Short term loans	1,520,352	185,942	880,393	122,089
Medium and long term loans	2,130,461	381,718	2,418,959	329,692
Interest on loans under follow-up	120,692	-	228,028	-
Premiums received from resource utilization support fund	-	-	-	-
Total	**3,771,505**	**567,660**	**3,527,380**	**451,781**

(*) Commissions and fees received from cash loans are included.

1.2. Information on interest income received from banks

	Current period		Prior period	
	TL	FC	TL	FC
From Central Bank of Turkey	-	-	-	-
From domestic banks	2,155	116	1,985	176
From foreign banks	14	6,528	126	8,594
From branches abroad	-	-	-	-
Total	**2,169**	**6,644**	**2,111**	**8,770**

1.3. Information on interest income received from marketable securities portfolio

	Current period		Prior period	
	TL	FC	TL	FC
Financial assets measured at fair value through profit or loss	7,676	2,166	12,508	1,263
Financial assets measured at fair value through other comprehensive income	162,199	-	106,453	-
Financial assets measured at amortised cost	837,879	-	432,895	-
Total	**1,007,754**	**2,166**	**551,856**	**1,263**

1.4. Information on interest income received from associates and subsidiaries

	Current period	Prior period
Interest income from associates and subsidiaries	9,633	7,679

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

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

2. Information on interest expenses

2.1. Information on interest on funds borrowed (*)

	Current period		Prior period	
	TL	FC	TL	FC
Banks	196,761	128,029	58,843	129,059
Central Bank of Turkey	-	-	-	-
Domestic banks	15,436	495	16,244	325
Foreign banks	181,325	127,534	42,599	128,734
Branches and offices abroad	-	-	-	-
Other institutions	-	3,730	-	3,072
Total	**196,761**	**131,759**	**58,843**	**132,131**

(*) Commissions and fees paid for cash funds borrowed are included.

2.2. Information on interest expenses paid to associates and subsidiaries

	Current period	Prior period
Interest expenses paid to associates and subsidiaries	10,458	5,803

2.3. Information on interest on securities issued

There is no interest on securities issued on current period.

2.4. Allocation of interest expenses on deposits according to maturity of deposits

		Time deposit						
Account name	Demand deposit	Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year	Accumulated deposits	Total
Turkish lira								
Bank deposits	-	1,912	-	-	-	-	-	1,912
Saving deposits	-	2,252,248	669,039	12,294	7,266	8,254	-	2,949,101
Public sector deposits	-	-	324	-	-	-	-	324
Commercial deposits	-	243,329	18,129	1,401	678	4	-	263,541
Other deposits	-	939	375	2	-	1	-	1,317
7 days call accounts	-	-	-	-	-	-	-	-
Total	**-**	**2,498,428**	**687,867**	**13,697**	**7,944**	**8,259**	**-**	**3,216,195**
Foreign currency								
Foreign currency deposits	-	33,214	39,675	775	571	268	-	74,503
Banks deposits	-	1,606	-	-	-	-	-	1,606
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	1,945	-	-	-	-	-	1,945
Total	**-**	**36,765**	**39,675**	**775**	**571**	**268**	**-**	**78,054**
Grand total	**-**	**2,535,193**	**727,542**	**14,472**	**8,515**	**8,527**	**-**	**3,294,249**

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Notes to the Unconsolidated Financial Statements As of and for the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

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

3. Information on dividend income

	Current period	Prior period
Financial assets at fair value through profit and loss	-	-
Financial assets at fair value through other comprehensive income	177	215
Other	-	-
Total	**177**	**215**

4. Information on trading income/loss (net)

	Current period	Prior period
Income	**55,862,389**	**53,081,183**
Gains on capital market transactions	29,234	183,390
Gains on derivative financial instruments	24,735,410	15,296,141
Foreign exchange gains	31,097,745	37,601,652
Loss (-)	**(55,406,734)**	**(52,855,775)**
Loss on capital market transactions	(41,543)	(84,984)
Loss on derivative financial instruments	(22,929,611)	(14,795,160)
Foreign exchange loss	(32,435,580)	(37,975,631)

Net profit on derivative financial instruments recognized in profit/loss resulting from fluctuations in foreign exchange rates is TL 1,941,709 (31 December 2020: TL 604,343 net profit).

5. Information on other operating income

	Current period	Prior period
Income from reversal of prior years' provisions	474,335	450,389
Income arising from sale of assets	75,402	60,174
Banking services income	1,566	1,758
Other non-interest income	57,924	57,799
Total	**609,227**	**570,120**

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Notes to the Unconsolidated Financial Statements As of and for the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

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

6. Allowance for expected credit losses and other provision expenses

	Current period	Prior period
Expected credit losses	592,907	1,143,132
12-Month expected credit loss (Stage 1)	*33,715*	*44,779*
Expected credit loss significant increase in credit risk (Stage 2)	*72,732*	*192,714*
Expected credit loss impaired credits (Stage 3)	*486,460*	*905,639*
Impairment losses on securities	1,279	45
Financial assets measured at fair value through profit/loss	*1,279*	*45*
Financial assets measured at fair value through other comprehensive income	-	-
Impairment losses on associates, subsidiaries and joint-ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Other	73,252	10,595
Total	**667,438**	**1,153,772**

7. Information on other operating expenses

	Current period	Prior period
Reserves for employee termination benefits	4,096	2,938
Bank social aid fund deficit provision	-	-
Tangible assets impairment expense	-	3,600
Depreciation expense of tangible assets	119,862	134,184
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortisation expense of intangible assets	30,655	28,376
Impairment expense of equity participations for which equity method is applied	-	-
Impairment expense for securities that to be disposed	-	-
Depreciation expense of securities that to be disposed	-	-
Impairment expense of held for sale tangible assets and discontinued operations	-	-
Other operating expenses	850,680	846,327
Operating lease expenses related with TFRS 16 exception	16,741	17,415
Repair and maintenance expenses	31,826	29,357
Advertisement expenses	95,765	92,656
Other expenses	706,348	706,899
Loss on sales of assets	8,253	10,550
Other [(*)]	286,002	295,887
Total	**1,299,548**	**1,321,862**

[(*)] Includes saving-deposits-insurance-fund related expenses of TL 134,742 (31 December 2020: TL 131,304).

8. Information on income/(loss) before taxes for continued and discontinued operations

As of 31 December 2021, the income before taxes is TL 1,551,868 (31 December 2020: TL 968,122).

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Notes to the Unconsolidated Financial Statements As of and for the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

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

9. Information on tax provision for continued and discontinued operations

As of 31 December 2021, the corporate tax provision expense for the period is TL 68,594 (31 December 2020: TL 222,557), and the deferred tax expense is TL 283,161 (31 December 2020: TL 22,571 current tax income).

10. Information on net operating income after taxes for continued and discontinued operations

As of 31 December 2021, the net operating income after taxes is TL 1,200,113 (31 December 2020: TL 768,136).

11. The explanations on net income/loss for the period

Interest income from regular banking transactions is TL 6,380,449 (31 December 2020: TL 4,896,134), while the interest expense is TL 3,688,280 (31 December 2020: TL 2,094,699).

There are no changes in estimations related to the items in the financial statements.

12. If the other items in the statement of profit or loss exceed 10% of the statement of profit or loss total, explanations on the sub-accounts amounting to at least 20% of these items

Other fees and commissions received amounting to TL 468,642 (31 December 2020: TL 412,044) has included TL 130,028 (31 December 2020: TL 109,726) resulting from the credit card fees and commissions, TL 49,200 (31 December 2020: TL 31,556) resulting from service fees and commissions from contracted merchants and TL 109,004 (31 December 2020: TL 136,957) resulting from insurance commissions.

Other fees and commissions paid amounting to TL 190,613 (31 December 2020: TL 166,000) has included TL 100,342 (31 December 2020: TL 73,823) resulting from credit card exchange commissions.

13. Fees related with the services provided by independent auditors/independent audit agencies

In accordance with the decision made by Public Oversight Accounting and Auditing Standards Authority dated 26 March 2021, fees, based on the given reporting period, in relation to the services provided by independent auditors or independent audit firms excluding value added tax costs are presented in the following table.

	Current period	Prior period
Independent audit fees in the reporting period	2,418	1,832
Total	**2,418**	**1,832**

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

V. Explanations and notes related to unconsolidated statement of changes in shareholders' equity

Under the Turkish Commercial Code ("TCC"), legal reserves comprise of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital.

The Ordinary General Assembly Meeting of the Bank was held on 25 March 2021. In the Ordinary General Assembly meeting, it was decided to transfer TL 626,645 unconsolidated net income from 2020 operations to statutory legal reserves, extraordinary reserves and revaluation surplus on tangible and intangible assets as a real estate sale income and utilized from the tax exemption amounting to TL 31,332 TL 525,858 and TL 7,455 respectively.

In the Ordinary General Assembly, gross amount of TL 62,000 cash dividend was distributed from retained earnings to the Bank's shareholders on 29 March 2021.

General Assembly of the Bank is authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of these financial statements.

As of the balance sheet date, unconsolidated legal reserves amount to TL 368,858 (31 December 2020: TL 334,352), and TL 31,332 (31 December 2020: TL 73,816) of this amount consists of the amount transferred from the previous year profit within the current period.

As of the balance sheet date, extraordinary reserves amount to TL 5,335,988 (31 December 2020: TL 4,669,941).

VI. Explanations and notes related to the unconsolidated statement of cash flows

1. Information on cash flow statements

Components of cash and cash equivalents are cash, cash in foreign currency, money in transit, cheques purchased, demand deposits including unrestricted deposits in the Central Bank of Turkey and time deposits in banks with original maturities less than three months.

1.1. Cash and cash equivalents at the beginning of the period

	31 December 2020	31 December 2019
Cash	**1,381,955**	**1,253,368**
Cash in vault	224,383	305,784
Cash in foreign currency	1,157,572	947,584
Cash equivalents	**11,026,833**	**11,837,915**
Central Bank of Turkey	4,869,324	3,146,437
Banks	1,205,069	488,927
Interbank money market	4,952,440	8,202,551
Total	**12,408,788**	**13,091,283**

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Notes to the Unconsolidated Financial Statements As of and for the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

VI. Explanations and notes related to the unconsolidated statement of cash flows (continued)

1.2. Cash and cash equivalents at the end of period

	31 December 2021	31 December 2020
Cash	**3,013,711**	**1,381,955**
Cash in vault	134,580	224,383
Cash in foreign currency	2,879,131	1,157,572
Cash equivalents	**12,665,224**	**11,026,833**
Central Bank of Turkey	9,411,192	4,869,324
Banks	653,008	1,205,069
Interbank money market	2,601,024	4,952,440
Total	**15,678,935**	**12,408,788**

2. Explanation about other line items included in the cash flow and about the effect of changes in foreign exchange rates on cash and cash equivalents line item included in the cash flow statement:

Amounting to TL 140,294 increase (31 December 2020: TL 119,862 increase) under “Operating profit before changes in operating assets and liabilities” consists of other operational incomes.

Amounting to TL 848,938 increase (31 December 2020: TL 1,268,350 increase) under “Operating profit before changes in operating assets and liabilities” consists of profit/loss from capital market transactions, profit/loss from derivative transactions and other operational expenses.

Amounting to TL 4,172,285 decrease (31 December 2020: TL 120,411 decrease) under “Changes in operating assets and liabilities” consists of mainly changes in prepaid expenses and changes in exchange accounts under other assets.

Amounting to TL 7,035,687 increase (31 December 2020: TL 184,798 increase) under “Changes in operating assets and liabilities” consists of mainly changes in fees and commissions obtained in advance and changes in exchange account under other liabilities.

“Other” item amounting to TL 250,894 (31 December 2020: TL 161,250) included in “Net cash flow from investment activities” includes TL 19,203 intangible assets (31 December 2020: TL 19,694).

As of 31 December 2021, the effect of changes in the foreign currency rates on the cash and cash equivalents has been determined by the sum of exchange rate differences of translation into TL of cash and cash equivalents denominated in foreign currency in the beginning and the end of the period quarterly and as approximately TL 4,566,928 (31 December 2020: TL 1,030,782).

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Notes to the Unconsolidated Financial Statements As of and for the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

VII. Explanations and notes related to risk group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances

1.1. Current period

Risk group of the Bank	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Beginning of the period	783,360	8,094	3,714	944,813	8,949	358,190
End of the period	757,539	1,191	187	1,082,968	395	428,782
Interest and commission income	9,633	46,034	40	3,199	-	524

1.2 Prior period

Risk group of the Bank	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Beginning of the period	342,373	2,441	120	569,874	39	201,879
End of the period	783,360	8,094	3,714	944,813	8,949	358,190
Interest and commission income	7,679	78,035	41	2,788	-	421

1.3. Information on deposit balances of the risk group of the Bank

Risk group of the Bank	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Deposit						
Beginning of the period	74,219	238,282	49,817	102,613	67,237	29,018
End of the period	464,827	74,219	1,974	49,817	57,551	67,237
Interest expense on deposits	10,458	5,803	376	355	3,684	2,361

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Notes to the Unconsolidated Financial Statements As of and for the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

VII. Explanations and notes related to risk group of the Bank (continued)

1.4. Information on forward and option agreements and other similar agreements entered into with the risk group of the Bank

Risk group of the Bank	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Transactions at fair value through profit/loss						
Beginning of the period	228,066	36,724	12,046,297	23,135,735	-	27,994
End of the period	-	228,066	19,803,771	12,046,297	-	-
Total profit/loss	86	(4,457)	(4,287)	(37,591)	13,063	45,053
Transactions with hedging purposes						
Beginning of the period	-	-	1,002,441	2,005,290	-	-
End of the period	-	-	-	1,002,441	-	-
Total profit/loss	-	-	(2,002)	(36,269)	-	-

1.5. Information on placements made with the risk group of the Bank

Risk group of the Bank	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Banks						
Beginning of the period	-	-	112,480	20,051	15,623	8,121
End of the period	-	-	36,926	112,480	36,239	15,623
Interest income received	-	-	20	130	1	28

1.6. Information on loans borrowed from the risk group of the Bank

Risk group of the Bank	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Loans						
Beginning of the period	-	-	3,804,444	1,563,448	19,104	3,901
End of the period	-	-	1,722,551	3,804,444	19,903	19,104
Interest and commission paid	-	-	195,391	71,275	908	362

The Bank has no subordinated loan from its shareholder ING Bank NV as of 31 December 2021 (31 December 2020: TL 4,019,844).

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

Benefits paid to key management personnel for the period ended as of 31 December 2021 is amounting to TL 30,372 (31 December 2020: TL 24,102).

ING Bank A.Ş.

Notes to the Unconsolidated Financial Statements As of and for the Year Ended 31 December 2021

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

(Convenience translation of the unconsolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

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

	Number	Number of employees
Domestic branches	167	3,094

			Country
Foreign representative offices	-	-	-

			Total assets	Capital
Foreign branches	-	-	-	-
Off-shore banking region branches	-	-	-	-

Section six

Other Explanations

I. Other explanations on the Bank's operations

None.

II. Explanations and notes related to subsequent events

Wouter Meijs has been appointed as Technology Executive Vice President per the Board of Directors resolution No. 96/2 and dated 30 November 2021, starting from 1 January 2022.

Operations Executive Vice President and ExCo Member, Yücel Ölçer, has been appointed COO for Retail Banking at ING Group effective of 1 January 2022. N. Yücel Ölçer will continue to hold this position by proxy until a new assignment is made regarding the role of Executive Vice President for Operations.

The Bank applied to the BRSA on 27 December 2021 for the liquidation of ING Factoring. With the decision of the BRSA Board numbered 10043 and dated 13 January 2022, the cancellation of the operating license of ING Factoring was approved.

Section seven

Independent auditors' report

I. Explanations on the independent auditors' report

The unconsolidated financial statements of the Bank as of 31 December 2021, have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditors' report dated 11 February 2022 is presented at the beginning of this report.

II. Explanations and notes prepared by independent auditors

There are no other significant footnotes and explanations related to the operations of the Bank that is not mentioned above.

ING Bank A.Ş. and its Financial Subsidiaries

Publicly Announced Consolidated Financial Statements, Related Disclosures and Independent Auditors' Report Thereon as of and for the Year Ended 31 December 2021

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

Independent Auditor's Report

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Convenience Translation of the Independent Auditors' Report Originally Prepared and Issued in Turkish to English

To the General Assembly of ING Bank Anonim Şirketi

A) Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ING Bank Anonim Şirketi ("the Bank") and its subsidiaries (together will be referred as "the Group") which comprise the consolidated balance sheet as at 31 December 2021 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with the "Regulation on Independent Audit of the Banks" ("BRSA Auditing Regulation") published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Bank in accordance with the Code of Ethics for Auditors issued by POA (including Independence Standards) ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans measured at amortised cost

The details of accounting policies and significant estimates and assumptions for impairment of loans measured at amortised cost are presented in Section III, No: VIII to the consolidated financial statements.

Independent Auditor's Report

Key audit matter	How the matter is addressed in our audit
As at 31 December 2021, loans measured at amortised cost comprise 60% of the Group's total assets. The Group recognizes its loans measured at amortised cost in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the "Regulation") published on the Official Gazette No. 29750 dated 22 June 2016 which became effective on 1 January 2018 and TFRS 9 Financial Instruments standard ("Standard"). The Group applies the "expected credit loss model" in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Group management annually. The significant assumptions and estimates of the Group's management are as follows: - significant increase in credit risk - incorporating the forward looking macroeconomic information in calculation of credit risk - design and implementation of expected credit loss model The determination of the impairment of loans measured at amortised cost depends on the credit default status, the model based on the change in the credit risk at the initial recognition date and the classification of the loans measured at amortised cost according to the model. The Group calculates expected credit losses on both individual and collective basis. Individual provisions consider the estimated future cash flows of the asset and the market value of the collateral provided for credit transactions. The collective basis expected credit loss calculation is based on processes which are modelled by using current and past data sets and incorporating the future expectations. Impairment on loans measured at amortised cost was considered to be a key audit matter, due to its complex structure, the level of judgments of management and significance of the estimates and assumptions, including the impact of COVID-19, used as explained above.	Our procedures for auditing the impairment of loans measured at amortised cost include below: - We tested the design and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists. - We evaluated the adequacy of the subjective and objective criteria that is defined in the Group's impairment accounting policy compared with the Regulation and Standard. - We evaluated the Group's business model and methodology and the evaluation of the calculations carried out with the control testing and detail analysis with the involvement of specialists. - We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and evaluation of their classification. In this context, the current status of the loan customer has been evaluated by including the impact of COVID-19 on prospective information and macroeconomic variables. - We evaluated the accuracy of the expected credit loss calculations by selecting sample for the loans which are assessed on individual basis including the impact of COVID-19 on the assumptions and estimates. - We tested the accuracy and completeness of the data in calculation of the data in the calculation models for the loans which are assessed on collective basis. We recalculated the expected credit loss calculation. The models used for the calculation of the risk parameters were examined and recalculated. - We assessed the macroeconomic models that are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method. - We evaluated the qualitative and quantitative criteria, which are used in determining the significant increase in credit risk. - We evaluated the adequacy of the disclosures in the consolidated financial statements related to impairment provisions.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Auditing Regulation and Standards on Auditing issued by POA 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 consolidated financial statements.

As part of an audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent Auditor’s Report

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

B) Report on Other Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code (“TCC”) numbered 6102; no significant matter has come to our attention that causes us to believe that the Group’s bookkeeping activities for the period 1 January - 31 December 2021 are not in compliance with TCC and provisions of the Group’s articles of association in relation to financial reporting.
2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

Additional paragraph for convenience translation to English:

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Orhan Akova, SMMM
Partner

11 February 2022
İstanbul, Turkey

ING Bank A.Ş. and its Financial Subsidiaries

The Consolidated Year End Financial Report of ING Bank A.Ş. and It's Financial Subsidiaries Prepared as of and for the Year Ended 31 December 2021

Address of the Bank	:	Reşitpaşa Mahallesi Eski Büyükdere Caddesi No: 8 34467 Sarıyer/İstanbul
Phone and fax numbers of the Bank	:	(212) 335 10 00
	:	(212) 286 61 00
Web-site of the Bank	:	www.ing.com.tr
E-mail	:	disyazisma@ing.com.tr

The consolidated year end financial report includes the following sections in accordance with the "Communiqué on the Financial Statements and Related Disclosures and Footnotes that will be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency.

- General information about the Parent Bank
- Consolidated financial statements of the Parent Bank
- Explanations on accounting policies applied in the related period
- Information on financial structure and risk management of the Group
- Explanations and notes related to consolidated financial statements
- Other explanations
- Independent Auditors' report

Investment in associates, joint ventures, direct and indirect subsidiaries whose financial statements have been consolidated in this report are as follows.

Subsidiaries	Investments in associates	Joint ventures
1. ING European Financial Services Plc.	None	None
2. ING Finansal Kiralama A.Ş.		
3. ING Faktoring A.Ş.		
4. ING Yatırım Menkul Değerler A.Ş.		

The accompanying year end consolidated financial statements and footnotes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira (TL), have been prepared based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, relating appendices and interpretations on these, and are independently audited.

John T. Mc CARTHY Chairman of the Board	Alper İhsan GÖKGÖZ CEO	K. Atıl ÖZUS CFO	M. Gökçe ÇAKIT Financial Reporting and Tax Director
	M. Semra KURAN Chairman of the Audit Committee	Martijn Bastiaan KAMPS Audit Committee Member	

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

Name-Surname/Title	:	Nurgül BİLGİÇER FİLİS/Manager
Phone No	:	(212) 403 72 66
Fax No	:	(212) 286 61 00

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Notes to the Consolidated Financial Statements As of and for the Year Ended 31 December 2021

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

(Convenience translation of the consolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

Section one

General information

I. History of the Parent Bank including its incorporation date, initial legal status, amendments to legal status

The foundations of ING Bank A.Ş. (“The Parent Bank” or “the Bank”) were laid in 1984 by the establishment of “The First National Bank of Boston Istanbul Branch” and the current structure has been formed with the below mergers and takeovers. The establishment and historical developments of the Parent Bank are explained below:

“The First National Bank of Boston Istanbul Branch” was established in 1984. In 1990, “The First National Bank of Boston A.Ş.” was established to accept deposits and carry out banking transactions, and the Articles of Association of the Bank were officially registered on 31 October 1990 and published in the Turkish Trade Registry Gazette on 5 November 1990. Upon the establishment of the Bank and permission to accept deposits, the assets and liabilities in the balance sheet of “The First National Bank of Boston Istanbul Branch” were transferred to the Bank.

The title of the Bank which was operating as a Turkish Bank with four shareholders including Ordu Yardımlaşma Kurumu (“OYAK”), was changed as “Türk Boston Bank A.Ş.” in 1991; and OYAK purchased all other shares and became the sole owner of the Bank in 1993. On 10 May 1996, the title of “Türk Boston Bank A.Ş.” was changed as “Oyak Bank A.Ş.”.

On the other hand, on 22 December 1999, upon a Council of Ministers Decree, the shareholding rights, management and supervision of Sümerbank A.Ş. except for its dividend rights were transferred to Savings Deposit Insurance Fund (“the SDIF”) as per the third and fourth paragraphs of Article 14 of the Banking Law. In 2001, the SDIF decided to merge the assets and liabilities of the banks, namely Egebank A.Ş., Türkiye Tütüncüler Bankası Yaşarbank A.Ş., Yurt Ticaret ve Kredi Bankası A.Ş., Bank Kapital A.Ş. and Ulusal Bank T.A.Ş. that have been formerly transferred to the SDIF, into Sümerbank A.Ş.

According to a share sale agreement executed between the SDIF and OYAK on 9 August 2001, all the shares constituting the capital of Sümerbank A.Ş. whose shares were transferred to the SDIF; were transferred to OYAK by the SDIF. As of 11 January 2002, it was resolved that Sümerbank A.Ş. would settle all its accounts and merge with the Parent Bank and continue its banking operations under the Parent Bank. The merger through transfer was performed on 11 January 2002 upon the approval of the Banking Regulation and Supervision Agency (“BRSA”).

In accordance with the permissions of the Competition Board with the decree number 07-69/856-324 dated 6 September 2007 and of the BRSA with the decree number 2416 dated 12 December 2007; the transfer of 1,074,098,150 shares of the Parent Bank that represent the total capital which belongs to OYAK in amount of TL 1,074,098 to ING Bank N.V as of 24 December 2007 has been approved by the Board of Directors decision numbered 55/1 and dated 24 December 2007 and the share transfer has been recorded in Shareholders Stock Register as of the same date. It has been decided to change the title of the Parent Bank from “Oyak Bank A.Ş.” to “ING Bank A.Ş.” effective from 7 July 2008. The Articles of Association of the Parent Bank has been changed with the Extraordinary General Meeting dated 26 June 2014 in accordance with Turkish Trade Art numbered 6102 and published in Turkish Trade Registry Gazette numbered 8608 and dated 9 July 2014.

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

II. The Parent Bank's shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the year and information on its risk group

The main shareholders and capital structure as of 31 December 2021 and 31 December 2020 are as follows:

	Current period		Prior period	
	Share amount Full TL	Share percentage	Share amount Full TL	Share percentage
ING Bank N.V.	3,486,267,793	100.00	3,486,267,793	100.00
Other shareholders total	4	-	4	-
Total	**3,486,267,797**	**100.00**	**3,486,267,797**	**100.00**

As of 31 December 2021, the Parent Bank's paid-in capital consists of 3,486,267,797 shares with a nominal value of TL 1 (Full TL) each.

The Parent Bank's paid-in capital is TL 3,486,268 as of 31 December 2021 and ING Bank N.V. has full control over the Parent Bank's capital.

Other shareholders total represent the total shares of Chairman of the Board John T. Mc Carthy, Vice Chairman of the BoD A. Canan Ediboğlu, the members of the Board Martijn Bastiaan Kamps Karst Jan Wolters with a nominal value of TL 1 (Full TL) each.

One share amounting to TL 1 (full TL), belonging to the Member of the Board of Directors, Sali Salieski, who resigned from his duty on 11 August 2021, was transferred to Karst Jan Wolters on 7 September 2021.

As one of the world's leading financial services institutions, ING Group operates in the retail banking, wholesale and mid-corporate banking, investment banking and portfolio management segments. ING Group was established in 1991 as a result of a merger between NMB Postbank, which has a distinguished 150-year history, and the Netherlands' leading insurance company, Nationale-Nederlanden. Both companies were providing services in international markets before the merger, but ING became a leading global financial service provider with the merger.

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

III. Information on the Parent Bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their responsibilities and shareholdings in the Parent Bank

As of 31 December 2021, the Parent Bank's Board of Directors (BOD), Members of Audit Committee and Chief Executive Officer and Executive Vice Presidents are as follows:

Name and Surname	Title	Responsibility area
John T. Mc Carthy	Chairman of the BoD	Legally declared
A. Canan Ediboğlu	Vice Chairman of the BoD	Legally declared
M. Semra Kuran	BoD Member and Chairman of the Audit Committee	Legally declared
Martijn Bastiaan Kamps	BoD Member and Audit Committee Member	Legally declared
Karst Jan Wolters	BoD Member	Legally declared
Alper İhsan Gökgöz	Chief Executive Officer and BoD Member	Legally declared
Ayşegül Akay	Executive Vice President	Corporate Banking
Bohdan Robert Stepkowski	Executive Vice President	Financial Markets
Günce Çakır	Executive Vice President	Legal
İhsan Çakır	Executive Vice President	Business Banking
İlker Kayseri	Executive Vice President	Treasury
K. Atıl Özus	Chief Financial Officer	Financial Control and Treasury
Meltem Öztürk	Executive Vice President	Human Resources
N. Yücel Ölçer	Executive Vice President	Operation
Okan Korkmaz	Chief Audit Executive	Internal Audit
Ozan Kırmızı	Executive Vice President	Retail Banking
Öcal Ağar	Executive Vice President	Credits
Umut Pasin	Executive Vice President	Financial Risk Management

Umut Pasin has been appointed as Financial Risk Management Executive Vice President per the Board of Directors resolution No. 107/1 and dated 23 December 2020 and after completion of the BRSA process, he started his duty as of 8 February 2021.

Technology Executive Vice President of the Parent Bank, İ. Bahadır Şamlı, has resigned from his duty as of 15 April 2021 to be appointed as Head of Information Technologies of ING Belgium.

Chief Audit Executive of the Parent Bank, Murat Tursun, has resigned from his duty as of 1 July 2021 to continue his career as an ING Group CAS MT member. Vice President of Risk and Finance Internal Audit of the Bank, Okan Korkmaz, has been appointed as Chief Audit Executive of the Parent Bank as of 1 July 2021.

BoD Member, Sali Salieski, has resigned from his duty as of 11 August 2021 to continue his career as a senior management position in the Management Team at ING Belgium and Karst Jan Wolters has been appointed as BoD Member.

Chief Executive Officer and Executive Vice Presidents have no share in the Parent Bank.

ING Bank A.Ş. and its Financial Subsidiaries

Notes to the Consolidated Financial Statements As of and for the Year Ended 31 December 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)
(Convenience translation of the consolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

IV. Information on the Parent Bank's qualified shareholders

ING Bank N.V. has full control over the Parent Bank's management with 3,486,267,793 shares and 100% paid-in share.

V. Summary information on the Parent Bank's activities and services

The Parent Bank is principally engaged in all types of banking transactions, accepting deposits and all kinds of legal transactions, activities and operations within banking license within the scope provided by the Banking Law, and all existing and/or future laws, regulations and decree laws and related legislation. The Parent Bank carries out its operations with 167 domestic branches.

The Parent Bank and its subsidiaries ING European Financial Services Plc., ING Finansal Kiralama A.Ş., ING Faktoring A.Ş. and ING Yatırım Menkul Değerler A.Ş. has been included in the scope of consolidation. The Parent Bank together with its consolidated subsidiaries are referred to as the "Group" in these consolidated financial statements and notes to consolidated financial statements.

VI. Information on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks as per the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods

Subsidiaries of the Parent Bank are subject to consolidation within the scope of full consolidation, there is no difference consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Consolidated Financial Statements of Banks in Turkey.

VII. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between the Parent Bank and its subsidiaries

None.

Section two

Consolidated financial statements

I. Consolidated balance sheet (statement of financial position)
II. Consolidated statement of off-balance sheet items
III. Consolidated statement of profit or loss
IV. Consolidated statement of profit or loss and other comprehensive income
V. Consolidated statement of changes in equity
VI. Consolidated statement of cash flows
VII. Statement of profit distribution

ING Bank A.Ş. and its Financial Subsidiaries

Consolidated Balance Sheet (Statement of Financial Position) As of 31 December 2021

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

(Convenience translation of the consolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

	Assets	Note (section five)	Audited Current period (31/12/2021) TL	FC	Total	Audited Prior period (31/12/2020) TL	FC	Total
I.	**Financial assets (net)**		**10,464,748**	**19,000,679**	**29,465,427**	**9,020,517**	**10,200,528**	**19,221,045**
1.1	**Cash and cash equivalents**		**4,857,397**	**18,117,161**	**22,974,558**	**6,142,611**	**9,811,403**	**15,954,014**
1.1.1	Cash and balances at Central Bank	(I-1)	2,011,212	16,791,262	18,802,474	986,318	8,123,476	9,109,794
1.1.2	Banks	(I-3)	77,712	1,325,899	1,403,611	135,568	1,687,927	1,823,495
1.1.3	Money market placements		2,771,996	-	2,771,996	5,024,385	-	5,024,385
1.1.4	Expected credit losses (-)	(I-5)	(3,523)	-	(3,523)	(3,660)	-	(3,660)
1.2	**Financial assets at fair value through profit or loss**	**(I-2)**	**35,237**	**139,641**	**174,878**	**26,805**	**79,000**	**105,805**
1.2.1	Government securities		35,187	139,641	174,828	26,743	79,000	105,743
1.2.2	Equity instruments		50	-	50	62	-	62
1.2.3	Other financial assets		-	-	-	-	-	-
1.3	**Financial assets at fair value through other comprehensive income**	**(I-4)**	**1,342,498**	**869**	**1,343,367**	**582,633**	**313**	**582,946**
1.3.1	Government securities		1,329,741	-	1,329,741	569,876	-	569,876
1.3.2	Equity instruments		12,757	869	13,626	12,757	313	13,070
1.3.3	Other financial assets		-	-	-	-	-	-
1.4	**Derivative financial assets**		**4,229,616**	**743,008**	**4,972,624**	**2,268,468**	**309,812**	**2,578,280**
1.4.1	Derivative financial assets measured at fair value through profit or loss	(I-2)	4,102,332	743,008	4,845,340	2,242,600	309,812	2,552,412
1.4.2	Derivative financial assets measured at fair value through other comprehensive income	(I-11)	127,284	-	127,284	25,868	-	25,868
II.	**Financial assets measured at amortised cost**		**29,825,288**	**27,588,965**	**57,414,253**	**28,592,521**	**16,870,977**	**45,463,498**
2.1	**Loans**	**(I-5)**	**25,920,785**	**26,885,312**	**52,806,097**	**26,050,358**	**15,962,966**	**42,013,324**
2.2	**Receivables from leasing transactions**	**(I-10)**	**110,569**	**703,653**	**814,222**	**84,180**	**706,985**	**791,165**
2.3	**Factoring receivables**		**-**	**-**	**-**	**302,995**	**201,026**	**504,021**
2.4	**Other financial assets measured at amortised cost**	**(I-6)**	**5,609,794**	**-**	**5,609,794**	**4,253,314**	**-**	**4,253,314**
2.4.1	Government securities		5,609,794	-	5,609,794	4,253,314	-	4,253,314
2.4.2	Other financial assets		-	-	-	-	-	-
2.5	**Expected credit losses (-)**	**(I-5)**	**(1,815,860)**	**-**	**(1,815,860)**	**(2,098,326)**	**-**	**(2,098,326)**
III.	**Assets held for sale and assets of discontinued operations (net)**	**(I-16)**	**660**	**-**	**660**	**660**	**-**	**660**
3.1	Assets held for sale		660	-	660	660	-	660
3.2	Assets from discontinued operations		-	-	-	-	-	-
IV.	**Equity investments**		**-**	**-**	**-**	**-**	**-**	**-**
4.1	**Investments in associates (net)**	**(I-7)**	**-**	**-**	**-**	**-**	**-**	**-**
4.1.1	Associates consolidated by using equity method		-	-	-	-	-	-
4.1.2	Unconsolidated associates		-	-	-	-	-	-
4.2	**Investments in subsidiaries (net)**	**(I-8)**	**-**	**-**	**-**	**-**	**-**	**-**
4.2.1	Unconsolidated financial subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
4.3	**Jointly Controlled Partnerships (Joint Ventures) (net)**	**(I-9)**	**-**	**-**	**-**	**-**	**-**	**-**
4.3.1	Joint ventures consolidated by using equity method		-	-	-	-	-	-
4.3.2	Unconsolidated joint ventures		-	-	-	-	-	-
V.	**Tangible assets (net)**	**(I-12)**	**671,066**	**29**	**671,095**	**821,209**	**25**	**821,234**
VI.	**Intangible assets (net)**	**(I-13)**	**34,294**	**-**	**34,294**	**46,468**	**-**	**46,468**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		34,294	-	34,294	46,468	-	46,468
VII.	**Investment property (net)**	**(I-14)**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**Current tax asset**	**(I-15)**	**195,100**	**810**	**195,910**	**-**	**-**	**-**
IX.	**Deferred tax asset**	**(I-15)**	**6,649**	**-**	**6,649**	**1,770**	**-**	**1,770**
X.	**Other assets (net)**	**(I-17)**	**823,649**	**23,733**	**847,382**	**604,311**	**29,164**	**633,475**
	Total assets		**42,021,454**	**46,614,216**	**88,635,670**	**39,087,456**	**27,100,694**	**66,188,150**

The accompanying explanations and notes form an integral part of these consolidated financial statements.

ING Bank A.Ş. and its Financial Subsidiaries

Consolidated Balance Sheet (Statement of Financial Position) As of 31 December 2021

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

(Convenience translation of the consolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

	Liabilities	Note (section five)	Audited Current period (31/12/2021) TL	FC	Total	Audited Prior period (31/12/2020) TL	FC	Total
I.	**Deposits**	**(II-1)**	**19,860,786**	**32,756,412**	**52,617,198**	**19,229,755**	**20,901,128**	**40,130,883**
II.	**Loans received**	**(II-3)**	**324,390**	**15,226,834**	**15,551,224**	**1,799,764**	**7,969,696**	**9,769,460**
III.	**Money market funds**		**2,501,827**	**93,896**	**2,595,723**	**9,438**	**57,784**	**67,222**
IV.	**Securities Issued (net)**	**(II-4)**	**-**	**-**	**-**	**-**	**-**	**-**
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**		**1,180,404**	**817,468**	**1,997,872**	**791,574**	**174,586**	**966,160**
7.1	Derivative financial liabilities at fair value through profit or loss	(II-2)	1,169,336	817,468	1,986,804	678,575	170,418	848,993
7.2	Derivative financial liabilities at fair value through other comprehensive income	(II-7)	11,068	-	11,068	112,999	4,168	117,167
VIII.	**Factoring payables**		**-**	**-**	**-**	**24**	**617**	**641**
IX.	**Lease payables (net)**	**(II-6)**	**161,525**	**-**	**161,525**	**229,076**	**-**	**229,076**
X.	**Provisions**	**(II-8)**	**280,577**	**711**	**281,288**	**251,172**	**426**	**251,598**
10.1	Provision for restructuring		-	-	-	-	-	-
10.2	Reserves for employee benefits		75,916	-	75,916	61,926	-	61,926
10.3	Insurance technical reserves (net)		-	-	-	-	-	-
10.4	Other provisions		204,661	711	205,372	189,246	426	189,672
XI.	**Current tax liability**	**(II-9)**	**126,563**	**94**	**126,657**	**158,224**	**130**	**158,354**
XII.	**Deferred tax liability**	**(II-9)**	**498,804**	**-**	**498,804**	**179,664**	**-**	**179,664**
XIII.	**Liabilities for assets held for sale and assets of discontinued operations (net)**	**(II-10)**	**-**	**-**	**-**	**-**	**-**	**-**
13.1	Held for sale		-	-	-	-	-	-
13.2	Related to discontinued operations		-	-	-	-	-	-
XIV.	**Subordinated debt**	**(II-11)**	**-**	**-**	**-**	**-**	**4,019,844**	**4,019,844**
14.1	Loans		-	-	-	-	4,019,844	4,019,844
14.2	Other debt instruments		-	-	-	-	-	-
XV.	**Other liabilities**	**(II-5)**	**1,167,672**	**2,828,688**	**3,996,360**	**896,519**	**106,481**	**1,003,000**
XVI.	**Shareholders' equity**	**(II-12)**	**10,809,019**	**-**	**10,809,019**	**9,416,020**	**(3,772)**	**9,412,248**
16.1	Paid-in capital		3,486,268	-	3,486,268	3,486,268	-	3,486,268
16.2	Capital reserves		-	-	-	-	-	-
16.2.1	Share premiums		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Other capital reserves		-	-	-	-	-	-
16.3	Other comprehensive income/expense items not to be recycled to profit or loss		121,616	-	121,616	118,345	-	118,345
16.4	Other comprehensive income/expense items to be recycled in profit or loss		296,176	-	296,176	(7,592)	(3,772)	(11,364)
16.5	Profit reserves		5,704,846	-	5,704,846	5,050,863	-	5,050,863
16.5.1	Legal reserves		368,858	-	368,858	334,352	-	334,352
16.5.2	Statutory reserves		-	-	-	-	-	-
16.5.3	Extraordinary reserves		5,335,988	-	5,335,988	4,716,511	-	4,716,511
16.5.4	Other profit reserves		-	-	-	-	-	-
16.6	Profit or (loss)		1,200,113	-	1,200,113	768,136	-	768,136
16.6.1	Prior years' profits or (loss)		-	-	-	-	-	-
16.6.2	Current period profit or (loss)		1,200,113	-	1,200,113	768,136	-	768,136
16.7	Minority interest		-	-	-	-	-	-
	Total liabilities and shareholders' equity		**36,911,567**	**51,724,103**	**88,635,670**	**32,961,230**	**33,226,920**	**66,188,150**

The accompanying explanations and notes form an integral part of these consolidated financial statements.

ING Bank A.Ş. and its Financial Subsidiaries

Consolidated Statement of Off-Balance Sheet Items As of 31 December 2021

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

(Convenience translation of the consolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

					Audited			Audited
					Current period			Prior period
	Off-balance sheet items	Note			(31/12/2021)			(31/12/2020)
		(section five)	TL	FC	Total	TL	FC	Total
A.	Off-balance sheet commitments (I+II+III)		31,096,810	95,982,843	127,079,653	31,391,799	65,371,786	96,763,585
I.	Guarantees and warranties	(III-1)	1,371,346	8,189,530	9,560,876	1,357,433	7,062,942	8,420,375
1.1	Letters of guarantee		1,371,019	7,175,918	8,546,937	1,343,434	6,107,892	7,451,326
1.1.1	Guarantees subject to state tender law		3,334	-	3,334	3,477	-	3,477
1.1.2	Guarantees given for foreign trade operations		-	-	-	-	-	-
1.1.3	Other letters of guarantee		1,367,685	7,175,918	8,543,603	1,339,957	6,107,892	7,447,849
1.2	Bank acceptances		-	-	-	-	1,269	1,269
1.2.1	Import letter of acceptance		-	-	-	-	1,269	1,269
1.2.2	Other bank acceptances		-	-	-	-	-	-
1.3	Letters of credit		327	951,034	951,361	4,491	718,677	723,168
1.3.1	Documentary letters of credit		327	951,034	951,361	4,491	718,677	723,168
1.3.2	Other letters of credit		-	-	-	-	-	-
1.4	Pre-financing given as guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other endorsements		-	-	-	-	-	-
1.6	Purchase guarantees for securities issued		-	-	-	-	-	-
1.7	Factoring guarantees		-	-	-	5,147	87,805	92,952
1.8	Other guarantees		-	45,241	45,241	-	74,940	74,940
1.9	Other warranties		-	17,337	17,337	4,361	72,359	76,720
II.	Commitments	(III-1)	3,755,304	1,865,618	5,620,922	3,541,893	2,240,674	5,782,567
2.1	Irrevocable commitments		3,755,304	1,865,618	5,620,922	3,541,893	2,240,674	5,782,567
2.1.1	Forward asset purchase commitments		372,323	1,860,701	2,233,024	262,390	1,359,233	1,621,623
2.1.2	Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3	Share capital commitments to associates and subsidiaries		-	-	-	-	-	-
2.1.4	Loan granting commitments		2,085,377	-	2,085,377	1,869,623	878,692	2,748,315
2.1.5	Securities underwriting commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve requirements		-	-	-	-	-	-
2.1.7	Commitments for cheque payments		200,991	-	200,991	231,822	-	231,822
2.1.8	Tax and fund liabilities from export commitments		23,780	-	23,780	23,780	-	23,780
2.1.9	Commitments for credit card limits		1,065,170	-	1,065,170	1,146,771	-	1,146,771
2.1.10	Commitments for credit cards and banking services promotions		7,093	-	7,093	5,929	-	5,929
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		570	4,917	5,487	1,578	2,749	4,327
2.2	Revocable commitments		-	-	-	-	-	-
2.2.1	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2	Other revocable commitments		-	-	-	-	-	-
III.	Derivative financial instruments	(III-2)	25,970,160	85,927,695	111,897,855	26,492,473	56,068,170	82,560,643
3.1	Derivative financial instruments for hedging purposes		2,540,000	-	2,540,000	1,970,000	1,275,834	3,245,834
3.1.1	Fair value hedges		-	-	-	-	-	-
3.1.2	Cash flow hedges		2,540,000	-	2,540,000	1,970,000	1,275,834	3,245,834
3.1.3	Net foreign investment hedges		-	-	-	-	-	-

The accompanying explanations and notes form an integral part of these consolidated financial statements.

ING Bank A.Ş. and its Financial Subsidiaries

Consolidated Statement of Off-Balance Sheet Items As of 31 December 2021

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

(Convenience translation of the consolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

					Audited			Audited
					Current period			Prior period
	Off-balance sheet items	Note			(31/12/2021)			(31/12/2020)
		(section five)	TL	FC	Total	TL	FC	Total
3.2	Derivative financial instruments for trading purposes		23,430,160	85,927,695	109,357,855	24,522,473	54,792,336	79,314,809
3.2.1	Forward foreign currency buy/sell transactions		6,158,329	15,491,670	21,649,999	2,675,190	7,758,902	10,434,092
3.2.1.1	Forward foreign currency transactions-buy		4,732,452	6,010,639	10,743,091	1,799,674	3,508,433	5,308,107
3.2.1.2	Forward foreign currency transactions-sell		1,425,877	9,481,031	10,906,908	875,516	4,250,469	5,125,985
3.2.2	Swap transactions related to foreign currency and interest rates		17,245,275	64,603,671	81,848,946	21,824,587	43,563,616	65,388,203
3.2.2.1	Foreign currency swap-buy		1,611,334	28,055,834	29,667,168	3,584,027	19,764,590	23,348,617
3.2.2.2	Foreign currency swap-sell		7,703,941	18,967,229	26,671,170	9,228,560	12,589,974	21,818,534
3.2.2.3	Interest rate swap-buy		3,965,000	8,790,304	12,755,304	4,506,000	5,604,526	10,110,526
3.2.2.4	Interest rate swap-sell		3,965,000	8,790,304	12,755,304	4,506,000	5,604,526	10,110,526
3.2.3	Foreign currency, interest rate and securities options		26,556	5,832,354	5,858,910	22,696	3,469,818	3,492,514
3.2.3.1	Foreign currency options-buy		13,278	2,916,177	2,929,455	11,348	1,734,909	1,746,257
3.2.3.2	Foreign currency options-sell		13,278	2,916,177	2,929,455	11,348	1,734,909	1,746,257
3.2.3.3	Interest rate options-buy		-	-	-	-	-	-
3.2.3.4	Interest rate options-sell		-	-	-	-	-	-
3.2.3.5	Securities options-buy		-	-	-	-	-	-
3.2.3.6	Securities options-sell		-	-	-	-	-	-
3.2.4	Foreign currency futures		-	-	-	-	-	-
3.2.4.1	Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2	Foreign currency futures-sell		-	-	-	-	-	-
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	**Custody and pledged items (IV+V+VI)**		**201,501,095**	**75,669,411**	**277,170,506**	**192,025,001**	**42,875,735**	**234,900,736**
IV.	**Items held in custody**		**3,208,584**	**5,364,957**	**8,573,541**	**2,240,258**	**2,805,683**	**5,045,941**
4.1	Customer fund and portfolio balances		2,909,807	-	2,909,807	1,940,931	-	1,940,931
4.2	Investment securities held in custody		30,697	1,299,864	1,330,561	30,936	679,754	710,690
4.3	Checks received for collection		118,841	1,086,512	1,205,353	108,756	491,295	600,051
4.4	Commercial notes received for collection		136,757	2,912,346	3,049,103	147,153	1,610,428	1,757,581
4.5	Other assets received for collection		-	-	-	-	-	-
4.6	Assets received for public offering		-	-	-	-	-	-
4.7	Other items under custody		12,482	66,235	78,717	12,482	24,206	36,688
4.8	Custodians		-	-	-	-	-	-
V.	**Pledged received**		**20,963,183**	**12,543,991**	**33,507,174**	**22,671,501**	**8,328,932**	**31,000,433**
5.1	Marketable securities		273,462	30,693	304,155	132,034	32,216	164,250
5.2	Guarantee notes		206,560	549,990	756,550	209,030	317,950	526,980
5.3	Commodity		910	-	910	910	-	910
5.4	Warranty		-	-	-	-	-	-
5.5	Properties		17,008,485	9,329,637	26,338,122	19,113,316	6,566,119	25,679,435
5.6	Other pledged items		3,473,766	2,633,671	6,107,437	3,216,211	1,412,647	4,628,858
5.7	Pledged items-depository		-	-	-	-	-	-
VI.	**Accepted independent guarantees and warranties**		**177,329,328**	**57,760,463**	**235,089,791**	**167,113,242**	**31,741,120**	**198,854,362**
	Total off-balance sheet items (A+B)		**232,597,905**	**171,652,254**	**404,250,159**	**223,416,800**	**108,247,521**	**331,664,321**

The accompanying explanations and notes form an integral part of these consolidated financial statements.

ING Bank A.Ş. and its Financial Subsidiaries

Consolidated Statement of Profit or Loss
For the Year Ended 31 December 2021

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

(Convenience translation of the consolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

	Income and expense items	Note (section five)	Audited Current period (01/01/2021-31/12/2021)	Audited Prior period (01/01/2020-31/12/2020)
I.	**Interest income**	**(IV-1)**	**6,616,553**	**5,225,358**
1.1	Interest on loans		4,471,379	4,197,542
1.2	Interest on reserve requirements		163,807	7,607
1.3	Interest on banks		49,570	34,631
1.4	Interest on money market transactions		860,881	345,708
1.5	Interest on marketable securities portfolio		1,009,920	553,119
1.5.1	Financial assets at fair value through profit or loss		9,842	13,771
1.5.2	Financial assets at fair value through other comprehensive income		162,199	106,453
1.5.3	Financial assets measured at amortised cost		837,879	432,895
1.6	Finance lease income		45,919	42,800
1.7	Other interest income		15,077	43,951
II.	**Interest expense (-)**	**(IV-2)**	**(3,690,883)**	**(2,170,377)**
2.1	Interest on deposits		(3,285,048)	(1,775,586)
2.2	Interest on funds borrowed		(340,324)	(264,181)
2.3	Interest on money market transactions		(32,213)	(59,735)
2.4	Interest on securities issued		-	-
2.5	Finance lease expense		(28,712)	(28,929)
2.6	Other interest expenses		(4,586)	(41,946)
III.	**Net interest income/expense (I - II)**		**2,925,670**	**3,054,981**
IV.	**Net fees and commissions income/expense**		**411,187**	**367,695**
4.1	Fees and commissions received		610,152	550,735
4.1.1	Non-cash loans		111,649	103,693
4.1.2	Other	(IV-12)	498,503	447,042
4.2	Fees and commissions paid (-)		(198,965)	(183,040)
4.2.1	Non-cash loans		(479)	(978)
4.2.2	Other	(IV-12)	(198,486)	(182,062)
V	**Dividend income**	**(IV-3)**	**507**	**476**
VI.	**Trading gain/(loss) (net)**	**(IV-4)**	**456,966**	**216,896**
7.1	Trading gain/(loss) on securities		(12,307)	98,407
7.2	Gain/(loss) on derivative financial transactions		1,812,088	521,932
7.3	Foreign exchange gain/(loss)		(1,342,815)	(403,443)
VII.	**Other operating income**	**(IV-5)**	**603,609**	**587,554**
VIII.	**Gross operating income (III+IV+V+VI+VII)**		**4,397,939**	**4,227,602**
IX.	**Expected credit loss (-)**	**(IV-6)**	**(593,529)**	**(1,152,013)**
X.	**Other provision expenses (-)**		**(75,210)**	**(10,835)**
XI.	**Personnel expenses (-)**		**(825,848)**	**(746,349)**
XII	**Other operating expenses**	**(IV-7)**	**(1,311,673)**	**(1,331,460)**
XIII.	**Net operating profit/(loss) (VIII-IX-X-XI-XII)**		**1,591,679**	**986,945**
XIV.	**Income resulted from mergers**		**-**	**-**
XV.	**Income/loss from investments under equity accounting**		**-**	**-**
XVI.	**Gain/loss on net monetary position**		**-**	**-**
XVII.	**Operating profit/loss before taxes (XIII+...+XVI)**	**(IV-8)**	**1,591,679**	**986,945**
XVIII.	**Provision for taxes of continued operations (±)**	**(IV-9)**	**(391,566)**	**(218,809)**
18.1	Current tax provision		(108,704)	(250,762)
18.2	Expense effect of deferred tax (+)		(410,844)	(35,527)
18.3	Income effect of deferred tax (-)		127,982	67,480
XIX.	**Net profit/(loss) from continuing operations (XVII±XVIII)**	**(IV-10)**	**1,200,113**	**768,136**
XX.	**Income from discontinued operations**		**-**	**-**
20.1	Income from non-current assets held for resale		-	-
20.2	Profit from sales of associates, subsidiaries and joint ventures		-	-
20.3	Income from other discontinued operations		-	-
XXI.	**Expenses for discontinued operations (-)**		**-**	**-**
21.1	Expenses for non-current assets held for resale		-	-
21.2	Loss from sales of associates, subsidiaries and joint ventures		-	-
21.3	Loss from other discontinued operations		-	-
XXII.	**Profit/(loss) before tax from discontinued operations (XX-XXI)**		**-**	**-**
XXIII.	**Tax provision for discontinued operations (±)**		**-**	**-**
23.1	Current tax provision		-	-
23.2	Expense effect of deferred tax (+)		-	-
23.3	Income effect of deferred tax (-)		-	-
XXIV.	**Net profit/(loss) from discontinued operations (XXII±XXIII)**		**-**	**-**
XXV.	**Net profit/(loss) (XIX+XXIV)**	**(IV-11)**	**1,200,113**	**768,136**
25.1	Profit/(Loss) from the Group		1,200,113	768,136
25.2	Income/(Loss) from Minority Interest (-)		-	-
	Earnings per share		0.3442	0.2203

The accompanying explanations and notes form an integral part of these consolidated financial statements.

ING Bank A.Ş. and its Financial Subsidiaries

Consolidated Statement Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2021

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

(Convenience translation of the consolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

	Profit or loss and other comprehensive income	Audited Current period (01/01/2021-31/12/2021)	Audited Prior period (01/01/2020-31/12/2020)
I.	**Current period profit/loss**	**1,200,113**	**768,136**
II.	**Other comprehensive income**	**258,658**	**105,571**
2.1	**Other income/expense items not to be recycled to profit or loss**	**(2,312)**	**3,085**
2.1.1	Gains/(losses) on revaluation of property, plant and equipment	-	-
2.1.2	Gains/(losses) on revaluation of intangible assets	-	-
2.1.3	Defined benefit plans' actuarial gains/(losses)	(2,684)	(377)
2.1.4	Other income/(expense) items not to be recycled to profit or loss	-	3,265
2.1.5	Deferred taxes on other comprehensive income not to be recycled to profit or loss	372	197
2.2	**Other income/expense items to be recycled to profit or loss**	**260,970**	**102,486**
2.2.1	Translation differences	140,128	36,069
2.2.2	Income/(expenses) from valuation and/or reclassification of financial assets measured at FVOCI	(43,500)	(74,587)
2.2.3	Gains/(losses) from cash flow hedges	195,320	158,166
2.2.4	Gains/(losses) on hedges of net investments in foreign operations	-	-
2.2.5	Other income/(expense) items to be recycled to profit or loss	-	-
2.2.6	Deferred taxes on other comprehensive income to be recycled to profit or loss	(30,978)	(17,162)
III.	**Total comprehensive income (I+II)**	**1,458,771**	**873,707**

The accompanying explanations and notes form an integral part of these consolidated financial statements.

ING Bank A.Ş. and its Financial Subsidiaries

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2021

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

(Convenience translation of the consolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

Changes in equity

	Statement of changes in shareholders' equity						Other comprehensive income/expense items not to be recycled to profit or loss		
	Audited	**Note**	**Paid-in capital**	**Share premium**	**Share cancellation profits**	**Other capital reserves**	**Revaluation surplus on tangible and intangible assets**	**Defined benefit plans' actuarial gains/losses**	**Other [1]**
	Prior period (01/01/2020-31/12/2020)								
I.	**Balances at beginning of period**		**3,486,268**	**-**	**-**	**-**	**141,898**	**(2,310)**	**(241)**
II.	**Correction made as per TAS 8**		**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effect of corrections		-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-
III.	**New balance (I+II)**		**3,486,268**	**-**	**-**	**-**	**141,898**	**(2,310)**	**(241)**
IV.	Total comprehensive income		-	-	-	-	-	(161)	3,246
V.	Capital increase by cash		-	-	-	-	-	-	-
VI.	Capital increase by internal sources		-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-
VIII.	Convertible bonds to shares		-	-	-	-	-	-	-
IX.	Subordinated debt instruments		-	-	-	-	-	-	-
X.	Increase/decrease by other changes		-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	(24,087)	-	-
11.1	Dividends paid		-	-	-	-	-	-	-
11.2	Transfers to reserves	(II-12)	-	-	-	-	(24,087)	-	-
11.3	Other		-	-	-	-	-	-	-
	Period-end balance (III+IV+......+X+XI)		**3,486,268**	**-**	**-**	**-**	**117,811**	**(2,471)**	**3,005**
	Current period (01/01/2021-31/12/2021)								
I.	**Balances at beginning of period**		**3,486,268**	**-**	**-**	**-**	**117,811**	**(2,471)**	**3,005**
II.	**Correction made as per TAS 8**		**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effect of corrections		-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-
III.	**New balance (I+II)**		**3,486,268**	**-**	**-**	**-**	**117,811**	**(2,471)**	**3,005**
IV.	Total comprehensive income		-	-	-	-	-	(2,373)	61
V.	Capital increase by cash		-	-	-	-	-	-	-
VI.	Capital increase by internal sources		-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-
VIII.	Convertible bonds to shares		-	-	-	-	-	-	-
IX.	Subordinated debt instruments		-	-	-	-	-	-	-
X.	Increase/decrease by other changes		-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	5,583	-	-
11.1	Dividends paid		-	-	-	-	-	-	-
11.2	Transfers to reserves	(II-12)	-	-	-	-	5,583	-	-
11.3	Other		-	-	-	-	-	-	-
	Period-end balance (III+IV+......+X+XI)		**3,486,268**	**-**	**-**	**-**	**123,394**	**(4,844)**	**3,066**

[1] Other (Shares of investments valued by equity method in other comprehensive income not to be recycled to profit or loss and other accumulated amounts of other comprehensive income items not to be recycled to other profit or loss)

[2] Other (Cash flow hedge gain/loss, shares of investments valued by equity method in other comprehensive income recycled to profit or loss and other accumulated amounts of other comprehensive income items recycled to other profit or loss)

The accompanying explanations and notes form an integral part of these consolidated financial statements.

	Other comprehensive income/expense items to be recycled to profit or loss								
	Translation differences	**Income/expenses from valuation and/or reclassification of financial assets measured at FVOCI**	**Other [2]**	**Profit reserves**	**Prior period profit or (loss)**	**Current period profit or (loss)**	**Total equity except minority interest**	**Minority interest**	**Total shareholders' equity**
	324	**81,518**	**(159,623)**	**3,448,841**	**-**	**1,541,866**	**8,538,541**	**-**	**8,538,541**
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	324	**81,518**	**(159,623)**	**3,448,841**	**-**	**1,541,866**	**8,538,541**	**-**	**8,538,541**
	-	(59,474)	125,891	-	-	768,136	837,638	-	837,638
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	36,069	-	-	36,069	-	36,069
	-	-	-	1,565,953	-	(1,541,866)	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	1,565,953	-	(1,541,866)	-	-	-
	-	-	-	-	-	-	-	-	-
	324	**22,044**	**(33,732)**	**5,050,863**	**-**	**768,136**	**9,412,248**	**-**	**9,412,248**
	324	**22,044**	**(33,732)**	**5,050,863**	**-**	**768,136**	**9,412,248**	**-**	**9,412,248**
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	324	**22,044**	**(33,732)**	**5,050,863**	**-**	**768,136**	**9,412,248**	**-**	**9,412,248**
	186,698	(35,076)	155,918	(46,570)	-	1,200,113	1,458,771	-	1,458,771
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	700,553	-	(768,136)	(62,000)	-	(62,000)
	-	-	-	(62,000)	-	-	(62,000)	-	(62,000)
	-	-	-	762,553	-	(768,136)	-	-	-
	-	-	-	-	-	-	-	-	-
	187,022	**(13,032)**	**122,186**	**5,704,846**	**-**	**1,200,113**	**10,809,019**	**-**	**10,809,019**

ING Bank A.Ş. and its Financial Subsidiaries

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2021

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

(Convenience translation of the consolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

	Statement of cash flows	Note	Audited Current period (01/01/2021-31/12/2021)	Audited Prior period (01/01/2020-31/12/2020)
A.	**Cash flows from banking operations**			
1.1	**Operating profit before changes in operating assets and liabilities**		**5,785,550**	**4,874,458**
1.1.1	Interest received		6,674,978	5,342,582
1.1.2	Interest paid		(3,656,518)	(2,182,860)
1.1.3	Dividend received		507	476
1.1.4	Fees and commissions received		615,683	551,193
1.1.5	Other income	(VI-2)	141,065	120,929
1.1.6	Collections from previously written-off loans and other receivables		440,129	661,699
1.1.7	Payments to personnel and service suppliers		(1,667,849)	(1,587,216)
1.1.8	Taxes paid		(403,303)	(224,613)
1.1.9	Other	(VI-2)	3,640,858	2,192,268
1.2	**Changes in operating assets and liabilities**		**(5,065,305)**	**(5,025,941)**
1.2.1	Net (increase)/decrease in financial assets at fair value through profit or loss		(69,772)	17,666
1.2.2	Net (increase)/decrease in due from bank		(139,519)	179,022
1.2.3	Net (increase)/decrease in loans		(4,357,689)	1,448,431
1.2.4	Net (increase)/decrease in other assets	(VI-2)	(3,915,846)	(287,614)
1.2.5	Net increase/(decrease) in bank deposits		(1,610,457)	(748,092)
1.2.6	Net increase/(decrease) in other deposits		1,356,398	(599,785)
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		(3,494,516)	(5,258,110)
1.2.9	Net increase/(decrease) in matured payables		-	-
1.2.10	Net increase/(decrease) in other liabilities	(VI-2)	7,166,096	222,541
I.	**Net cash provided from banking operations**		**720,245**	**(151,483)**
B.	**Cash flow from investing activities**			
II.	**Net cash provided from investing activities**		**(1,991,373)**	**(1,364,405)**
2.1	Cash paid for acquisition of subsidiaries, investments in associates and joint ventures		-	-
2.2	Cash obtained from disposal of subsidiaries, investments in associates and joint ventures		-	-
2.3	Purchases of property and equipment		(252,953)	(346,093)
2.4	Disposals of property and equipment		460,190	444,949
2.5	Cash paid for purchase of financial assets at fair value through other comprehensive income		(1,111,457)	(1,297,866)
2.6	Cash obtained from sale of financial assets at fair value through other comprehensive income		303,730	1,946,210
2.7	Cash paid for purchase of financial assets measured at amortised cost		(3,378,383)	(3,644,739)
2.8	Cash obtained from sale of financial assets measured at amortised cost		2,006,706	1,553,437
2.9	Other	(VI-2)	(19,206)	(20,303)
C.	**Cash flows from financing activities**			
III.	**Net cash provided from financing activities**		**(145,549)**	**(104,575)**
3.1	Cash obtained from funds borrowed and securities issued	(II-4)	-	-
3.2	Cash used for repayment of funds borrowed and securities issued	(II-4)	-	-
3.3	Issued equity instruments		-	-
3.4	Dividends paid	(II-12)	(62,000)	-
3.5	Payments for finance leases		(83,549)	(104,575)
3.6	Other		-	-
IV.	**Effect of change in foreign exchange rate on cash and cash equivalents**	**(VI-2)**	**4,779,970**	**1,090,199**
V.	**Net increase in cash and cash equivalents (I+II+III+IV)**		**3,363,293**	**(530,264)**
VI.	**Cash and cash equivalents at beginning of the period**	**(VI-1)**	**12,875,355**	**13,405,619**
VII.	**Cash and cash equivalents at the end of the period**	**(VI-1)**	**16,238,648**	**12,875,355**

The accompanying explanations and notes form an integral part of these consolidated financial statements.

ING Bank A.Ş. and its Financial Subsidiaries

Statement of Profit Distribution For the Year Ended 31 December 2021

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

(Convenience translation of the consolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

	Profit distribution table	Audited Current period (31/12/2021) (*)	Audited Prior period (31/12/2020) (*)
I.	**Distribution of current year profit**		
1.1	Current year profit	1,551,868	826,631
1.2	Taxes and duties payable (-)	351,755	199,986
1.2.1	Corporate tax (Income tax)	68,594	222,557
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	283,161	(22,571)
A.	**Net profit for the year (1.1-1.2)**	**1,200,113**	**626,645**
1.3	Prior year losses (-)	-	-
1.4	First legal reserves (-)	-	31,332
1.5	Other statutory reserves (-)	-	-
B.	**Net profit available for distribution (A-(1.3+1.4+1.5))**	**1,200,113**	**595,313**
1.6	First dividend to shareholders (-)	-	62,000
1.6.1	To owners of ordinary shares	-	62,000
1.6.2	To owners of privileged shares	-	-
1.6.3	To owners of preferred shares	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	Dividends to personnel (-)	-	-
1.8	Dividend to board of directors (-)	-	-
1.9	Second dividend to shareholders (-)	-	-
1.9.1	To owners of ordinary shares	-	-
1.9.2	To owners of privileged shares	-	-
1.9.3	To owners of preferred shares	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	Statutory reserves (-)	-	-
1.11	Extraordinary reserves (**)	-	525,858
1.12	Other reserves	-	-
1.13	Special funds (***)	-	7,455
II.	**Distribution of reserves**		
2.1	Appropriated reserves	-	-
2.2	Dividends to shareholders (-)	-	-
2.2.1	To owners of ordinary shares	-	-
2.2.2	To owners of privileged shares	-	-
2.2.3	To owners of preferred shares	-	-
2.2.4	To profit sharing bonds	-	-
2.2.5	To holders of profit and loss sharing certificates	-	-
2.3	Dividends to personnel (-)	-	-
2.4	Dividends to board of directors (-)	-	-
III.	**Earnings per share**		
3.1	To owners of ordinary shares	0.34	0.18
3.2	To owners of ordinary shares (%)	34.42%	17.97%
3.3	To owners of privileged shares	-	-
3.4	To owners of privileged shares (%)	-	-
IV.	**Dividend per share**		
4.1	To owners of ordinary shares	-	0.02
4.2	To owners of ordinary shares (%)	-	1.78%
4.3	To owners of privileged shares	-	-
4.4	To owners of privileged shares (%)	-	-

(*) Profit distribution is realized in accordance with Bank's General Meeting decision and as of the preparation date of the financial statements, 2021 annual ordinary general meeting has not been held yet. In accordance with the regulations in Turkey, companies do not make profit distribution based on consolidated financials. In this respect, the profit distribution tables stated above belong to the Bank.

(**) According to Ordinary General Meeting dated 25 March 2021, among total distributable profit for the year 2020, TL 174,313 has been classified as first dividend share, TL 62,000 as gross amount before tax has been paid in cash while TL 112,313 of first dividend payment and TL 413,545 are kept as extraordinary reserves.

(***) According to Ordinary General Meeting dated 25 March 2021, amounting to TL 7,455 of distributable profit for the year 2020 is composed of the benefit of Corporate Tax exemption on real estate sales profit and related amount is transferred to separate fund under equity in accordance with Corporate Tax Law 5520 article 5. and 1. paragraph clause (e).

The accompanying explanations and notes form an integral part of these consolidated financial statements.

Section three

Accounting policies

I. Explanations on basis of presentation

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

The consolidated financial statements have been prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" and other regulations, communiqués, explanations and circulars promulgated by the Banking Regulation and Supervision Agency ("BRSA") in relation to accounting and financial reporting principles of banks and for the issues not regulated by as per Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") (hereafter, referred as "BRSA Accounting and Financial Reporting Legislation"). The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation. TFRS contains Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards and explanations and interpretations related to the standards.

The consolidated financial statements have been prepared at Turkish Lira on a historical cost basis, except for the financial assets and financial liabilities measured on a fair value basis.

The preparation of consolidated financial statements in conformity with BRSA Accounting and Financial Reporting Legislation requires the use of certain critical accounting estimates and assumptions by the Parent 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 and assumptions include fair value calculation of financial instruments and impairment of financial assets are being reviewed regularly and, when necessary, adjustments are made and the effects of these adjustments are reflected to the statement of profit or loss.

The spread of the COVID-19 virus to various countries in the world, affects both regional and global economic conditions negatively as well as causing disruptions in operations especially in countries which are heavily exposed to COVID-19. As a result of the spread of COVID-19 around the world, various precautions have been taken and are still being taken in our country as well as in the world in order to prevent the transmission of the virus. In addition to these precautions, extensive economic precautions have also been taken in order to minimize the economic impact of the virus, simultaneously.

b. 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 consolidated 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.

c. Accounting policies and valuation principles applied in the presentation of consolidated financial statements

The accounting policies and valuation principles applied in the preparation of consolidated financial statements are determined and applied in accordance with BRSA Accounting and Financial Reporting Legislation. These accounting policies and valuation principles are explained in Notes II to XXIV below.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with the standards used in the previous year.

d. Changes in accounting policies and disclosures

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 2021 have no material effect on accounting policies, financial position and financial performance of the Group. New and revised TAS and TFRS issued but not yet effective as of the finalization date of the financial statements will not have material effect on accounting policies, financial position and financial performance of the Group.

I. Explanations on basis of presentation (continued)

In addition, the Indicator Interest Rate Reform - 2nd Phase, which brings changes in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from 1 January 2021, was published by the POA in the Official Gazette dated 14 December 2019 and numbered 30978 and early implementation of the changes is allowed. With the modifications made, certain exceptions are provided for the basis used in the determination of contractual cash flows and hedge accounting implementations. The effects of the changes on the Parent Bank's financials have been evaluated and it has been concluded that there is no material impact for 31 December 2021. On the other hand, the process for the Interest Rate Benchmark Reform is ongoing and the Parent Bank's studies continue within the scope of compliance with the changes.

According to the announcement made by Public Oversight Accounting and Auditing Standards Authority on 20 January 2022, due to the fact that cumulative change in the general purchasing power of the last 3 years was 74.41%; it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies. Therefore, no inflation adjustment has been applied on the financial statements dated 31 December 2021 in accordance with TAS 29.

II. Explanations on the strategy of using financial instruments and foreign currency transactions

The Group manages its financial instruments strategies according to its liability structure. The liability structure is mainly comprised of deposits. The investment instruments are generally chosen from liquid instruments. Thus, liquidity is sustained to meet liabilities. As reporting date, the Group's asset and shareholder's equity structure is sufficient to meet its liabilities.

Due to the risks management policy, the Group does not take significant currency positions. In case of a currency risk due from the customer transactions, the Group makes contra transactions in order to close the position.

The investment decisions are made taking the balance sheet items' maturity structure and interest rates into consideration. Limits related to the balance sheet are determined. The distribution of assets is determined and income analyses are made according to this distribution.

When carrying out off-balance sheet forward transactions, the Group aims to perform contra transactions as well, thus paying maximum attention to the currency and interest rate risks. The customer limits for transactions are determined.

Explanations on foreign currency transactions:

Translation gains and losses arising from foreign currency transactions are accounted for within the period in which the transaction occurs. In period-ends, foreign currency denominated monetary assets and liabilities are translated into TL with the exchange buying rates of the Parent Bank prevailing at the reporting date. Gains and losses arising from such transactions are recognized in the statement of profit or loss under the account of foreign exchange gains or losses.

Foreign currency denominated accounts of the subsidiaries within the Group have been valued with the foreign exchange buying rates applicable on the reporting date.

Regarding the financial statements of the foreign subsidiary of the Group, balance sheet items are converted to Turkish Lira at the period-end balance sheet exchange rates, and statement of profit or loss items are converted at average exchange rate, and all resulting exchange differences are accounted in the shareholders' equity under "Other comprehensive income/expense items to be recycled in Profit or Loss".

III. Explanations on consolidated subsidiaries

According to the full consolidation method, all of the subsidiaries' assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank's assets, liabilities, income, expense and off-balance sheet items. The book value of the Parent Bank's investment in each subsidiary and the capital of each subsidiary are eliminated. Intercompany balances and profits and losses resulting from intercompany transactions are offset against each other. Parent Bank's guarantees given for the cash loans granted by consolidated subsidiaries are eliminated at consolidation and such exposures are included under cash loans in assets.

Where different accounting policies have been applied by the subsidiaries, these accounting policies have been aligned with the accounting policies of the Parent Bank.

III. Explanations on consolidated subsidiaries (continued)

ING European Financial Services Plc.

ING European Financial Services Plc. was established in 1994, in Ireland, to operate in corporate finance, issuance of certificates of deposits and treasury services.

The financial statements of the Company are prepared in EUR in accordance with the accounting principles effective in Ireland. The required adjustments and re-classifications have been made on the financial statements of the Company in order to comply with the financial statements of the Parent Bank.

ING Faktoring A.Ş. (ING Factoring)

ING Factoring was established in 2008 for the purpose of engaging in import, export and local factoring activities. The Company was granted operation license by the BRSA Board Decision, No. 3564, dated 3 March 2010.

The Company prepares its financial statements in accordance with the Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies, communique on Uniform Chart of Accounts and Prospectus to be implemented by Financial Leasing, Factoring and Financing Companies, TFRS and other regulations, communiqués, explanations and circulars promulgated by the BRSA in relation to accounting and financial reporting principles. The required adjustments and re-classifications have been made on the financial statements of the Company in order comply with the financial statements of the Parent Bank.

ING Finansal Kiralama A.Ş. (ING Leasing)

ING Leasing was established in 2008 for the purpose of operating in financial leasing activities and execute all kinds of transactions and contracts related to these activities. The company was granted operating license with the BRSA Board Decision, No. 3564, dated 3 March 2010.

The Company prepares its financial statements in accordance with the Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies, communique on Uniform Chart of Accounts and Prospectus to be implemented by Financial Leasing, Factoring and Financing Companies, TFRS and other regulations, communiqués, explanations and circulars promulgated by the BRSA in relation to accounting and financial reporting principles. The required adjustments and re-classifications have been made on the financial statements of the Company in order comply with the financial statements of the Parent Bank.

ING Yatırım Menkul Değerler A.Ş. (ING Securities)

ING Securities was established in 1991 under the title Universal Menkul Değerler A.Ş. in 1991, and was acquired by ING UK Holdings Limited on 30 October 2008, and the title of the Company was changed as ING Yatırım Menkul Değerler A.Ş. at the date of 27 May 2009. 100% shares of ING Securities were purchased by the Parent Bank on 15 August 2012.

Capital Markets Board approved the Company's application for continuing its operations and performing margin trading, short selling and lending and borrowing transactions of capital market instruments under its trading brokerage license as of 11 January 2013. On 26 July 2013, the Capital Markets Board approved the Company's application for a license to operate as an intermediary in trading derivatives for the purpose of operating in the futures and options market. With the Capital Market Board letter, dated 19 November 2013, the application of ING Securities for the establishment of an agency was approved as from 15 November 2013.

The financial statements of the Company are prepared in accordance with the Capital Markets Board legislation with respect to TFRS enacted by POA. The required adjustments and re-classifications have been made on the financial statements of the Company in order to comply with the financial statements of the Parent Bank.

IV. Explanations on forward and options contracts and derivative instruments

The Group's derivative instruments consist of forward buy/sell, swaps, futures, and options contracts.

Derivative financial instruments of the Group are classified as "Derivative Financial Assets Designated at Fair Value through Profit or Loss" per TFRS 9.

IV. Explanations on forward and options contracts and derivative instruments (continued)

Derivatives are initially recorded at their fair values. The related transaction costs are recognized in profit or loss statement at the date they incur. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss". The fair value differences of derivative financial instruments are recognized in the statement of profit or loss under trading profit/loss line in profit/loss from derivative financial transactions. The fair value of derivative instruments is calculated by taking into account the market value of the derivatives or by using the discounted cash flow model.

From 30 June 2020, the Group started to use TRLibor average interest curves in order to reflect fair valuation measurement of the CBRT swap transactions more accurately and made the necessary fair value measurement arrangements.

Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values.

Explanations on derivative financial instruments held for hedging purpose

As permitted by TFRS 9, the Group continues to apply hedge accounting in accordance with "TAS 39 Financial Instruments: Recognition and Measurement ("TAS 39").

The Group applies cash flow hedge accounting using interest rate and cross currency swap transactions, in order to hedge its TL floating rate deposits and revolving loans. Within the scope of cash flow hedge accounting, change in fair value of the hedging instrument, being positive or negative, is accounted in "Derivative financial assets measured at fair value through other comprehensive income" or "Derivative financial liabilities at fair value through other comprehensive income", respectively, in the balance sheet. The Group implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TAS 39, in financial statements under equity "accumulated other comprehensive income or expense to be reclassified to profit or loss" whereas the amount concerning ineffective parts is recognised in profit or loss statement. The changes recognized in shareholders' equity is removed and included in profit or loss statement in the same period when the hedged cash flows effect the income or loss.

Effectiveness tests are performed at the beginning of the hedge accounting period and at each reporting period. The effectiveness tests are carried out using the "Dollar off-set model" and the hedge accounting is applied as long as the test results are between the ranges of 80%-125% of effectiveness.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortised to profit or loss statement under trading account income/loss caption over the maturity of the hedged item from that date of the hedge accounting is discontinued. While expiring, sale, discontinuing cash flow hedge accounting or when no longer effective the cumulative gains/losses recognised in shareholders' equity until the cash flows of the hedged item are realized and presented under "accumulated other comprehensive income or expense to be reclassified to profit or loss" are continued to be kept in this account.

When the cash flows of hedged item incur, the gain/losses accounted for under shareholders' equity are recognised in profit or loss statement considering the original maturity.

V. Explanations on interest income and expenses

Interest income and expenses are recognized on an accrual basis using the effective interest method (the rate which equals the future cash flows of a financial asset or liability to its net book value) by taking into consideration present principal amount.

As of 1 January 2018, the Group applies the effective interest rate on the amortized cost of the asset for subsequent reporting periods for the financial assets impaired and classified as non-performing loan. Such interest income calculation is based on contractual basis for all financial assets subject to impairment calculation. During calculation of loss given default rate in expected credit loss models effective interest rate is used, thus, calculation of expected credit losses includes calculated interest amount. Therefore, a reclassification is made between the accounts of "Expected Credit Losses" and "Interest income from loans" for such calculated interest 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), the system calculates interest income at subsequent reporting periods by applying the effective interest rate to the gross amount.

VI. Explanations on fee and commission income and expenses

Commissions paid for the loans provided and fees and commissions collected from clients in return for these loans are reflected on the statement of profit or loss in the period when they arise. On the other hand, of the fees and commissions collected from clients, the portions exceeding the amounts paid, and the fees and commissions collected without being associated with any cost are treated as an element of the effective interest of the loan, and they are recognized in the statement of profit or loss during the term of the loan on an accrual basis. Fees and commission expenses paid to the institutions and companies granting the loan are treated as an element of the effective interest, and they are associated with the statement of profit or loss during the term of the loan.

VII. Explanations on financial instruments

Initial recognition of financial instruments

A financial asset or a financial liability is recognized in the statement of financial position only when it is a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date.

Initial measurement of financial instrument

The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. Except for the assets in the scope of TFRS 15 Revenue from contracts with customers, at initial recognition, the Group measures financial asset or financial liabilities at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit/loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification of financial instruments

On which category a financial instruments shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Thus, the Group has classified all financial assets beginning from 1 January 2018 on the basis of the business model used for the management of these assets and the contractual cash flows.

As per TFRS 9, the Group 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 Group has tested the "Solely Payments of Principal and Interest" test for all financial assets within the scope of TFRS 9 transition and evaluated asset classifications within the business model.

Assessment of business model

As per TFRS 9, the business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Group's business models are divided into three categories.

A business model whose objective is to hold assets in order to collect contractual cash flows:

A business model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortised cost when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Central Bank, banks, money market placements, financial assets measured at amortized cost, loans, lease receivables, factoring receivables and other receivables are evaluated within this business model.

VII. Explanations on financial instruments (continued)

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

The business model in which financial assets are held both for the collection of contractual cash flows and for the sale of financial assets. Fair value change of the financial assets that are held within the scope of this business model are accounted under other comprehensive income when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at fair value through other comprehensive income are evaluated within this business model.

Other business models:

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

Measurement categories of financial assets and liabilities

According to TFRS 9, the Bank's financial assets are classified in three main categories as listed below:

- Financial assets measured at fair value through profit/loss
- Financial assets measured at fair value through other comprehensive income and
- Financial assets measured at amortized cost (including credits).

Financial assets measured at fair value through profit/loss:

Financial assets at fair value through profit/loss are financial assets other than the ones that are managed with business model that aims 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 recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income:

As per TFRS 9, the financial investments are measured at fair value through other comprehensive income if financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to statement of profit or loss. "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 statement of profit or loss 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 "Other comprehensive income income/expense items to be recycled in 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. In this context, the Group has evaluated that the costs of equity securities, which are classified as financial assets measured at fair value through other comprehensive income, has been assessed that they reflect the approximate fair values. The fair value level of the related assets has been determined as Level 3.

VII. Explanations on financial instruments (continued)

During initial recognition an entity can choose in an irrevocable way to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

Financial assets measured at amortized cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

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 statement of profit or loss.

Loans:

Loans represents financial assets other than those held for trading in short term or generated through providing money, commodity and services to debtors.

Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the effective interest rate method.

The Group's loans are recorded under the "Loans Measured at Amortized Cost" account.

VIII. Explanations on impairment of financial assets

With the "Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside (Provision Regulation)" promulgated by BRSA in the Official Gazette, no. 29750, dated 22 June 2016, the Group has started calculating provisions as of 1 January 2018, in scope of TFRS 9 for financial instruments, loans and other receivables. Accordingly, loss allowance for expected credit losses is recognized for the financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income.

Per TFRS 9, loss allowance for expected credit losses is recognised on financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit or loss. Expected credit loss estimates should include objective information weighted according to possibilities and that can be supported about past events, existing conditions and predictions about future economic conditions.

Financial assets within the scope of TFRS 9 are allocated to the three stages according to the change in the quality of the loan after initial recognition and are calculated on the basis of the expected credit loss stage:
- **Stage 1:** For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses.
- **Stage 2:** In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses.

A financial asset is transferred from Stage 1 to Stage 2 when there is a significant increase in credit risk after initial recognition. Group has established a framework which incorporates quantitative and qualitative information to identify significant risk increase on an asset level applying a relative assessment. Each financial asset is assessed at the reporting date to determine significant risk increase.

VIII. Explanations on impairment of financial assets (continued)

Group considers the following criteria.

Quantitative criteria: The change in lifetime probability of default is the main trigger the transfer between Stage 1 and Stage 2. The trigger compares probability of default at the origination date versus probability of default at the reporting date, considering the remaining maturity. Assets can be transferred in both directions between Stage 1 and Stage 2. In order to determine if movements can be considered as significant, Group implements different probability of default thresholds to evaluate absolute and relative changes occurring in both retail and corporate portfolios. Related thresholds are being analyzed by back-testing and revised accordingly if necessary.

Qualitative criteria: Group considers several indicators aligned with those used in credit risk management. Specific qualitative criteria for retail and corporate portfolio has been defined, according to its particularities and with the policies currently in use. The use of these qualitative criteria is complemented with the use of expert judgement.

- Having past due more than legal regulations
- Loans classified to watch list status according to the decision of the Group's management,
- Restructured loans in compliance with "Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside ",
- Restructured loans according to an administrative judgement,
- Other consumer loans of individual clients whose one of the consumer loan transferred to non-performing loan portfolio.

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

The following criteria are taken into consideration in determining the impairment:

- Having past due more than legal regulations
- Problems in aspect of client's creditworthiness
- Collaterals and/or debtor's equities are insufficient for the timely payment of receivables
- Collection of receivables is considered to be delayed for more than legal regulations due to macroeconomic, industry specific or customer specific reasons.

In accordance with the BRSA Decision numbered 8948 and dated 17 March 2020, starting from 17 March 2020, the Group records a loss allowance for loans which have days past due between 90-180 days and classified under Stage 2 at an amount equal to their lifetime expected credit losses where the probability of default is taken into account as 100% until 31 December 2020. Based on the BRSA Decision numbered 9624 and dated 17 June 2021, this period was extended until 30 September 2021 and it was terminated pursuant as of 1 October 2021 to the decision of the Board of Directors dated 16 September 2021 and numbered 9795. However, with the decision of the same date, the default date is more than 91 days and for loans that do not exceed 180 days, BRSA decided to continue in the same way as of 1 October 2021 until 31 December 2021 within the scope of the related decision.

In accordance with the BRSA Decision numbered 8970 and dated 27 March 2020, the Group records a loss allowance for loans which have days past due between 30 to 90 days and classified under Stage 1 at an amount equal to their lifetime expected credit losses until 31 December 2020. Based on the BRSA Decision numbered 9624 and dated 17 June 2021, this period was extended until 30 September 2021 and it was terminated pursuant as of 1 October 2021 to the decision of the Board of Directors dated 16 September 2021 and numbered 9795.

The Group implemented the relevant classification changes as of 1 October 2021.

Use of present, past, future information and macroeconomic predictions:

Expected loss estimations take into consideration multiple macroeconomic scenarios for which the probability is measured according to past events, existing conditions and predictions about future economic conditions for economic variables (such as unemployment rates, GDP growth, real estate prices index and interest rates). Group has defined three macroeconomic scenarios to use for future predictions, a baseline, an up-scenario and a down-scenario. Macroeconomic models are used to convert the parameters used in expected loss estimations to forward looking versions. Different models exist for large corporate, financial institutions, corporate, retail mortgage and retail portfolios.

VIII. Explanations on impairment of financial assets (continued)

Expected credit loss measurement:

Group applies "Probability of Default x Exposure at Default x Loss Given Default" method which also takes the time value of money into account. For Stage 1 financial assets; a forward-looking approach on a twelve-month period is applied in order to calculate expected credit loss. For Stage 2 financial assets; a lifetime expected loss is calculated. The lifetime expected loss is the discounted sum of the portions of lifetime losses related to default events within each period of twelve months till maturity. For Stage 3 financial assets; the probability of default equals 100%, the loss given default and the exposure at default represent a lifetime expected loss calculated based on properties of the defaulted loan.

According to the Group's risk policies, lifetime loan loss provision is calculated for the loans which have overdue between 30 to 90 days and classified under Stage 1 in accordance with BRSA Decision numbered 8970 and dated 27 March 2020. Based on the BRSA Decision numbered 9624 and dated 17 June 2021, this period was extended until 30 September 2021 and it was terminated pursuant as of 1 October 2021 to the decision of the Board of Directors dated 16 September 2021 and numbered 9795.

According to the Group's risk policies, lifetime loan loss provisions are calculated by taking into account the probability of default as 100% for the loans which have overdue between 90 to 180 days and classified under Stage 2 in accordance with BRSA Decision numbered 8948 and dated 17 March 2020. Based on the BRSA Decision numbered 9624 and dated 17 June 2021, this period was extended until 30 September 2021 and it was terminated pursuant as of 1 October 2021 to the decision of the Board of Directors dated 16 September 2021 and numbered 9795. However, with the decision of the same date, the default date is more than 91 days and for loans that do not exceed 180 days, BRSA decided to continue in the same way as of 1 October 2021 until 31 December 2021 within the scope of the related decision.

Disclosures on write-off policy:

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.31533 on 6 July 2021. Pursuant to the regulation, the Parent Bank may write-off the portion of the loans, classified as "Group V Loan" (Loans Classified as Loss)", for which there is no reasonable expectation of recovery, within the scope of TFRS 9, as of the first reporting period (interim or year-end reporting period) following their classification in this Group, deducted from the records within the period deemed appropriate by the Parent Bank, taking into account the situation of the debtor. The Parent Bank performs objective and subjective assessments whether there is a reasonable expectation.

Partial write-off transactions from the financial statements mean that the financial asset will be reimbursed at a certain rate by the debtor, and the amount remaining after the payment of the amount in question or the part of the bank that is classified under group 5 and which does not have reasonable expectations to be recovered.

IX. Explanations on offsetting financial assets

Financial assets and liabilities are shown on the balance sheet at their net amounts when the Group has a legally enforceable right to offset the recognized amounts and intents to settle the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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

Marketable securities sold under repurchase agreements ("Repo") are classified as financial assets whose fair value difference is reflected on profit-loss, and which are other comprehensive income or will be measured at amortised cost, in parallel to the classification of financial instruments. Funds provided in return for repo transactions are recognized in the "funds provided by repo transactions" accounts. The income related to repurchase agreements are reflected to the interest income on marketable securities and expenses paid in relation to repurchase agreements are recognized in "interest on money market borrowings" accounts.

Securities ("Reverse repo") that are purchased with repurchase agreements are classified under receivables from reverse repo transactions. Interest income obtained from reverse repo transactions are recognized under the account "interest obtained from money market transactions".

Securities lending transactions are classified under "money market placements" and accruals are calculated for the interest expense occurred.

XI. Explanations on property and equipment held for sale and related to discontinued operations and on payables regarding 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 a sale or sales, 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 statement of profit or loss. The Group does not have any discontinued operations.

XII. Explanations on goodwill and other intangible assets

The intangible assets are measured at their cost calculated by adding the acquisition costs and other direct costs necessary for making the asset in working order.

Subsequently, intangible assets are carried at cost less accumulated depreciation and provision for value decrease.

Intangible assets are depreciated according to straight line method and depreciation rates are determined in line with the useful lives of related assets.

The intangible assets	33%

The Bank does not have goodwill.

XIII. Explanations on property and equipment

Property and equipment are initially measured at cost calculated by adding the acquisition fees and any directly attributable costs for making the asset in working order. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for value decrease.

According to precautionary and materiality principles, when the current value of property and equipment is less than their net cost, the net cost which exceeds their current value is recognized in expense account as provision for impairment.

Property and equipment are depreciated according to straight line method and depreciation rates are determined in line with the useful lives of related assets.

Immovables	2%
Movables, assets acquired by financial leasing	2% - 50%
Right-of-use assets	9% - 50%

The depreciation is set aside at the amount calculated through proportion of the yearly depreciation amount foreseen for the assets held for less than one accounting period to the time for which the asset is held in asset.

Gains and losses on the disposal of property and equipment are reflected to the profit and loss of the related period.

Expenditures for the repair and maintenance of property and equipment are recognized as expense. There is no injunction, pledge or mortgage on property and equipment. There is no purchase commitment related to property and equipment.

XIV. Explanations on leasing transactions

a. Accounting of leasing operations as lessor

The Parent Bank performs financial leasing operations as a "Lessor" through ING Finansal Kiralama A.Ş. which is a consolidated subsidiary. Transactions are accounted for in accordance with the relevant accounting standards.

b. Accounting of leasing operations as lessee

Assets acquired under financial leases are capitalized at lower of the fair values of leased assets or discounted value of lease installments. While the total amounts of lease amounts are recognized as liability, the related interest amounts are accounted for as deferred interest. Assets subject to financial leases are followed under property and equipment and are depreciated by using straight-line method. The estimated depreciation rates are determined according to their estimated useful lives.

The Group performs operating lease for branches, ATM locations and vehicles. With the "TFRS 16 Leases" standard which became effective as of 1 January 2019, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognised under "Tangible Fixed Assets" as an asset and under "Liabilities from Leasing" as a liability. Other operating leases are not considered within the scope of TFRS 16 as they are below the materiality level and the corresponding rent payments are recognized under "Other Operating Expenses".

The Group - as lessee:

The Group assesses whether a contract is (or contains) a lease at the inception of the contract. A contract is a lease contract or contains a lease on the basis of whether the right to control the use of an identified asset is being transferred for a period of time, against remuneration. In this case, at the commencement date, the right-of-use assets are recognized under "Tangible Assets" and lease liabilities are recognized under "Lease Payables" by the Group.

XIV. Explanations on leasing transactions (continued)

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

(a) Lease liabilities in the balance sheet, initially measured at the present value,

(b) Remaining lease payment amount before or at the commencement date, after all lease incentives are eliminated,

(c) All initial direct costs beared by the Group,

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability.

The Group applies the depreciation requirements in TAS 16 Property, Plant and Equipment in depreciating the right-of-use asset.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the alternative borrowing interest rate.

At the commencement date, the lease payments included into the measurement of lease liabilities are composed of payments will be made during the underlying asset's lease term and payments that are not made at the commencement date are indicated below:

(a) Remaining amount of fixed payments after elimination of any lease incentives receivable,

(b) Variable future lease payments resulting from a change in an index or a rate used to determine those payments' initial measurement at the commencement date,

(c) Amounts expected to be payable under a residual value guarantee by the Bank,

(d) Purchasing option's cost if the Group is sure at a reasonable level that purchasing option will be used,

(e) Payment of the fine due to the termination of the lease if the lease period refers to an option for the termination of the lease.

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

(a) Measures the lease liability by increasing the carrying amount to reflect interest on the lease liability,

(b) Measures the lease liability by reducing the carrying amount to reflect the lease payments made,

(c) Remeasures the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease.

XV. Explanations on provisions, contingent assets and 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 there is a present legal or constructive obligation as a result of past events at the balance sheet date; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Provisions are set aside for highly probable and reliably estimated amount of liabilities arisen as a result of prior period events, at the time when such liabilities arise.

XVI. Explanations on obligations related to employee rights

Provision for employee severance benefits has been accounted for in accordance with TAS 19 "Employee Benefits".

In accordance with the existing social legislation in Turkey, the Parent Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Parent Bank over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Parent Bank.

The Parent Bank has calculated provision for employee severance benefits in the attached financial statements in accordance with "Turkish Accounting Standard for Employee Benefits ("TAS 19")" by using the "Projection Method" and discounted the total provision by using the current market yield on government bonds based on their previous experience in the issues of completion of personnel service period and severance pay eligibility. Actuarial gains and losses are recognized under equity in accordance with the "TAS 19" standard.

In accordance with the existing social legislation in Turkey, the Parent Bank is required to make contribution to Social Security Institution ("SSI") on behalf of their employees. Other than the contributions that the Bank is required to pay, there is no additional requirement to make payment to neither their employees nor SSI. These premiums are reflected to personnel expenses when they accrue.

Provision for the employees' unused vacations has been booked in accordance with TAS 19 and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the employees are members.

XVII. Explanations on taxation

a. Current tax

The Parent Bank and its subsidiaries operating in Turkey are subject to tax legislation and practices effective in Turkey.

As of 31 December 2021, the current corporate tax rate is 25%. In accordance with the Law No. 7316 published in the Official Gazette dated 22 April 2021, starting from the declarations that must be submitted as of 1 July 2021 and to be valid for the taxation period starting from 1 January 2021, the corporate tax rate is 25% for the taxation period of 2021 and this rate will be applied as 23% for the taxation period of 2022.

While according to the provisions of Corporate Tax Law, No. 5520, exemption shall be applied for 75% of the earnings from the sale of the properties and participation shares that corporations have kept among their assets for at least two full years (provided that they are added in the capital or kept in a special fund account in liabilities for five years as provided in the Law), and from the sales of founders' shares, preference shares and preferred rights they have kept for same duration; Article 89/a of the Law, No. 7061 effective upon promulgation in the Official Gazette, No. 30261, dated 5 December 2017 and Articles 5.1.e and 5.1.f of Corporate Tax Law have been amended, the exemption applied as 75% was decreased to 50% to be effective as of the promulgation of the Law for the above mentioned sale of properties.

The corporate tax rate is applied to the net corporate income after the addition of expenses not subject to deduction according to tax legislation, deduction of exemptions in tax laws (such as participation earnings exemption) and application of tax relief (reduction). No further tax is paid if the profit is not distributed.

According to the Corporate Tax Law, financial losses can be carried forward to offset against corporate tax base of the related period for up to five years. Tax authorities inspect tax returns and the related accounting records within five years and check the tax calculations.

Corporate tax is required to be filed by the last day of the fourth month following the balance sheet date and taxes must be paid in one installment by the end of the fourth month. Pursuant to the tax legislation, an advance tax is calculated and paid based on earnings generated for each quarter. The amounts thus paid are deducted from the tax calculated over annual earning.

XVII. Explanations on taxation (continued)

As of 31 December 2021, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298 of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting periods including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022 and the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, will not be subject to inflation adjustment, and for the 2023 accounting period; will not be subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

Current year tax amounts to be paid are netted off as they are related with prepaid tax amounts.

b. Deferred tax

The Group 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") and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date. In accordance with the Law No. 7316 published in the Official Gazette dated 22 April 2021, the corporate tax rate is 25% for the taxation period of 2021 and this rate will be applied as 23% for the taxation period of 2022, and 20% for the following periods. As of 31 December 2021, the Group has evaluated its assets and liabilities according to their maturities and calculated deferred tax at the rates of 23% or 20% corresponding to the relevant maturities.

If transactions and events are recorded in the statement of profit or loss, then the related tax effects are also recognized in the statement of profit or loss. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

The deferred tax assets and liabilities are reported as net in the financial statements.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. An entity shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of deferred tax asset to be utilized.

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 Communique on Disguised Profit Distribution by way of Transfer Pricing" published on 18 November 2007 explains the application related issues in detail. According to this Communique, 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. Disguised profit distribution amount will be recognized as share in net profit and stoppage tax will be calculated depending on whether the profit distributing institution is a real or corporate entity, full-fledged or foreign based taxpayer, is subject to or exempt from tax.

As discussed under subject Communique's "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization Form" section, 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

The Group, whenever required, generates funds from domestic and foreign sources in the form of borrowings, syndications, securitizations, and bill and bond issuances in the local and international markets. The funds borrowed are recorded at their purchase costs and valued at amortised costs using the effective interest method.

XIX. Explanation on issuance of equity securities

There are no issuance of equity securities in 2021.

XX. Explanations on guarantees and acceptances

The Group's letters of acceptances with its customers are simultaneously realized with customers' payments and are followed in off-balance sheet items.

XXI. Explanations on government incentives

As of the balance sheet date, there is no government grant for the Group.

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 authorised decision maker for the purpose of taking decisions about resources to be allocated to the segment and assessing its performance, and

c. For which discrete financial information is available.

Reporting according to the operational segment is presented in Note XII of Section Four.

XXIII. Profit reserves and distribution of profit

Under the Turkish Commercial Code ("TCC"), legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital.

XXIV. Explanations on other disclosures

None.

Section four

Information on financial position and risk management of the Group

I. Explanations on consolidated capital

Consolidated total capital and capital adequacy ratio has been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks".

In accordance with the BRSA Decision numbered 9996 and dated 21 December 2021, due to the fluctuations in the financial markets as a result of the COVID-19 outbreak; in the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy; with monetary assets and non-monetary assets excluding assets that are measured in terms of historical cost in a foreign currency valued amount of items in accordance with TAS and its special provision amounts, purchase exchange rate can be used in preparation of financial statements as of simple arithmetic average of the Central Bank foreign exchange buying rates for the last 252 business days before and negative revaluation differences of the securities classified under "Financial Assets Measured at Fair Value through Other Comprehensive Income" are not included in capital calculation.

As of 31 December 2021, the amount subject to credit risk in calculating the regulatory capital adequacy ratio was calculated by taking into account the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days before the calculation date. If the specified measure is not taken into account, the consolidated capital adequacy ratio decreases to 16.02% as of 31 December 2021.

As of 31 December 2021, taking into consideration the above-mentioned regulations, the Group's total capital is TL 11,185,929 and the consolidated capital adequacy ratio is 19.22%. As of 31 December 2020, the Group's total capital amounted to TL 12,830,267 and capital adequacy ratio was 24.18%.

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I. Explanations on consolidated capital (continued)

	Current period	Amount related to implementation before 01.01.2014 (*)
COMMON EQUITY Tier I Capital		
Paid-in capital to be entitled for compensation after all creditors	3,486,268	
Share premium	-	
Legal reserves	5,704,846	
Other comprehensive income according to TAS	319,549	
Profit	1,200,113	
Net profit for the period	1,200,113	
Prior period profit	-	
Bonus shares from investments in associates, subsidiaries and joint ventures that are not recognized in profit	1,596	
Minority interest	-	
Common equity tier I capital before deductions	**10,712,372**	
Deductions from common equity		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on the Capital of Banks	-	
Portion of the current and prior periods' losses not covered by reserves and losses accounted under equity as per TAS	25,539	
Leasehold improvements on operational leases	43,352	
Goodwill netted off deferred tax liability	-	
Other intangibles netted off deferred tax liability except for mortgage servicing rights	34,946	34,946
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Portion of the total expected loss amount calculated as per Communiqué on Calculation of Credit Risk with the Internal Rating Based Approach, which exceeds total provisions	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair value of Bank's liabilities	-	
Net amount of defined-benefit plan assets	-	
Direct and indirect investments of the Bank in its own Common Equity Tier I Capital	-	
Shares obtained contrary to the 4th 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, which exceeds 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, which exceeds 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	-	
Amounts exceeding 15% of the common equity as per the 2nd clause of the provisional article 2 of the Regulation on the Equity of Banks	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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I. Explanations on consolidated capital (continued)

	Current period	Amount related to implementation before 01.01.2014 (*)
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 in case adequate additional Tier I capital or Tier II capital is not available	-	
Total deductions from common equity tier I capital	**103,837**	
Total common equity tier I capital	**10,608,535**	
ADDITIONAL TIER I CAPITAL		
Preferred stock not included in common equity tier I capital and the related share premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (in scope of Temporary Article 4)	-	
Third parties' share in the Additional Tier I capital	-	
Third parties' share in the Additional Tier I capital (in scope of Temporary Article 3)	-	
Additional Tier I capital before deductions	-	
Deductions from additional Tier I capital		
Bank's direct and indirect investments in its own Additional Tier I capital (-)	-	
Investments in equity instruments issued by banks and financial institutions that have invested in Bank's additional Tier I Capital, which are compatible with Article 7 of the regulation	-	
Portion of total 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, which Exceeds 10% of Bank's Tier I Capital	-	
The Total of Net Long Positions of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Items continuing to be deducted from Tier I Capital during the Transition Period		
Portion of the goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier I capital as per the first sub-paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
Portion of the net deferred tax asset/liability not deducted from Common Equity Tier I capital as per the first sub-paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
Deductions to be made from common equity in case adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total deductions from additional Tier I capital	**-**	
Total additional Tier I capital	**-**	
Total Tier I capital (Tier I Capital = Common Equity + Additional Tier I Capital)	**10,608,535**	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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I. Explanations on consolidated capital (continued)

	Current period	Amount related to implementation before 01.01.2014 (*)
TIER II CAPITAL		
Bank's borrowing instruments and issue premiums	-	
Bank's borrowing instruments and issue premiums (in scope of Temporary Article 4)	-	
Third parties' share in the Tier II Capital	-	
Third parties' share in the Tier II Capital (in scope of Temporary Article 3)	-	
Provisions (amounts stated in Article 8 of the Regulation on the Equity of Banks)	586,133	
Tier II Capital Before Deductions	**586,133**	
Deductions From Tier II Capital		
Bank's direct and indirect investments in its own Tier II Capital (-)	-	
Bank's investments in in equity instruments issued by banks and financial institutions that have invested in Bank's additional Tier I Capital, which are compatible with Article 8 of the regulation.	-	
Portion of total 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, which Exceeds 10% of Bank's Tier I Capital (-)	-	
The Total of Net Long Positions 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 (-)	-	
Total Deductions from Tier II Capital	**-**	
Total Tier II Capital	**586,133**	
Total Capital (The sum of Tier I Capital and Tier II Capital)	**11,194,668**	
Total of Core Capital and Additional Capital (Total equities)		
Loans granted against Article 50 and 51 of Banking Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in Article 57, Clause 1 of the Banking Law and of Assets Acquired against Overdue Receivables and Held for Sale but Retained more than three Years	-	
Other items to be defined by the BRSA (-)	8,739	
Items to be deducted from the sum of Tier I and Tier II Capital (Capital) during transition period		
Portion of total 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 10% of Bank's Tier I Capital, which is not deducted from Tier I, Tier II and additional capital as per Temporary Article 2 of the Regulation on the Equity of Banks	-	
Portion of total 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 10% of Bank's Tier I Capital, which is not deducted from the tier II capital and additional capital as per Temporary Article 2 of the Regulation on the Equity of Banks (-)	-	
Portion of the total of net long positions of investments made in the common equity items of banks and financial institutions outside the scope of consolidation where the bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per paragraph 1 and 2 of Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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I. Explanations on consolidated capital (continued)

	Current period	Amount related to implementation before 01.01.2014 (*)
TOTAL CAPITAL		
Total Capital	11,185,929	
Total risk weighted amounts	58,212,222	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	18.22	
Tier I Capital Adequacy Ratio (%)	18.22	
Capital Adequacy Ratio (%)	19.22	
BUFFERS		
Total buffer requirement	2.57	
Capital protection buffer requirement (%)	2.50	
Bank specific cyclical buffer requirement (%)	0.07	
Systemically important banks buffer ratio (%)	-	
The ratio of Additional Common Equity Tier I capital to be calculated as per the first paragraph of Article 4 of Regulation on Capital Protection and Countercyclical Capital buffers to Risk Weighted Assets (%)	11.23	
Amounts below the Excess Limits as per the Deduction Principles	-	
Amounts arising from the 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	-	
Amounts arising from the net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital	-	
Mortgage Servicing Rights	-	
Amount arising from deferred tax assets based on temporary differences	192,390	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before ten thousand twenty five limitation)	586,133	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	586,133	
Amount of total provision exceeding the total expected loss amount calculated according to the Communiqué on the Calculation of the Credit Risk Based Amount as per the Internal Ratings Based Approach	-	
Amount up to 0.6% of the portion of total provision exceeding the total expected loss amount calculated according to the Communiqué on the Calculation of the Credit Risk Based Amount as per the Internal Ratings Based Approach	-	
Debt instruments subject to Temporary Article 4 (to be implemented between 1 January 2018 and 1 January 2022)	-	
Upper limit for Additional Tier I Capital subject to Temporary Article 4	-	
Amounts exceeding the upper limits of Additional Tier I Capital subject to Temporary Article 4	-	
Upper limit for Additional Tier II Capital subject to temporary Article 4	-	
Amounts exceeding the upper limits of Additional Tier II Capital subject to temporary Article 4	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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I. Explanations on consolidated capital (continued)

	Prior period	Amount related to implementation before 01.01.2014 (*)
COMMON EQUITY Tier I Capital		
Paid-in capital to be entitled for compensation after all creditors	3,486,268	
Share premium	-	
Legal reserves	5,050,863	
Other comprehensive income according to TAS	141,588	
Profit	768,136	
Net profit for the period	768,136	
Prior period profit	-	
Bonus shares from investments in associates, subsidiaries and joint ventures that are not recognized in profit	1,596	
Minority interest	-	
Common equity tier I capital before deductions	**9,448,451**	
Deductions from common equity		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on the Capital of Banks	-	
Portion of the current and prior periods' losses not covered by reserves and losses accounted under equity as per TAS	2,471	
Leasehold improvements on operational leases	50,151	
Goodwill netted off deferred tax liability	-	
Other intangibles netted off deferred tax liability except for mortgage servicing rights	46,638	46,638
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Portion of the total expected loss amount calculated as per Communiqué on Calculation of Credit Risk with the Internal Rating Based Approach, which exceeds total provisions	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair value of Bank's liabilities	-	
Net amount of defined-benefit plan assets	-	
Direct and indirect investments of the Bank in its own Common Equity Tier I Capital	-	
Shares obtained contrary to the 4th 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, which exceeds 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, which exceeds 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	-	
Amounts exceeding 15% of the common equity as per the 2nd clause of the provisional article 2 of the Regulation on the Equity of Banks	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

I. Explanations on consolidated capital (continued)

	Prior period	Amount related to implementation before 01.01.2014 (*)
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 in case adequate additional Tier I capital or Tier II capital is not available	-	
Total deductions from common equity tier I capital	**99,260**	
Total common equity tier I capital	**9,349,191**	
ADDITIONAL TIER I CAPITAL		
Preferred Stock not included in common equity tier i capital and the related share premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (in scope of Temporary Article 4)	-	
Third parties' share in the Additional Tier I capital	-	
Third parties' share in the Additional Tier I capital (in scope of Temporary Article 3)	-	
Additional Tier I capital before deductions	-	
Deductions from additional Tier I capital		
Bank's direct and indirect investments in its own Additional Tier I capital (-)	-	
Investments in equity instruments issued by banks and financial institutions that have invested in Bank's additional Tier I Capital, which are compatible with Article 7 of the regulation	-	
Portion of total 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, which Exceeds 10% of Bank's Tier I Capital	-	
The Total of Net Long Positions of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Items continuing to be deducted from Tier I Capital during the Transition Period		
Portion of the goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier I capital as per the first sub-paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
Portion of the net deferred tax asset/liability not deducted from Common Equity Tier I capital as per the first sub-paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
Deductions to be made from common equity in case adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total deductions from additional Tier I capital	**-**	
Total additional Tier I capital	-	
Total Tier I capital (Tier I Capital = Common Equity + Additional Tier I Capital)	**9,349,191**	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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I. Explanations on consolidated capital (continued)

	Prior period	Amount related to implementation before 01.01.2014 (*)
TIER II CAPITAL		
Bank's borrowing instruments and issue premiums	2,922,714	
Bank's borrowing instruments and issue premiums (in scope of Temporary Article 4)	-	
Third parties' share in the Tier II Capital	-	
Third parties' share in the Tier II Capital (in scope of Temporary Article 3)	-	
Provisions (amounts stated in Article 8 of the Regulation on the Equity of Banks)	567,534	
Tier II Capital Before Deductions	**3,490,248**	
Deductions From Tier II Capital		
Bank's direct and indirect investments in its own Tier II Capital (-)	-	
Bank's investments in in equity instruments issued by banks and financial institutions that have invested in Bank's additional Tier I Capital, which are compatible with Article 8 of the regulation.	-	
Portion of total 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, which Exceeds 10% of Bank's Tier I Capital (-)	-	
The Total of Net Long Positions 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 (-)	-	
Total Deductions from Tier II Capital	**-**	
Total Tier II Capital	**3,490,248**	
Total Capital (The sum of Tier I Capital and Tier II Capital)	**12,839,439**	
Total of Core Capital and Additional Capital (Total equities)		
Loans granted against Article 50 and 51 of Banking Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in Article 57, Clause 1 of the Banking Law and of Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Three Years	-	
Other items to be defined by the BRSA	9,172	
Items to be deducted from the sum of Tier I and Tier II Capital (Capital) during transition period		
Portion of total 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 10% of Bank's Tier I Capital, which is not deducted from Tier I, Tier II and additional capital as per Temporary Article 2 of the Regulation on the Equity of Banks	-	
Portion of total 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 10% of Bank's Tier I Capital, which is not deducted from the tier II capital and additional capital as per Temporary Article 2 of the Regulation on the Equity of Banks (-)	-	
Portion of the total of net long positions of investments made in the common equity items of banks and financial institutions outside the scope of consolidation where the bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per paragraph 1 and 2 of Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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I. Explanations on consolidated capital (continued)

	Prior period	Amount related to implementation before 01.01.2014 (*)
TOTAL CAPITAL		
Total Capital	12,830,267	
Total risk weighted amounts	53,053,228	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	17.62	
Tier I Capital Adequacy Ratio (%)	17.62	
Capital Adequacy Ratio (%)	24.18	
BUFFERS		
Total buffer requirement	2.57	
Capital protection buffer requirement (%)	2.50	
Bank specific cyclical buffer requirement (%)	0.07	
Systemically important banks buffer ratio (%)	-	
The ratio of Additional Common Equity Tier I capital to be calculated as per the first paragraph of Article 4 of Regulation on Capital Protection and Countercyclical Capital buffers to Risk Weighted Assets (%)	11.62	
Amounts below the Excess Limits as per the Deduction Principles	-	
Amounts arising from the 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	-	
Amounts arising from the net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital	-	
Mortgage Servicing Rights	-	
Amount arising from deferred tax assets based on temporary differences	174,780	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before ten thousand twenty five limitation)	577,541	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	567,534	
Amount of total provision exceeding the total expected loss amount calculated according to the Communiqué on the Calculation of the Credit Risk Based Amount as per the Internal Ratings Based Approach	-	
Amount up to 0.6% of the portion of total provision exceeding the total expected loss amount calculated according to the Communiqué on the Calculation of the Credit Risk Based Amount as per the Internal Ratings Based Approach	-	
Debt instruments subject to Temporary Article 4 (to be implemented between 1 January 2018 and 1 January 2022)	-	
Upper limit for Additional Tier I Capital subject to Temporary Article 4	-	
Amounts exceeding the upper limits of Additional Tier I Capital subject to Temporary Article 4	-	
Upper limit for Additional Tier II Capital subject to temporary Article 4	-	
Amounts exceeding the upper limits of Additional Tier II Capital subject to temporary Article 4	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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I. Explanations on consolidated capital (continued)

Information about debt instruments that will be included in total capital calculation

The subordinated loan amounting to USD 62 million obtained from ING Bank N.V. on 26 May 2015 was paid on 26 May 2021, by using the early redemption option, in accordance with the BRSA's approval letter dated 10 March 2021. Remaining amount of EUR 231 million of subordinated loan obtained from ING Bank N.V. on 26 May 2015 and the subordinated loans amounting to EUR 85 million and USD 91 million obtained from ING Bank N.V. on 25 May 2014 were paid on 28 June 2021, by using the early redemption option, in accordance with the BRSA's same approval letters. There is no debt instruments that will be included in total capital calculation as of 31 December 2021.

Explanations on reconciliation of capital items to balance sheet

Risk classifications	Carrying amount	Amounts in equity calculation
Shareholders' equity	10,809,019	10,809,019
Gains from cash flow hedge transactions	122,186	(122,186)
Leasehold improvements on operational leases	43,352	(43,352)
Goodwill and intangible assets	34,294	(34,946)
General provision	586,133	586,133
Other deductions from shareholders' equity	8,739	(8,739)
Capital		**11,185,929**

II. Explanations on consolidated credit risk

1. The Parent Bank's credit risk management strategy consists of limit settings within legal limitations, conservative credit allocation structure, proper documentation structure in line with the standards and strong monitoring and follow-up systems. Risk management strategy also includes sector-specific, currency and customer diversification. With the credit evaluations and monthly reporting to the top level management, loans having high exposures and factors that may cause deterioration in the loan quality are closely monitored, preventing the credit quality to decrease. Additionally, various analysis about concentration risks is made for monitoring portfolio risk as well as within the scope of Internal Capital Adequacy Assessment Process ("ICAAP") and these activities are supported by stress tests. The sectoral distributions of loans are reported monthly and can be limited according to the conjunctions. However, geographical limitation is not implemented. Documentation for risk management strategy is revised at least once a year under the supervision of the Audit Committee.

As prescribed in the related legislation, the credit worthiness of the debtors is monitored regularly. The credit limits are determined by the Board of Directors, the Parent Bank's Credit Committee and other related credit departments. The account statements related to given loans are obtained and reviewed as prescribed in the legislation. The Parent Bank receives sufficient collateral for the loans given and other receivables. The received collaterals comprise of personal and legal entity guarantees, pledge of vehicle, mortgages, cash blockage, customer checks and Credit Guarantee Fund suretyship having Treasury guarantee.

Loans that have overdue principal, interest or both for less than 90 days after the maturity or due date are considered past due loans by the Parent Bank. Loans that have overdue principal, interest or both for more than 90 days after the maturity or due date or the debtors of which are deemed unworthy by the Parent Bank are considered impaired loans.

The Parent Bank has started to apply TFRS 9 Financial Instruments ("TFRS 9") published by POA in the accompanying consolidated financial statements starting from 1 January 2018. Bank calculates Expected Credit Loss based provisions for credit losses.

The sum of risk exposures that are offset and for which credit risk mitigation is not applied are presented monthly to the Audit Committee per different risk categories and types and monthly, periodically and annual changes are monitored by the senior management.

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II. Explanations on consolidated credit risk (continued)

Risk classifications	Current period risk amount (*)	Current period average (**)	Prior period risk amount (*)	Prior period average (**)
Conditional and unconditional receivables from central governments and Central Banks	22,596,483	16,278,552	12,597,570	13,187,583
Conditional and unconditional receivables from regional or local governments	482,601	675,699	942,635	972,254
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	8,767,858	11,295,631	11,102,849	11,087,264
Conditional and unconditional receivables from corporates	28,720,724	27,081,385	27,543,116	27,008,529
Conditional and unconditional receivables from retail portfolios	13,706,356	13,155,102	14,059,718	14,366,148
Conditional and unconditional receivables secured by mortgages	2,672,531	3,268,156	2,717,007	2,987,321
Past due receivables	453,359	416,133	132,330	220,540
Receivables defined under high risk category by BRSA	13,883	144,810	513,297	861,197
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	-	-	-	-
Stock transactions	13,353	13,293	13,070	12,372
Other receivables	3,551,561	3,319,154	2,797,876	2,843,211
Total	**80,978,709**	**75,647,915**	**72,419,468**	**73,546,419**

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

(**) The average risk amount was calculated by taking the arithmetic average of the values in the monthly reports prepared in balance sheet period in regards to "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

II. Explanations on consolidated credit risk (continued)

2. Control limits exist on forward and option agreements and other similar agreements. The undertaken credit risk of these types of instruments is managed together with market risk.
3. Related to forward transactions, options and similar agreements, the bank operates the daily collateral management policies in accordance with ISDA agreements (CSA) and where needed the credit exposure is reduced by the usage of rights and performing of the acts.
4. Non-cash loans turned into cash loans are included in the same risk group as overdue cash loans which are not collected upon maturity.

   When there is an issue or it is evaluated that the company might have an issue on repayments of the loan that are given in Corporate, Commercial, SME Banking segments, such companies have been transferred to Credits Restructuring and Recovery Group. The rating of all companies that were transferred to Credits Restructuring and Recovery Group have been reassessed. As a rule, the rating of the company has been reduced at the time of transfer, company's restructuring decision has been reconsidered and after decision is made, the monitoring methods in the legislation have been applied. Existing ratings of the companies that are in legal follow up and are not restructured have been reduced again. On the other hand, companies that have issues on their financial positions or business operations but not restructured, have been monitored closely in terms of company operations and cash flows.

   The Group considers that long-term commitments are more exposed to credit risk than short-term commitments, and risk decomposition has been made according to that.
5. Transactions in foreign countries have been made with many correspondent banks in many countries. The counterparty limits have been set for the risks that may arise in transactions with banks. Credit risks have been managed according to credit worthiness and limits of the counterparties.

   The Group does not have any material credit risk concentration as an active participant of international banking market when considered with financial operations of other financial institutions.
6. The proportion of the Group's top 100 and 200 cash loan balances in total cash loans is 47% and 57% respectively (31 December 2020: 40% and 48%).

   The proportion of the Group's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 88% and 93% (31 December 2020: 84% and 90%).

   The proportion of the Group's top 100 and 200 customers' cash and non-cash loan balances in total cash and non-cash loans 52% and 61% (31 December 2020: 48% and 54%).
7. Stage 1 and Stage 2 expected losses for consolidated credit risk amount to TL 586,133 (31 December 2020: TL 567,534).

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II. Explanations on consolidated credit risk (continued)

8. Amount of profile on significant risks in significant regions

Profile on significant risks in significant regions (*)

	Risk categories (**)							
	1	2	3	4	5	6	7	8
Current period								
Domestic	22,596,483	482,601	-	-	-	3,676,696	27,887,033	13,702,073
European Union Countries	-	-	-	-	-	4,370,254	284,865	2,314
OECD Countries (***)	-	-	-	-	-	165,177	-	16
Off- Shore banking regions	-	-	-	-	-	624	-	-
USA, Canada	-	-	-	-	-	543,062	-	6
Other Countries	-	-	-	-	-	12,045	548,826	1,947
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-
Undistributed assets/liabilities	-	-	-	-	-	-	-	-
Total	**22,596,483**	**482,601**	**-**	**-**	**-**	**8,767,858**	**28,720,724**	**13,706,356**

	Risk categories (**)							
	1	2	3	4	5	6	7	8
Prior period								
Domestic	12,597,570	942,635	-	-	-	6,229,513	26,267,849	14,055,912
European Union Countries	-	-	-	-	-	4,353,092	132,423	2,765
OECD Countries (***)	-	-	-	-	-	162,889	-	65
Off- Shore banking regions	-	-	-	-	-	6,547	-	-
USA, Canada	-	-	-	-	-	332,841	-	11
Other Countries	-	-	-	-	-	17,967	1,142,844	965
Investment in associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-
Undistributed assets/liabilities	-	-	-	-	-	-	-	-
Total	**12,597,570**	**942,635**	**-**	**-**	**-**	**11,102,849**	**27,543,116**	**14,059,718**

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor

(**) Risk categories that are defined in "Communiqué on Measurement and Assessment of Capital Adequacy of Banks"

(***) EU countries, OECD countries other than USA and Canada

1. Conditional and unconditional receivables from central governments and Central Banks
2. Conditional and unconditional receivables from regional or local governments
3. Conditional and unconditional receivables from administrative bodies and non-commercial enterprises
4. Conditional and unconditional receivables from multilateral development banks
5. Conditional and unconditional receivables from international organizations
6. Conditional and unconditional receivables from banks and brokerage houses
7. Conditional and unconditional receivables from corporates
8. Conditional and unconditional receivables from retail portfolios
9. Conditional and unconditional receivables secured by mortgages
10. Past due receivables
11. Receivables defined under high risk category by BRSA
12. Securities collateralized by mortgages
13. Securitization positions
14. Short-term receivables from banks, brokerage houses and corporates
15. Investments similar to collective investment funds
16. Stock transactions
17. Other receivables

Risk categories (**)									
9	10	11	12	13	14	15	16	17	Total
2,670,970	453,340	13,883	-	-	-	-	12,757	3,551,130	75,046,966
911	-	-	-	-	-	-	596	-	4,658,940
-	4	-	-	-	-	-	-	-	165,197
-	-	-	-	-	-	-	-	-	624
-	-	-	-	-	-	-	-	431	543,499
650	15	-	-	-	-	-	-	-	563,483
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,672,531	**453,359**	**13,883**	**-**	**-**	**-**	**-**	**13,353**	**3,551,561**	**80,978,709**

Risk categories (**)									
9	10	11	12	13	14	15	16	17	Total
2,714,562	132,310	513,297	-	-	-	-	12,757	2,797,876	66,264,281
192	-	-	-	-	-	-	313	-	4,488,785
-	-	-	-	-	-	-	-	-	162,954
-	-	-	-	-	-	-	-	-	6,547
-	-	-	-	-	-	-	-	-	332,852
2,253	20	-	-	-	-	-	-	-	1,164,049
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,717,007	**132,330**	**513,297**	**-**	**-**	**-**	**-**	**13,070**	**2,797,876**	**72,419,468**

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II. Explanations on consolidated credit risk (continued)

9. Risk profile according to sectors and counterparties (*)

	Risk categories (**)								
Current period	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
Agriculture	**-**	**-**	**-**	**-**	**-**	**-**	**451,177**	**51,443**	**2,928**
Farming and raising livestock	-	-	-	-	-	-	202,859	45,524	2,928
Forestry	-	-	-	-	-	-	32	5,906	-
Fishing	-	-	-	-	-	-	248,286	13	-
Manufacturing	**-**	**-**	**-**	**-**	**-**	**-**	**15,636,861**	**1,628,625**	**478,590**
Mining	-	-	-	-	-	-	2,307,787	15,457	1,845
Production	-	-	-	-	-	-	12,528,792	1,610,382	476,745
Electricity, gas, water	-	-	-	-	-	-	800,282	2,786	-
Construction	**-**	**-**	**-**	**-**	**-**	**-**	**1,862,437**	**193,849**	**37,639**
Services	**15,386,048**	**-**	**-**	**-**	**-**	**8,761,111**	**10,719,507**	**1,348,260**	**580,924**
Wholesale and retail trade	-	-	-	-	-	-	4,122,551	1,148,175	164,056
Hotel food, beverage services	-	-	-	-	-	-	560,121	31,583	339,671
Transportation and telecommunication	-	-	-	-	-	-	1,863,509	92,506	51,299
Financial institutions	15,386,048	-	-	-	-	8,761,111	2,034,442	13,768	414
Real estate and renting service	-	-	-	-	-	-	464,542	20,885	6,996
Self-employment service	-	-	-	-	-	-	1,058,882	33,433	1,380
Education services	-	-	-	-	-	-	1,187	6,362	10,324
Health and social services	-	-	-	-	-	-	614,273	1,548	6,784
Other	**7,210,435**	**482,601**	**-**	**-**	**-**	**6,747**	**50,742**	**10,484,179**	**1,572,450**
Total	**22,596,483**	**482,601**	**-**	**-**	**-**	**8,767,858**	**28,720,724**	**13,706,356**	**2,672,531**

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

(**) Stands for the risk categories listed in “Regulation on Measurement and Assessment of Capital Adequacy of Banks.

1. Conditional and unconditional receivables from central governments and Central Banks
2. Conditional and unconditional receivables from regional or local governments
3. Conditional and unconditional receivables from administrative bodies and non-commercial enterprises
4. Conditional and unconditional receivables from multilateral development banks
5. Conditional and unconditional receivables from international organizations
6. Conditional and unconditional receivables from banks and brokerage houses
7. Conditional and unconditional receivables from corporates
8. Conditional and unconditional receivables from retail portfolios
9. Conditional and unconditional receivables secured by mortgages
10. Past due receivables
11. Receivables defined under high risk category by BRSA
12. Securities collateralized by mortgages
13. Securitization positions
14. Short-term receivables from banks, brokerage houses and corporates
15. Investments similar to collective investment funds
16. Stock transactions
17. Other receivables

Risk categories (**)										
10	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**TL**	**FC**	**Total**
5,077	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**160,493**	**350,137**	**510,630**
4,441	-	-	-	-	-	-	4	153,818	101,938	255,756
97	-	-	-	-	-	-	1	6,036	-	6,036
539	-	-	-	-	-	-	-	639	248,199	248,838
146,259	**5,025**	**-**	**-**	**-**	**-**	**-**	**567**	**5,677,576**	**12,218,351**	**17,895,927**
4,612	-	-	-	-	-	-	13	64,904	2,264,810	2,329,714
141,160	5,025	-	-	-	-	-	546	5,442,448	9,320,202	14,762,650
487	-	-	-	-	-	-	8	170,224	633,339	803,563
24,546	**335**	**-**	**-**	**-**	**-**	**-**	**121**	**686,168**	**1,432,759**	**2,118,927**
186,350	**8,198**	**-**	**-**	**-**	**-**	**10,855**	**12,616**	**18,419,817**	**18,594,052**	**37,013,869**
133,815	5,739	-	-	-	-	-	656	4,208,268	1,366,724	5,574,992
25,270	71	-	-	-	-	-	426	171,133	786,009	957,142
15,710	2,348	-	-	-	-	-	90	367,919	1,657,543	2,025,462
292	-	-	-	-	-	10,855	11,270	13,077,507	13,140,693	26,218,200
3,861	8	-	-	-	-	-	97	269,161	227,228	496,389
5,507	32	-	-	-	-	-	49	94,861	1,004,422	1,099,283
1,310	-	-	-	-	-	-	7	9,961	9,229	19,190
585	-	-	-	-	-	-	21	221,007	402,204	623,211
91,127	**325**	**-**	**-**	**-**	**-**	**2,498**	**3,538,252**	**21,300,434**	**2,138,922**	**23,439,356**
453,359	**13,883**	**-**	**-**	**-**	**-**	**13,353**	**3,551,561**	**46,244,488**	**34,734,221**	**80,978,709**

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

II. Explanations on consolidated credit risk (continued)

9. Risk profile according to sectors and counterparties (*)

	Risk categories (**)								
Prior period	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
Agriculture	**-**	**-**	**-**	**-**	**-**	**-**	**330,461**	**26,365**	**4,894**
Farming and raising livestock	-	-	-	-	-	-	177,005	20,789	4,894
Forestry	-	-	-	-	-	-	30	4,768	-
Fishing	-	-	-	-	-	-	153,426	808	-
Manufacturing	**-**	**-**	**-**	**-**	**-**	**-**	**14,444,397**	**1,648,157**	**553,607**
Mining	-	-	-	-	-	-	3,352,308	23,332	2,600
Production	-	-	-	-	-	-	10,496,671	1,610,026	550,871
Electricity, gas, water	-	-	-	-	-	-	595,418	14,799	136
Construction	**-**	**-**	**-**	**-**	**-**	**-**	**1,808,426**	**183,174**	**104,927**
Services	**7,772,610**	**-**	**-**	**-**	**-**	**11,091,975**	**10,845,976**	**1,466,842**	**838,704**
Wholesale and retail trade	-	-	-	-	-	-	4,063,922	1,156,288	272,368
Hotel food, beverage services	-	-	-	-	-	-	525,489	73,332	483,346
Transportation and telecommunication	-	-	-	-	-	-	1,623,258	149,445	61,933
Financial institutions	7,772,610	-	-	-	-	11,091,975	1,814,154	13,135	1,729
Real estate and renting service	-	-	-	-	-	-	657,813	16,776	10,254
Self-employment service	-	-	-	-	-	-	1,420,354	51,096	7,753
Education services	-	-	-	-	-	-	24,960	1,105	636
Health and social services	-	-	-	-	-	-	716,026	5,665	685
Other	**4,824,960**	**942,635**	**-**	**-**	**-**	**10,874**	**113,856**	**10,735,180**	**1,214,875**
Total	**12,597,570**	**942,635**	**-**	**-**	**-**	**11,102,849**	**27,543,116**	**14,059,718**	**2,717,007**

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

(**) Stands for the risk categories listed in "Regulation on Measurement and Assessment of Capital Adequacy of Banks.

1. Conditional and unconditional receivables from central governments and Central Banks
2. Conditional and unconditional receivables from regional or local governments
3. Conditional and unconditional receivables from administrative bodies and non-commercial enterprises
4. Conditional and unconditional receivables from multilateral development banks
5. Conditional and unconditional receivables from international organizations
6. Conditional and unconditional receivables from banks and brokerage houses
7. Conditional and unconditional receivables from corporates
8. Conditional and unconditional receivables from retail portfolios
9. Conditional and unconditional receivables secured by mortgages
10. Past due receivables
11. Receivables defined under high risk category by BRSA
12. Securities collateralized by mortgages
13. Securitization positions
14. Short-term receivables from banks, brokerage houses and corporates
15. Investments similar to collective investment funds
16. Stock transactions
17. Other receivables

Risk categories (**)										
10	11	12	13	14	15	16	17	TL	FC	Total
-	**4,984**	**-**	**-**	**-**	**-**	**-**	**3**	**159,623**	**207,084**	**366,707**
-	4,005	-	-	-	-	-	3	133,805	72,891	206,696
-	227	-	-	-	-	-	-	5,025	-	5,025
-	752	-	-	-	-	-	-	20,793	134,193	154,986
-	**158,050**	**-**	**-**	**-**	**-**	**-**	**711**	**5,542,192**	**11,262,730**	**16,804,922**
-	7,048	-	-	-	-	-	12	80,650	3,304,650	3,385,300
-	150,131	-	-	-	-	-	689	5,313,999	7,494,389	12,808,388
-	871	-	-	-	-	-	10	147,543	463,691	611,234
10	**32,072**	**-**	**-**	**-**	**-**	**-**	**126**	**649,515**	**1,479,220**	**2,128,735**
-	**299,647**	**-**	**-**	**-**	**-**	**13,070**	**12,368**	**15,004,378**	**17,336,814**	**32,341,192**
-	232,345	-	-	-	-	-	698	4,200,612	1,525,009	5,725,621
-	18,864	-	-	-	-	-	361	148,734	952,658	1,101,392
-	25,719	-	-	-	-	-	118	443,826	1,416,647	1,860,473
-	669	-	-	-	-	13,070	10,965	9,543,956	11,174,351	20,718,307
-	6,217	-	-	-	-	-	104	307,499	383,665	691,164
-	14,395	-	-	-	-	-	89	138,339	1,355,348	1,493,687
-	459	-	-	-	-	-	11	14,017	13,154	27,171
-	979	-	-	-	-	-	22	207,395	515,982	723,377
132,320	**18,544**	**-**	**-**	**-**	**-**	**-**	**2,784,668**	**19,354,530**	**1,423,382**	**20,777,912**
132,330	**513,297**	**-**	**-**	**-**	**-**	**13,070**	**2,797,876**	**40,710,238**	**31,709,230**	**72,419,468**

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II. Explanations on consolidated credit risk (continued)

10. Term distribution of risks with term structure [*]

Current period	Time to maturity						
Risk categories	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Demand	Total
Credit risk weighted assets							
Conditional and unconditional receivables from central governments and Central Banks	14,165,178	190,904	95,655	38,561	7,835,448	270,737	22,596,483
Conditional and unconditional receivables from regional or local governments	-	-	-	249,913	232,688	-	482,601
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	3,215,933	1,201,138	606,952	1,011,646	1,843,193	888,996	8,767,858
Conditional and unconditional receivables from corporates	1,654,341	1,945,739	2,216,380	4,563,274	10,937,359	7,403,631	28,720,724
Conditional and unconditional receivables from retail portfolios	462,822	644,643	762,432	1,555,763	9,090,540	1,190,156	13,706,356
Conditional and unconditional receivables secured by mortgages	13,956	28,468	44,811	97,208	2,084,536	403,552	2,672,531
Past due receivables	-	-	-	-	-	453,359	453,359
Receivables defined under high risk category by BRSA	-	-	-	-	-	13,883	13,883
Securities collateralized by mortgages	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-
Stock transactions	-	-	-	-	-	13,353	13,353
Other receivables	-	-	-	-	-	3,551,561	3,551,561
Total	**19,512,230**	**4,010,892**	**3,726,230**	**7,516,365**	**32,023,764**	**14,189,228**	**80,978,709**

[*] The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

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II. Explanations on consolidated credit risk (continued)

10. Term distribution of risks with term structure (*)

Prior period	Time to maturity						
Risk categories	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Demand	Total
Credit risk weighted assets							
Conditional and unconditional receivables from central governments and Central Banks	7,744,108	351,772	1,582,341	193,354	2,723,888	2,107	12,597,570
Conditional and unconditional receivables from regional or local governments	-	-	53,932	-	888,703	-	942,635
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	5,814,125	280,169	411,490	724,555	1,916,883	1,955,627	11,102,849
Conditional and unconditional receivables from corporates	1,281,836	3,725,139	2,546,528	3,279,371	11,283,402	5,426,840	27,543,116
Conditional and unconditional receivables from retail portfolios	436,786	554,671	951,831	1,762,882	9,549,349	804,199	14,059,718
Conditional and unconditional receivables secured by mortgages	11,463	61,113	106,229	245,653	1,830,069	462,480	2,717,007
Past due receivables	-	-	-	-	-	132,330	132,330
Receivables defined under high risk category by BRSA	-	-	-	-	-	513,297	513,297
Securities collateralized by mortgages	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-
Stock transactions	-	-	-	-	-	13,070	13,070
Other receivables	-	-	-	-	-	2,797,876	2,797,876
Total	**15,288,318**	**4,972,864**	**5,652,351**	**6,205,815**	**28,192,294**	**12,107,826**	**72,419,468**

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

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

II. Explanations on consolidated credit risk (continued)

11. Explanations on risk categories as per the Article 6 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks

In determining the risk weights of the risk categories mentioned in article 6 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks, the Parent Bank uses the ratings provided by international rating firm, Fitch Ratings in the Credit Risk Based Amount calculations as of 31 December 2021. Fitch ratings are used for the risk exposures to banks where the counterparties are resident in abroad. Furthermore, Fitch ratings are used for foreign currency securities issued by Treasury and other foreign currency risks that are associated with Central governments.

Matching of the risk ratings used in calculations with the credit quality grades stated in the Regulation on Measurement and Assessment of Capital Adequacy of Banks is presented below.

Credit quality level	1	2	3	4	5	6
Fitch rating note	AAA and AA-	A+ and A-	BBB+ and BBB-	BB+ and BB-	B+ and B-	CCC+ and below

Risk amounts based on risk weights

Current period	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Deducted from equity
Amount before credit risk mitigation	20,658,694	-	5,056,019	-	5,379,927	12,412,003	34,882,403	2,589,663	-	-	-	112,576
Amount after credit risk mitigation	18,353,322	-	2,361,099	1,569,426	6,288,619	10,367,157	33,787,762	2,500,569	-	-	-	112,576

Prior period	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Deducted from equity
Amount before credit risk mitigation	11,898,893	-	8,236,033	-	3,960,735	15,588,339	32,575,430	160,038	-	-	-	108,432
Amount after credit risk mitigation	12,614,829	-	3,225,812	1,293,912	5,143,826	13,556,627	31,138,545	159,356	-	-	-	108,432

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

II. Explanations on consolidated credit risk (continued)

12. Miscellaneous information regarding important sectors or counterparty type

The Parent Bank evaluates its financial assets in 3 stages based on TFRS 9 as explained in section three note VIII. In this respect, the lifetime expected credit losses are recognized for impaired loans (defaulted) and the probability of default is considered as 100%.

When the loan is not defaulted yet, but there is a significant increase in the credit risk since origination date, the lifetime expected credit losses are calculated for these loans (stage 2).

For loans in stage 1, 12-month default probability is calculated. The expected credit loss within 12 months from the date of reporting is recognized in the financial statements.

Current period	Loans (*)		
	Impaired (TFRS 9)		
Important sectors/Counterparties	Significant increase in credit risk (Stage 2)	Defaulted (Stage 3)	Expected credit losses (TFRS 9)
Agriculture	**2,561**	**18,968**	**18,052**
Farming and raising livestock	2,561	16,509	12,531
Forestry	-	188	100
Fishing	-	2,271	5,421
Manufacturing	**1,367,753**	**425,919**	**453,568**
Mining	2,370	34,254	49,940
Production	1,356,492	385,533	389,605
Electricity, gas, water	8,891	6,132	14,023
Construction	**1,709,521**	**135,110**	**135,124**
Services	**3,045,710**	**695,592**	**716,482**
Wholesale and retail trade	349,015	504,418	406,446
Hotel food, beverage services	872,474	82,505	130,841
Transportation and telecommunication	1,079,163	58,606	82,808
Financial institutions	555	627	16,149
Real estate and lending service	137,432	12,615	18,580
Self-employment service	390,417	29,371	45,367
Education service	8,520	3,695	2,836
Health and social services	208,134	3,755	13,455
Other	**1,320,694**	**462,636**	**491,899**
Total	**7,446,239**	**1,738,225**	**1,815,125**

(*) Represents the distribution of cash loans, factoring receivables and receivables from leasing transactions.

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

II. Explanations on consolidated credit risk (continued)

Prior period	Loans (*)		
	Impaired (TFRS 9)		
Important sectors/Counterparties	Significant increase in credit risk (Stage 2)	Defaulted (Stage 3)	Expected credit losses (TFRS 9)
Agriculture	**6,020**	**20,869**	**18,513**
Farming and raising livestock	5,691	18,273	15,715
Forestry	-	310	95
Fishing	329	2,286	2,703
Manufacturing	**1,680,115**	**510,759**	**552,677**
Mining	293,798	43,106	94,251
Production	1,373,207	431,160	412,864
Electricity, gas, water	13,110	36,493	45,562
Construction	**868,067**	**187,921**	**182,522**
Services	**2,947,210**	**977,358**	**854,690**
Wholesale and retail trade	544,813	755,226	572,760
Hotel food, beverage services	555,424	75,423	96,040
Transportation and telecommunication	800,410	78,247	86,922
Financial institutions	119,234	1,293	4,999
Real estate and lending service	186,131	18,608	22,004
Self-employment service	26,412	42,020	41,420
Education service	13,039	2,234	3,069
Health and social services	701,747	4,307	27,476
Other	**1,382,746**	**523,970**	**489,369**
Total	**6,884,158**	**2,220,877**	**2,097,771**

(*) Represents the distribution of cash loans, factoring receivables and receivables from leasing transactions.

13. Information related to value adjustments and credit provisions

Current period	Opening balance	Provisions made within the term	Provision cancellations	Other adjustments (*)	Closing balance
Stage 3 provision	1,604,183	345,342	(641,825)	-	**1,307,700**
Stage 1 and stage 2 provisions (**)	580,810	378,973	(364,519)	-	**595,264**

Prior period	Opening balance	Provisions made within the term	Provision cancellations	Other adjustments (*)	Closing balance
Stage 3 provision	1,628,594	820,181	(844,592)	-	**1,604,183**
Stage 1 and stage 2 provisions (**)	445,990	437,924	(303,104)	-	**580,810**

(*) Determined according to currency differences, merges, acquisitions and selling of subsidiaries.

(**) Includes provisions accounted under equity for financial assets at fair value through other comprehensive income.

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

II. Explanations on consolidated credit risk (continued)

14. Exposures subject to countercyclical capital buffer

Country name	RWA calculations for private sector loans in banking book	RWA calculations for trading book	Total
Turkey	41,153,392	1,050,419	42,203,811
United Kingdom	118,853	1,156,287	1,275,140
Azerbaijan	549,527	-	549,527
France	66,376	428,843	495,219
USA	42,233	208,912	251,145
Holland	142,223	10,096	152,319
Greece	78,358	-	78,358
Germany	53,249	-	53,249
Romania	43,635	-	43,635
Korea	19,134	-	19,134
Other	54,615	3	54,618
Total	**42,321,595**	**2,854,560**	**45,176,155**

III. Explanations on consolidated currency risk

Management of foreign currency risk is differentiated on the basis of "Banking Book" and "Trading Book", where trading book is managed in accordance with foreign currency trading position limits as well as value at risk ("VaR") and banking book is also managed in terms of foreign currency position limits scope. The results of limit utilizations are shared periodically with related senior management, Asset Liability Committee, Audit Committee and the Board of Directors. Besides, currency risk is also taken into account in the capital adequacy ratio calculation as part of the market risk under the standard method.

The simple arithmetic average of USD and EUR buying rates of the Parent Bank for the thirty days before the balance sheet date are 13.7448 (Full TL) and 15.5362 (Full TL) respectively.

The Parent Bank's USD and EUR buying rates as of balance sheet date and five business days prior to this date are as follows:

	1 USD	1 EUR
The Parent Bank's "foreign exchange buying rates" (31 December 2021)	13.4500	15.2335
Previous days;		
30 December 2021	12.9861	14.7184
29 December 2021	12.5210	14.1525
28 December 2021	11.7837	13.3521
27 December 2021	11.3242	12.8099
24 December 2021	11.6994	13.2402

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

III. Explanations on consolidated currency risk (continued)

Information related to consolidated currency risk:

	EURO	USD	Other FC	Total
Current period				
Assets				
Cash (cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	10,985,989	5,355,122	450,151	16,791,262
Banks	421,171	365,262	539,466	1,325,899
Financial assets at fair value through profit or loss	112,536	55,208	-	167,744
Money market placements	-	-	-	-
Financial assets measured at fair value through other comprehensive income	869	-	-	869
Loans	19,050,529	8,545,937	12,470	27,608,936
Investments in associates, subsidiaries and joint ventures	-	-	-	-
Financial assets measured at amortised cost	-	-	-	-
Hedging derivative financial assets	-	-	-	-
Tangible assets (net)	29	-	-	29
Intangible assets (net)	-	-	-	-
Other assets	10,543	13,479	492	24,514
Total assets	**30,581,666**	**14,335,008**	**1,002,579**	**45,919,253**
Liabilities				
Bank deposit	62	43,209	-	43,271
Foreign currency deposits	11,560,821	16,563,035	4,589,285	32,713,141
Funds from interbank money market	93,896	-	-	93,896
Borrowings	9,373,236	5,853,598	-	15,226,834
Marketable securities issued (net)	-	-	-	-
Miscellaneous payables	2,479,277	230,427	6	2,709,710
Hedging derivative financial liabilities	-	-	-	-
Other liabilities	61,821	78,446	1,047	141,314
Total liabilities	**23,569,113**	**22,768,715**	**4,590,338**	**50,928,166**
Net on balance sheet position	**7,012,553**	**(8,433,707)**	**(3,587,759)**	**(5,008,913)**
Net off-balance sheet position	**(6,665,508)**	**8,494,716**	**3,596,096**	**5,425,304**
Financial derivative assets	9,005,031	23,546,814	5,263,834	37,815,679
Financial derivative liabilities	15,670,539	15,052,098	1,667,738	32,390,375
Non-cash loans	**2,735,983**	**5,000,215**	**453,332**	**8,189,530**
Prior period				
Total assets	**18,067,559**	**7,284,925**	**1,545,976**	**26,898,460**
Total liabilities	**15,842,504**	**14,037,267**	**3,191,328**	**33,071,099**
Net on-balance sheet position	**2,225,055**	**(6,752,342)**	**(1,645,352)**	**(6,172,639)**
Net off-balance sheet position	**(2,017,763)**	**6,750,343**	**1,648,073**	**6,380,653**
Financial derivative assets	6,244,111	16,925,699	2,491,775	25,661,585
Financial derivative liabilities	8,261,874	10,175,356	843,702	19,280,932
Non-cash loans	**1,915,239**	**4,885,958**	**261,745**	**7,062,942**

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III. Explanations on consolidated currency risk (continued)

In the foreign currency risk table:

The principal and accrual amount of the foreign currency indexed loans amounting to TL 19,971 (31 December 2020: TL 51,640) is presented in the loans line.

The foreign currency amounts which are not included in currency risk table according to the regulation about foreign currency net general position/capital adequacy standard ratio are explained below with the order in the table above.

Held-for-trading derivative financial assets: TL 714,905 (31 December 2020: TL 253,845).

Prepaid expenses: TL 29 (31 December 2020: TL 29).

Held-for trading derivative financial liabilities: TL 795,937 (31 December 2020: TL 159,593).

Hedge funds: None (31 December 2020: TL (3,772)).

Interest rate swap (buy) transactions and options (buy): TL 8,790,304 (31 December 2020: TL 6,242,443).

Interest rate swap (sell) transactions and options (sell): TL 8,790,304 (31 December 2020: TL 6,242,443).

Financial derivative assets/liabilities include the foreign currency buy/sell transactions indicated below.

Forward foreign currency-buy transactions: TL 833,029 (31 December 2020: TL 653,653).

Forward foreign currency-sell transactions: TL 1,025,938 (31 December 2020: TL 705,580).

Sensitivity to currency risk

Table below shows the sensitivity of the Group to a 10% change in USD and EUR rates.

	Percentage change in exchange rates	Effect on profit/loss before tax		Effect on equity (*)	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
USD	10% increase	6,101	(200)	-	-
USD	10% decrease	(6,101)	200	-	-
EURO	10% increase	34,705	20,729	-	(377)
EURO	10% decrease	(34,705)	(20,729)	-	377

(*) Represents effect on equity excluding profit/loss before tax.

IV. Explanations on consolidated interest rate risk

Interest risk, which refers to the loss due to interest sensitive assets and liabilities in balance sheet and off balance sheet items that might be subject to the changes in the interest rate as a result of maturity mismatch, is differentiated and managed on the basis of banking book and trading book as part of compliance with both Basel regulations and other international standards. Within this context, in addition to the value at risk limit for trading book, sensitivity limits against interest rate shocks are defined for trading books and banking books. Capital requirement that relates to market risk is calculated through the Standard Method according to Basel II.

In order to hedge interest rate risk, hedging strategies are applied through off-balance sheet transactions within the limits approved by the Board of Directors, and interest rate risk is managed by ensuring optimum balance between fixed and floating rate assets and liabilities within the balance sheet.

The limit utilizations and sensitivity analysis related to the interest rate risk on the balance sheet are performed regularly and the results are shared with the related senior management, Asset Liability Committee, the Audit Committee and the Board of Directors periodically. Internal analysis for the interest rate risk in the banking books are made on a daily and monthly basis, whereas interest rate risk in the banking books standard ratio is reported to BRSA on a monthly basis.

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IV. Explanations on consolidated interest rate risk (continued)

1. Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on re-pricing dates)

Current period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non-interest bearing	Total
Assets							
Cash (cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	15,742,303	46,062	-	-	-	3,014,109	18,802,474
Banks	406,783	32,000	-	-	-	964,828	1,403,611
Financial assets at fair value through profit and loss	1,262,301	3,304,427	375,439	45,538	32,463	50	5,020,218
Money market placements	2,741,996	-	30,000	-	-	-	2,771,996
Financial assets measured at fair value through other comprehensive income	33,182	99,343	-	1,324,500	-	13,626	1,470,651
Loans	11,301,875	12,711,612	14,845,178	11,975,549	1,001,793	1,784,312	53,620,319
Financial assets measured at amortised cost	13,979	53,991	2,766,602	2,775,222	-	-	5,609,794
Other assets (*)	-	-	-	-	-	(63,393)	(63,393)
Total assets	**31,502,419**	**16,247,435**	**18,017,219**	**16,120,809**	**1,034,256**	**5,713,532**	**88,635,670**
Liabilities							
Bank deposits	43,098	-	-	-	-	8,118	51,216
Other deposits	35,118,070	3,533,819	328,237	3,126	-	13,582,730	52,565,982
Money market borrowings	2,501,827	-	93,896	-	-	-	2,595,723
Miscellaneous payables	167,499	-	-	-	-	3,310,769	3,478,268
Securities issued	-	-	-	-	-	-	-
Funds obtained from other financial institutions	8,676,099	5,141,158	1,408,698	325,269	-	-	15,551,224
Other liabilities (**)	909,843	1,018,285	227,361	3,908	-	12,233,860	14,393,257
Total liabilities	**47,416,436**	**9,693,262**	**2,058,192**	**332,303**	**-**	**29,135,477**	**88,635,670**
Balance sheet long position	-	6,554,173	15,959,027	15,788,506	1,034,256	-	39,335,962
Balance sheet short position	(15,914,017)	-	-	-	-	(23,421,945)	(39,335,962)
Off-balance sheet long position	-	-	549,118	3,123,575	-	-	3,672,693
Off-balance sheet short position	(318,833)	(381,392)	-	-	(150,000)	-	(850,225)
Total position	**(16,232,850)**	**6,172,781**	**16,508,145**	**18,912,081**	**884,256**	**(23,421,945)**	**2,822,468**

(*) Non-interest bearing column in other assets line consists of tangible assets, intangible assets, current tax asset, deferred tax asset, assets held for sale, expected credit losses and other assets.

(**) Non-interest bearing column in other liabilities line consists of other foreign liabilities, provisions, taxes payable and equity.

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IV. Explanations on consolidated interest rate risk (continued)

Prior year's information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on re-pricing dates)

Prior period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non-interest bearing	Total
Assets							
Cash (cash in vault, foreign currency cash, money in transit, checks-purchased) and balances with the Central Bank of Turkey	7,719,891	7,607	-	-	-	1,382,296	9,109,794
Due from other banks and financial institutions	527,373	10,000	-	-	-	1,286,122	1,823,495
Financial assets at fair value through profit and loss	723,345	1,711,243	128,551	81,557	13,459	62	2,658,217
Money market placements	5,022,936	1,449	-	-	-	-	5,024,385
Available-for-sale financial assets	5,102	20,766	-	569,876	-	13,070	608,814
Loans and receivables	7,402,652	8,030,285	14,050,529	10,713,961	847,543	2,263,540	43,308,510
Held-to-maturity investments	33,547	404,107	1,691,674	2,123,986	-	-	4,253,314
Other assets (*)	-	-	-	-	-	(598,379)	(598,379)
Total assets	**21,434,846**	**10,185,457**	**15,870,754**	**13,489,380**	**861,002**	**4,346,711**	**66,188,150**
Liabilities							
Bank deposits	1,650,302	-	-	-	-	12,634	1,662,936
Other deposits	28,820,149	1,588,399	125,616	-	-	7,933,783	38,467,947
Money market borrowings	9,438	-	-	57,784	-	-	67,222
Miscellaneous payables	161,221	-	-	-	-	416,079	577,300
Securities issued	-	-	-	-	-	-	-
Funds obtained from other financial institutions	7,643,925	4,660,508	1,002,827	482,044	-	-	13,789,304
Other liabilities (**)	469,643	367,884	357,048	1,302	-	10,427,564	11,623,441
Total liabilities	**38,754,678**	**6,616,791**	**1,485,491**	**541,130**	**-**	**18,790,060**	**66,188,150**
Balance sheet long position	-	3,568,666	14,385,263	12,948,250	861,002	-	31,763,181
Balance sheet short position	(17,319,832)	-	-	-	-	(14,443,349)	(31,763,181)
Off-balance sheet long position	-	1,100,645	656,959	341,014	-	-	2,098,618
Off-balance sheet short position	(339,878)	-	-	-	(30,000)	-	(369,878)
Total position	**(17,659,710)**	**4,669,311**	**15,042,222**	**13,289,264**	**831,002**	**(14,443,349)**	**1,728,740**

(*) Non-interest bearing column in other assets line consists of tangible assets, intangible assets, current tax asset, deferred tax asset, assets held for sale, expected credit losses and other assets.

(**) Non-interest bearing column in other liabilities line consists of other foreign liabilities, provisions, lease payables, taxes payable and equity.

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IV. Explanations on consolidated interest rate risk (continued)

2. Current period average interest rates applied to monetary financial instruments by the Group

Current period	EURO (%)	USD (%)	Yen (%)	TL (%)
Assets				
Cash (Cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	-	-	-	8.50
Banks	(0.09)	0.04	-	7.79
Financial assets at fair value through profit and loss	2.48	5.93	-	12.87
Money market placements	-	-	-	13.50
Financial assets measured at fair value through other comprehensive income	-	-	-	15.95
Loans	3.14	4.10	-	18.69
Financial assets measured at amortised cost	-	-	-	15.55
Liabilities				
Bank deposits	-	0.25	-	-
Other deposits	0.26	0.39	-	13.56
Money market borrowings	-	-	-	13.98
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	-
Funds obtained from other financial institutions	0.63	1.58	-	13.58

Prior period average interest rates applied to monetary financial instruments by the Group

Prior period	EURO (%)	USD (%)	Yen (%)	TL (%)
Assets				
Cash (Cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	-	-	-	12.00
Due from other banks and financial institutions	0.41	0.10	-	16.86
Financial assets at fair value through profit and loss	2.34	5.87	-	10.48
Money market placements	-	-	-	18.15
Financial assets available-for-sale	-	-	-	14.74
Loans and receivables	2.89	4.06	-	13.93
Held-to-maturity investments	-	-	-	13.87
Liabilities				
Bank deposits	(0.47)	0.08	-	-
Other deposits	0.12	0.56	-	12.69
Money market borrowings	-	-	-	11.00
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	-
Funds obtained from other financial institutions	0.55	1.63	-	3.13

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V. Explanations on equity securities position risk derived from consolidated banking books

1. Explanations on accounting policies for equity investments in subsidiaries and associates

Accounting policies for equity investments in subsidiaries and associates are disclosed in section III disclosure III.

2. Comparison of carrying value, fair value and market value of equity investments

Current period	Carrying value	Fair value (*)	Market value
Quoted	-	-	-
Equity investments	-	-	-
Not quoted	**13,626**	**3,196**	**3,196**
Equity investments	13,626	3,196	3,196
Financials subsidiaries	**-**	**-**	**-**
Financials subsidiaries	-	-	-

Prior period	Carrying value	Fair value (*)	Market value
Quoted	**-**	**-**	**-**
Equity investments	-	-	-
Not quoted	**13,070**	**3,196**	**3,196**
Equity investments	13,070	3,196	3,196
Financials subsidiaries	**-**	**-**	**-**
Financials subsidiaries	-	-	-

(*) Only equity investments having market value are presented under "Fair Value" column.

3. Information on realized gains or losses on revaluation of securities, revaluation surplus and unrealized gains or losses and their included amounts in core and additional capital

	Realized gains/losses during the period	Revaluation increases		Unrealized gains/losses		
Current period		**Total**	**Including into the additional capital**	**Total**	**Including into the core capital**	**Including into the additional capital**
Private equity investments	-	-	-	-	-	-
Shares traded on a stock exchange	-	-	-	-	-	-
Other stocks	-	127	-	(254)	(254)	-
Total	**-**	**127**	**-**	**(254)**	**(254)**	**-**

	Realized gains/losses during the period	Revaluation increases		Unrealized gains/losses		
Prior period		**Total**	**Including into the supplementary capital**	**Total**	**Including into the core capital**	**Including into the supplementary capital**
Private equity investments	-	-	-	-	-	-
Shares traded on a stock exchange	-	-	-	-	-	-
Other stocks	-	127	-	(254)	(254)	-
Total	**-**	**127**	**-**	**(254)**	**(254)**	**-**

V. Explanations on equity securities position risk derived from consolidated banking books (continued)

4. Capital requirement as per equity shares

Current period	Carrying value	Total RWA	Minimum capital requirement (*)
Private equity investments	-	-	-
Shares traded on a stock exchange	-	-	-
Other equity shares	13,626	13,626	1,090

Prior period	Carrying value	Total RWA	Minimum capital requirement (*)
Private equity investments	-	-	-
Shares traded on a stock exchange	-	-	-
Other equity shares	13,070	13,070	1,046

(*) The amount is calculated by using standard method within the scope of the “Regulation on Measurement and Evaluation of Capital Adequacy of Banks”.

VI. Explanations on consolidated liquidity risk management and liquidity coverage ratio

1. Information on matters related to consolidated liquidity risk

a. Information on liquidity risk management, such as risk capacity, responsibilities and the structure of liquidity risk management, the Parent Bank’s internal liquidity risk reporting, communication between the Board of Directors and business lines on liquidity risk strategy, policy and application

A policy (“Market Risk Management Policy”) was established which includes actions to be taken and practices that might be applied in business as usual and stressed conditions for liquidity risk management and responsibilities of the senior management. This policy has been approved by the Asset Liability Committee and by the Board of Directors. Within the scope of this policy, the liquidity risk is managed by Asset Liability Committee where senior representatives of businesses are members of the Committee.

In accordance with the policy, a liquidity buffer that can supply adequate liquidity level under any economic circumstances and which is unpledged, has been defined. In addition, the Contingency Capital and Funding Plan was established to be implemented in times of stress. Besides, liquidity risk appetite (that is approved by Asset Liability Committee and Board of Directors) has been established in order to enable monitoring and managing the risk quantitatively. The relevant parameters are analyzed regularly and reported to the members of Asset Liability Committee and Board of Directors.

Furthermore, the Parent Bank’s liquidity buffer is evaluated under different stress scenarios with the comprehensive liquidity stress test approach established in accordance with ING Group’s common policies on market risk and global regulations (Internal Liquidity Adequacy Assessment Process/ILAAP-Internal Liquidity Adequacy Assessment Process). In addition, there is also the Risk Control Self- Assessment process still within scope of ILAAP, comprehensive assessments are performed related to liquidity risk, and after the relevant risks are identified, and their potential financial impact on the Parent Bank’s operations and the impact on risk metrics is assessed periodically.

To ensure proactive management of funding liquidity risk, risk thresholds specified on the deposit flows are monitored. The Contingency Capital and Funding Plan monitoring metrics are not limited to this scope but also include other liquidity risk indicators. The Contingency Capital and Funding Plan monitoring metrics can trigger decision-making conditions on whether the Parent Bank will implement the Contingency Capital and Funding Plan in order to anticipate the potential development in liquidity stressed conditions.

b. Information on the centralization degree of liquidity management and funding strategy and the functioning between the Parent Bank and the Parent Bank’s subsidiaries

The liquidity risk of the Bank is managed by the Asset Liability Management. Furthermore, subsidiaries manage their own liquidity risk by themselves. In order to make a central funding strategy, a funding plan including subsidiaries is established every year. In addition, information about the implementation and realization of the funding plan is shared with the Asset Liability Committee. According to the limits that are approved by the Board of Directors, liquidity gap and surplus are monitored and actions are taken in accordance with the price, interest rate and maturity structure.

VI. Explanations on consolidated liquidity risk management and liquidity coverage ratio (continued)

c. Information on the Parent Bank's funding strategy including the policies on funding types and variety of maturities

As for the funding diversification; short, medium and long term targets are determined in parallel to business line planning as part of the budgeting process in the Bank. Besides, the Bank's funding capacity is monitored regularly, and shared with Asset Liability Committee and Board of Directors. In this way, the factors which may affect the ability to create additional funding and the validity of the estimated funding capacity can be monitored closely by senior management.

ç. Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Parent Bank's total liabilities

Almost all of the Parent Bank's liabilities are in TL, USD or EUR, and TL funds consist of mainly equity and deposits. The Parent Bank's liquidity in TL is managed via repo/reverse repo transactions with/in CBRT/BIST using high quality securities owned by the Parent Bank. While the main purpose is using liabilities in TL to fund TL assets, the necessary FX swap transactions and FC funds are used in creating assets in TL within the limits that is approved by the Board of Directors. Foreign currency funds are obtained through FC deposit and foreign based FC borrowings including syndications. Liquidity shortage/surplus are calculated on a daily basis by Asset Liability Management and these figures are reported to the related Asset Liability Committee members. Besides, the Total and FC liquidity coverage ratio is calculated on a daily basis, and shared with all related units and senior management, and reported separately to Asset Liability Committee and Board of Directors. The Parent Bank has TL/FC borrowing limits ready to use in CBRT and other banks.

d. Information on liquidity risk mitigation techniques

The first measure towards the mitigation of the liquidity risk as part of the budget process is planning the reduction of maturity mismatch and funding diversity. Within this context, syndication, other foreign funding, parent funding and other domestic funding facilities are used. In addition to this, active swap markets are used to provide liquidity in a particular currency. In addition to all these, Contingency Capital and Funding Plan monitoring indicators are continuously monitored and reported regularly to Asset Liability Committee and Board of Directors. With these indicators, intervals indicating the actions to be taken according to the triggering levels and measurement methods such as actual deposit inflows and outflows, stress test, liquidity buffer level, regulatory and structural liquidity ratios and so on are defined and these intervals support the decision making process. Moreover, a set of mitigating actions was set in the Contingency Capital and Funding Plan to bring the Parent Bank's liquidity buffer back to reasonable levels during the crisis period. The important factors that will support the decision making mechanism, including the feasibility of these actions depending on the financial impact and stress scenarios, execution time of the actions are also explained.

e. Information on the use of stress tests

The Parent Bank has a written liquidity stress testing procedure which includes the implementation of stress testing and responsibilities that is approved by Asset Liability Committee. To ensure that the existing positions remain within risk tolerance, the Market Risk Management and Product Control Directorate plans, designs, manages the stress tests, reports the results to Asset Liability Committee and Board of Directors on a regularly basis and reviews the stress tests annually. Stress test scenarios of the Parent Bank consider Bank specific, market-wide and combined scenario, and reflect short term or long term consequences, are used in stress testing where the scenario and parameters are reviewed annually with the participation of the Asset and Liability Management and related business lines. On the other hand, results of stress testing are used as the leading indicator within the process of activating the Contingency Capital and Funding Plan.

f. Overview on contingency funding plan

The Parent Bank has established the Contingency Capital and Funding Plan that was approved by Asset Liability Committee and Board of Directors, which includes the policies, methods and responsibilities of senior management and business lines that can be applied in stressed situations or in liquidity shortages. In addition, as an early warning of liquidity shortage or an unexpected situation, contingency capital and funding plan monitoring indicators are monitored and presented to the ALCO members monthly and to the Board of Directors (per meeting) by the Market Risk Management and Product Control Directorate. The effective internal and external communication channels and a liquidity contingency team are defined in order to ensure the liquidity contingency management and implement management actions of the plan. Monitoring metrics of the contingency capital and funding plan are reviewed annually in terms of changes in market and stress conditions.

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

VI. Explanations on consolidated liquidity risk management and liquidity coverage ratio (continued)

2. Liquidity coverage ratio

In accordance with BRSA's "Regulation on Banks' Liquidity Coverage Ratio Calculation", promulgated in the Official Gazette, No. 28948, dated 21 March 2014, the Parent Bank calculates and shares the Consolidated Liquidity Coverage Ratio to BRSA on a monthly basis Consolidated Liquidity Coverage Ratio is above the values stated in the regulation.

Dates and values of the lowest and highest FC and total liquidity coverage ratio calculated monthly over the last three months are presented in the below table.

	Minimum	Date	Maximum	Date
TL+FC	216.58%	31 December 2021	277.89%	31 October 2021
FC	195.90%	31 October 2021	249.73%	31 December 2021

Liquidity coverage ratio

	Total unweighted value [*]		Total weighted value [*]	
Current period	**TL+FC**	**FC**	**TL+FC**	**FC**
High quality liquid assets				
High quality liquid assets			23,985,992	13,805,738
Cash Outflows				
Real person and retail deposits	41,074,167	19,832,786	3,603,417	1,983,278
Stable deposits	10,079,999	-	504,000	-
Less stable deposits	30,994,168	19,832,786	3,099,417	1,983,278
Unsecured funding other than real person and retail deposits	13,015,956	8,748,880	8,225,511	5,214,701
Operational deposits	75,498	12,255	18,875	3,063
Non-operational deposits	10,156,754	8,025,826	5,498,623	4,524,110
Other unsecured debt	2,783,704	710,799	2,708,013	687,528
Secured funding			-	-
Other cash outflows	18,010,104	9,947,360	8,728,605	4,895,330
Derivative exposures and collateral completion liabilities	7,034,467	3,575,042	7,034,467	3,575,042
Payables due to structured financial instruments	-	-	-	-
Payment commitments and other off-balance sheet commitments granted for debts to financial markets	10,975,637	6,372,318	1,694,138	1,320,288
Other contractual funding obligations	-	-	-	-
Other irrevocable or conditionally revocable off balance sheet liabilities	-	-	-	-
Total cash outflows			**20,557,533**	**12,093,309**
Cash inflows				
Secured lending	2,689,870	-	-	-
Unsecured lending	6,177,414	2,297,527	4,066,033	1,829,370
Other cash inflows	7,186,079	3,919,415	6,842,903	3,912,023
Total cash inflows	**16,053,363**	**6,216,942**	**10,908,936**	**5,741,393**
			Total adjusted value	
Total high quality liquid assets stock			23,985,992	13,805,738
Total net cash outflows			9,648,597	6,351,916
Liquidity coverage ratio (%)			**252.98**	**220.52**

[*] Simple arithmetic average calculated for the last three months by using the amounts calculated based on monthly simple arithmetic averages.

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VI. Explanations on consolidated liquidity risk management and liquidity coverage ratio (continued)

	Total unweighted value (*)		Total weighted value (*)	
Prior period	**TL+FC**	**FC**	**TL+FC**	**FC**
High quality liquid assets				
High quality liquid assets			15,540,632	7,680,175
Cash Outflows				
Real person and retail deposits	32,286,694	14,491,076	2,728,268	1,449,108
Stable deposits	10,008,033	-	500,402	-
Less stable deposits	22,278,661	14,491,076	2,227,866	1,449,108
Unsecured funding other than real person and retail deposits	10,624,458	6,815,625	7,082,030	4,369,326
Operational deposits	58,102	6,556	14,525	1,639
Non-operational deposits	7,962,701	6,144,919	4,542,445	3,712,749
Other unsecured debt	2,603,655	664,150	2,525,060	654,938
Secured funding			-	-
Other cash outflows	19,583,421	10,909,484	9,246,441	4,728,594
Derivative exposures and collateral completion liabilities	7,372,989	3,220,358	7,372,989	3,220,358
Payables due to structured financial instruments	-	-	-	-
Payment commitments and other off-balance sheet commitments granted for debts to financial markets	12,210,432	7,689,126	1,873,452	1,508,236
Other contractual funding obligations	-	-	-	-
Other irrevocable or conditionally revocable off balance sheet liabilities	-	-	-	-
Total cash outflows			**19,056,739**	**10,547,028**
Cash inflows				
Secured lending	2,048,130	-	-	-
Unsecured lending	5,035,760	2,338,109	3,422,675	1,918,379
Other cash inflows	7,298,209	4,459,584	7,004,631	4,454,292
Total cash inflows	**14,382,099**	**6,797,693**	**10,427,306**	**6,372,671**
			Total adjusted value	
Total high quality liquid assets stock			15,540,632	7,680,175
Total net cash outflows			8,629,433	4,176,416
Liquidity coverage ratio (%)			**180.70**	**190.01**

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

VI. Explanations on consolidated liquidity risk management and liquidity coverage ratio (continued)

3. Other explanations on consolidated liquidity coverage ratio

Short term liquidity is managed within the regulatory limits in the Group, the liquid assets are managed by using "Liquidity Coverage Ratio" calculations to monitor the minimum liquidity limits and keep sufficient stock of high quality liquid assets to meet the net cash outflows. Liquidity coverage ratio is calculated as per the Regulation on Banks' Liquidity Coverage Ratio Calculation. The ratio is affected from Group's unpledged high quality liquid asset value that can be converted to cash any time and the possible cash inflows and outflows arising from assets, liability and off balance sheet items of the Group.

The Group evaluates cash equivalents, time and demand deposit accounts held in Central Bank of Turkey, reserve requirements and the unencumbered securities issued by the Treasury as high quality liquid assets.

The primary sources to meet the liquidity needs of the Group are funds from interbank money market or repurchasing agreements or direct sales of the HTC&S portfolio. Besides the borrowing from the parent company in the medium and long term, in order to manage concentration risk with respect to funding resources, the Bank aims to reduce maturity mismatch and mitigate the liquidity risk by taking actions aiming to increase diversification in funding resources. A strategy in targeting small ticket size on the deposits is implemented as another element of the strategy to mitigate the concentration risk.

Although the Group's wide range and small ticket size deposit structure including Orange Account represents a short term funding source parallel to the sector it renews itself at the maturity date and remains in the Group for a longer period compared to its original maturity.

Details of the Group's foreign currency balance sheet as of 31 December 2021 are summarized as follows:

Foreign currency deposits constitute the majority of the foreign currency liabilities. 29% of the Group's total foreign currency liabilities consist of funds obtained from other financial institutions and 63% is composed of deposits. Loans, factoring receivables and leasing receivables comprise 59% and cash and cash equivalents comprise 39% of the foreign currency assets. The bank placements have the shortest maturity within the assets denominated in foreign currency.

Details of the Group's Turkish Lira balance sheet as of 31 December 2021 are summarized as follows:

The majority of Turkish Lira balance sheet's liability consists of deposits. 54% of the Group's total Turkish Lira liabilities consists of deposits. However, in case of necessity, the Group has borrowing facilities both in domestic & foreign banks and Takasbank & BIST repo market. 58% of the assets in Turkish Lira balance sheet are net loans, factoring receivables and leasing receivables, 17% are marketable securities.

The cash flows from derivative financial instruments are included in LCR calculations according to the terms of regulation. The Parent Bank also considers changes in fair value of the liabilities that result in margin calls when calculating cash outflows.

The liquidity shortages and surpluses of consolidated subsidiaries of the Parent Bank are regularly monitored and managed. There are no operational or legal constraints preventing liquidity transfer. In the analyses made, it is seen that the impact of subsidiaries on the liquidity profile of the Parent Bank is limited compared to the size of the balance sheet.

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VI. Explanations on consolidated liquidity risk management and liquidity coverage ratio (continued)

4. Breakdown of assets and liabilities according to their outstanding maturities

Current period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Unallocated	Total
Assets								
Cash (cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	8,205,591	10,596,883	-	-	-	-	-	18,802,474
Banks	1,326,707	44,904	32,000	-	-	-	-	1,403,611
Financial assets at fair value through profit or loss	-	933,391	1,442,421	1,924,202	687,691	32,463	50	5,020,218
Money market placements	-	2,741,996	-	30,000	-	-	-	2,771,996
Financial assets measured at fair value through other comprehensive income	-	5,954	5,699	24,481	1,415,583	5,308	13,626	1,470,651
Loans	46,087	10,744,525	5,363,232	15,544,467	18,670,931	1,512,852	1,738,225	53,620,319
Financial assets measured at amortised cost	-	13,979	53,991	203,477	5,338,347	-	-	5,609,794
Other assets (*)	-	-	-	-	-	-	(63,393)	(63,393)
Total assets	**9,578,385**	**25,081,632**	**6,897,343**	**17,726,627**	**26,112,552**	**1,550,623**	**1,688,508**	**88,635,670**
Liabilities								
Bank deposits	8,176	43,040	-	-	-	-	-	51,216
Other deposits	13,582,730	35,118,070	3,533,819	328,237	3,126	-	-	52,565,982
Borrowings	-	533,960	1,176,506	7,740,894	5,671,422	428,442	-	15,551,224
Funds from interbank money market	-	2,501,827	-	93,896	-	-	-	2,595,723
Securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	2,931,288	-	-	-	-	-	546,980	3,478,268
Other liabilities (**)	-	636,975	312,683	569,265	640,474	-	12,233,860	14,393,257
Total liabilities	**16,522,194**	**38,833,872**	**5,023,008**	**8,732,292**	**6,315,022**	**428,442**	**12,780,840**	**88,635,670**
Liquidity deficit/surplus	**(6,943,809)**	**(13,752,240)**	**1,874,335**	**8,994,335**	**19,797,530**	**1,122,181**	**(11,092,332)**	**-**
Net Off Balance Sheet Position	**-**	**470,479**	**1,083,015**	**1,238,479**	**40,208**	**-**	**-**	**2,832,181**
Derivative financial assets	-	21,943,029	12,179,118	12,797,159	10,295,712	150,000	-	57,365,018
Derivative financial liabilities	-	21,472,550	11,096,103	11,558,680	10,255,504	150,000	-	54,532,837
Non-cash loans	**51,004**	**236,246**	**3,391,235**	**3,404,425**	**1,268,057**	**1,209,909**	**-**	**9,560,876**
Prior period								
Total assets	5,769,339	15,834,021	6,506,677	16,797,604	18,753,294	891,030	1,636,185	66,188,150
Total liabilities	9,999,343	30,931,588	3,350,391	2,498,536	8,633,148	73,596	10,701,548	66,188,150
Liquidity deficit/surplus	**(4,230,004)**	**(15,097,567)**	**3,156,286**	**14,299,068**	**10,120,146**	**817,434**	**(9,065,363)**	**-**
Net Off Balance Sheet Position	**-**	**(12,257)**	**66,341**	**580,980**	**1,077,141**	**-**	**-**	**1,712,205**
Derivative financial assets	-	16,535,293	6,056,788	10,651,521	8,622,822	270,000	-	42,136,424
Derivative financial liabilities	-	16,547,550	5,990,447	10,070,541	7,545,681	270,000	-	40,424,219
Non-cash loans	**140,083**	**357,434**	**3,232,615**	**2,798,163**	**842,651**	**1,049,429**	**-**	**8,420,375**

(*) Unallocated column in other assets mainly consists of other assets that are necessary for banking activities and that cannot be liquidated in the short term as tangible assets, intangible assets, assets held for sale, expected credit losses and other assets.

(**) Unallocated column in other liabilities mainly consists of provisions, taxes payables, other foreign liabilities and shareholders' equity.

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VI. Explanations on consolidated liquidity risk management and liquidity coverage ratio (continued)

5. Breakdown of liabilities according to their remaining contractual maturities

The remaining maturities of the contractual liabilities excluding derivative transactions are presented below. Interests on liabilities are included in the distribution. The "Adjustments" column presents probable cash flow on later periods. These amounts are included into the maturity analysis, but not included into the carrying value of liabilities in the balance sheet.

Current period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total	Adjustments	Balance sheet value
Liabilities									
Deposits	13,590,906	35,176,306	3,583,307	354,580	3,480	-	52,708,579	(91,381)	52,617,198
Funds borrowed from other financial institutions	-	533,960	1,177,224	7,752,587	5,689,201	432,717	15,585,689	(34,465)	15,551,224
Funds from interbank money market	-	2,505,463	-	93,896	-	-	2,599,359	(3,636)	2,595,723
Securities issued	-	-	-	-	-	-	-	-	-
Factoring payables	-	-	-	-	-	-	-	-	-

Prior period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total	Adjustments	Balance sheet value
Liabilities									
Deposits	9,696,027	28,748,466	1,607,249	129,759	-	-	40,181,501	(50,618)	40,130,883
Funds borrowed from other financial institutions	-	1,800,807	1,566,403	2,193,042	8,267,466	27,721	13,855,439	(66,135)	13,789,304
Funds from interbank money market	-	9,449	-	-	57,784	-	67,233	(11)	67,222
Securities issued	-	-	-	-	-	-	-	-	-
Factoring payables	-	395	246	-	-	-	641	-	641

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

VI. Explanations on consolidated liquidity risk management and liquidity coverage ratio (continued)

6. Breakdown of derivative instruments according to their remaining contractual maturities

Current period	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 Years	5 years and over	Total
Derivative financial instruments held for hedging						
Transactions for fair value hedge (I)	-	-	-	-	-	-
Buying transactions	-	-	-	-	-	-
Selling transactions	-	-	-	-	-	-
Transactions for cash flow hedge (II)	**19,248**	**68,451**	**470,204**	**3,155,500**	**394,709**	**4,108,112**
Buying transactions	9,723	49,437	264,076	1,607,960	190,801	2,121,997
Selling transactions	9,525	19,014	206,128	1,547,540	203,908	1,986,115
Transactions for foreign net investment hedge (III)	-	-	-	-	-	-
Buying transactions	-	-	-	-	-	-
Selling transactions	-	-	-	-	-	-
A. Total derivative financial instruments held for hedging (I+II+III)	**19,248**	**68,451**	**470,204**	**3,155,500**	**394,709**	**4,108,112**
Derivative transactions held for trading						
Trading transactions (I)	**43,386,984**	**23,301,479**	**14,948,710**	**2,443,188**	-	**84,080,361**
Forward foreign currency transactions - buy	3,135,008	4,205,604	3,304,926	97,553	-	10,743,091
Forward foreign currency transactions - sell	3,232,843	4,261,068	3,311,450	101,547	-	10,906,908
Swap transactions- buy	16,321,644	7,535,010	4,793,290	1,165,273	-	29,815,217
Swap transactions - sell	15,732,365	6,406,011	3,539,044	1,078,815	-	26,756,235
Foreign currency options - buy	2,467,226	445,523	-	-	-	2,912,749
Foreign currency options - sell	2,497,898	448,263	-	-	-	2,946,161
Foreign currency futures - buy	-	-	-	-	-	-
Foreign currency futures - sell	-	-	-	-	-	-
Interest rate derivatives (II)	**189,812**	**311,776**	**11,107,132**	**16,919,337**	-	**28,528,057**
Interest rate swap - buy	90,209	161,219	5,581,477	8,473,651	-	14,306,556
Interest rate swap - sell	99,603	150,557	5,525,655	8,445,686	-	14,221,501
Interest rate options - buy	-	-	-	-	-	-
Interest rate options - sell	-	-	-	-	-	-
Securities options - buy	-	-	-	-	-	-
Securities options - sell	-	-	-	-	-	-
Interest futures - buy	-	-	-	-	-	-
Interest futures - sell	-	-	-	-	-	-
Other trading derivative transactions (III)	-	-	-	-	-	-
B. Total trading derivative transactions (I+II+III)	**43,576,796**	**23,613,255**	**26,055,842**	**19,362,525**	-	**112,608,418**
Derivative transaction total (A+B)	**43,596,044**	**23,681,706**	**26,526,046**	**22,518,025**	**394,709**	**116,716,530**

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VI. Explanations on consolidated liquidity risk management and liquidity coverage ratio (continued)

Prior period	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 Years	5 years and over	Total
Derivative financial instruments held for hedging						
Transactions for fair value hedge (I)	**-**	**-**	**-**	**-**	**-**	**-**
Buying transactions	-	-	-	-	-	-
Selling transactions	-	-	-	-	-	-
Transactions for cash flow hedge (II)	**17,804**	**41,118**	**1,525,823**	**2,240,558**	**602,597**	**4,427,900**
Buying transactions	6,661	30,157	748,153	1,077,718	283,808	2,146,497
Selling transactions	11,143	10,961	777,670	1,162,840	318,789	2,281,403
Transactions for foreign net investment hedge (III)	**-**	**-**	**-**	**-**	**-**	**-**
Buying transactions	-	-	-	-	-	-
Selling transactions	-	-	-	-	-	-
A. Total derivative financial instruments held for hedging (I+II+III)	**17,804**	**41,118**	**1,525,823**	**2,240,558**	**602,597**	**4,427,900**
Derivative transactions held for trading						
Trading transactions (I)	**32,395,535**	**11,217,646**	**9,824,330**	**6,056,977**	**-**	**59,494,488**
Forward foreign currency transactions - buy	1,953,062	1,472,472	1,691,201	191,372	-	5,308,107
Forward foreign currency transactions - sell	1,907,484	1,425,477	1,595,002	198,022	-	5,125,985
Swap transactions- buy	12,504,742	4,159,993	3,495,285	3,411,323	-	23,571,343
Swap transactions - sell	12,544,445	4,152,991	3,042,842	2,256,260	-	21,996,538
Foreign currency options - buy	1,715,422	3,312	-	-	-	1,718,734
Foreign currency options - sell	1,770,380	3,401	-	-	-	1,773,781
Foreign currency futures - buy	-	-	-	-	-	-
Foreign currency futures - sell	-	-	-	-	-	-
Interest rate derivatives (II)	**883,782**	**1,112,582**	**11,006,308**	**9,473,675**	**89,140**	**22,565,487**
Interest rate swap - buy	440,040	548,708	5,486,454	4,700,351	45,690	11,221,243
Interest rate swap - sell	443,742	563,874	5,519,854	4,773,324	43,450	11,344,244
Interest rate options - buy	-	-	-	-	-	-
Interest rate options - sell	-	-	-	-	-	-
Securities options - buy	-	-	-	-	-	-
Securities options - sell	-	-	-	-	-	-
Interest futures - buy	-	-	-	-	-	-
Interest futures - sell	-	-	-	-	-	-
Other trading derivative transactions (III)	**-**	**-**	**-**	**-**	**-**	**-**
B. Total derivative transactions held for trading (I+II+III)	**33,279,317**	**12,330,228**	**20,830,638**	**15,530,652**	**89,140**	**82,059,975**
Derivative transaction total (A+B)	**33,297,121**	**12,371,346**	**22,356,461**	**17,771,210**	**691,737**	**86,487,875**

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VII. Explanations on consolidated leverage ratio

Leverage ratio table prepared in accordance with the communique "Regulation on Measurement and Assessment of Leverage Ratios of Banks" published in the Official Gazette No.28812 dated 5 November 2013 is presented below. As of 31 December 2021, the Group's consolidated leverage ratio is calculated by taking average of end of month leverage ratios for the last three months is 10% (31 December 2020: 10.70%). This ratio is above the minimum ratio of 3%. While the capital increased by 11% mainly as a result of increase in net profits, total risk amount increased by 20% compared to the prior period Therefore, the current period leverage ratio decreased by 70 basis points compared to prior period.

	Current period (**)	Prior period (**)
Total assets in the consolidated financial statements prepared in accordance with TAS (*)	129,798,377	105,931,331
The difference between total amount of asset in the consolidated financial statements prepared in accordance with TAS and the communiqué on preparation of consolidated financial statements of banks	41,342	64,005
The difference between total amount and total risk amount of derivative financial instruments with credit derivative in the communiqué on preparation of consolidated financial statements of banks	(25,377,073)	(18,586,945)
The difference between total amount and total risk amount of risk investment securities or commodity collateral financing transactions in the communiqué on preparation of consolidated financial statements of banks	221,089	112,236
The difference between total amount and total risk amount of off-balance sheet transactions in the communiqué on preparation of consolidated financial statements of banks	-	-
The other differences between amount of assets and risk in the communiqué on preparation of consolidated financial statements of banks	(74,324)	(86,548)
Total exposures	**104,609,411**	**87,434,079**

(*) Consolidated financial statements are prepared based on Article No 5 of Clause No 6 in the Communiqué on Preparation of Consolidated Financial Statements of Banks.

(**) The amounts in the table represents the average of last three months.

Explanations on leverage ratio

	Current period (*)	Prior period (*)
On-balance sheet items		
On-balance sheet exposures (excluding derivatives and credit derivatives including collateral)	*84,531,392*	*68,090,997*
Asset deducted from core capital	*(74,324)*	*(86,548)*
The total amount of risk on-balance sheet exposures	84,457,068	68,004,449
Derivative financial instruments and credit derivative exposures		
Replacement cost associated with derivative financial instruments and credit derivatives	*3,951,916*	*3,027,462*
The potential credit risk amount of derivative financial instruments and credit derivatives	*226,931*	*470,284*
The total risk amount of derivative financial instruments and credit derivatives	4,178,847	3,497,746
Securities or commodity guaranteed financing transactions		
Risk amount of securities or commodity collateral financing transactions (excluding on balance sheet items)	*221,089*	*112,236*
Risk amount of exchange brokerage operations	-	-
The total risk amount of securities or commodity collateral financing transactions	221,089	112,236
Off-balance sheet items		
Gross notional amount for off-balance sheet items	*15,752,407*	*15,819,648*
Adjustments for conversion to credit equivalent amounts	-	-
The total amount of risk for off-balance sheet items	15,752,407	15,819,648
Capital and total exposures		
Core capital	10,387,050	9,354,129
Total exposures	104,609,411	87,434,079
Leverage ratio		
Leverage ratio	10.00	10.70

(*) The amounts in the table represents the average of last three months.

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

VIII. Explanations on presentation of financial assets and liabilities at their fair values

1. In the current and the prior period, the fair values of financial assets and liabilities are calculated as stated below.

The fair value of financial assets at fair value through other comprehensive income and financial assets measured at amortised cost (financial assets available for sale in the prior period) are determined based on market prices.

The fair value of the loans with fixed interest rates is determined by the discounted cash flows using the current market interest rates. For the loans with floating interest rates, the fair value is determined by discounted cash flows using the market interest rate, taking into account the repricing date of the loan.

The fair value of demand deposit represents the carrying value. The fair values of time deposits and funds are calculated by the discounted cash flows using the current market interest rates.

The fair value of funds borrowed from other financial institutions with fixed interest rates are determined by discounted cash flows using the current market interest rates. For funds with floating interest rates, it is determined by discounted cash flows using the market interest rate, taking into account the repricing date of the borrowing.

Carrying value of miscellaneous payables represents their fair value.

2. The following table summarizes the carrying values and fair values of financial assets and liabilities:

	Carrying value Current period	Fair value Current period	Carrying value Prior period	Fair value Prior period
Financial assets	**62,933,227**	**61,332,093**	**52,894,324**	**51,590,487**
Money market placements	2,771,996	2,768,295	5,024,385	5,023,185
Due from banks	1,403,611	1,403,087	1,823,495	1,822,863
Financial assets at fair value through other comprehensive income	1,343,367	1,343,367	582,946	582,946
Financial assets measured at amortised cost	5,609,059	5,607,549	4,252,759	4,382,198
Loans	50,990,972	49,415,533	39,915,553	38,428,935
Factoring receivables	-	-	504,021	537,911
Leasing receivables	814,222	794,262	791,165	812,449
Financial liabilities	**74,403,938**	**72,523,139**	**54,794,426**	**53,195,379**
Bank deposits	51,216	51,156	1,662,936	1,661,610
Other deposits	52,565,982	50,590,889	38,467,947	36,828,052
Funds borrowed	15,551,224	15,672,671	13,789,304	13,831,486
Money market borrowings	2,595,723	2,592,737	67,222	67,214
Securities issued	-	-	-	-
Miscellaneous payables	3,478,268	3,454,161	577,300	577,300
Liabilities from leasing transactions	161,525	161,525	229,076	229,076
Factoring payables	-	-	641	641

3. Hierarchy of valuation techniques which establishes basis for fair value calculation of financial assets and liabilities:

Level 1: Quoted market prices (non-adjusted) for identical assets or liabilities

Level 2: Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the Level 1

Level 3: Data not based on observable data regarding assets or liabilities

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VIII. Explanations on presentation of financial assets and liabilities at their fair values (continued)

Fair value hierarchy of the financial assets and liabilities of the Group carried at fair value in financial statements as of 31 December 2021 and 31 December 2020 is presented in the table below:

Current period	Level 1	Level 2	Level 3	Total
Total assets	**1,504,619**	**4,972,624**	**13,626**	**6,490,869**
Financial assets at fair value through profit or loss	174,878	4,845,340	-	5,020,218
Government debt securities	174,828	-	-	174,828
Trading derivative financial assets	-	4,845,340	-	4,845,340
Equity instruments	50	-	-	50
Other marketable securities	-	-	-	-
Financial assets at fair value through other comprehensive income	1,329,741	-	13,626	1,343,367
Equity instruments	-	-	13,626	13,626
Government debt securities	1,329,741	-	-	1,329,741
Hedging derivative financial assets	-	127,284	-	127,284
Cash flow hedges	-	127,284	-	127,284
Total liabilities	**-**	**1,997,872**	**-**	**1,997,872**
Trading derivative financial liabilities	-	1,986,804	-	1,986,804
Hedging derivative financial liabilities	-	11,068	-	11,068
Cash flow hedges	-	11,068	-	11,068

Prior period	Level 1	Level 2	Level 3	Total
Total assets	**675,681**	**2,578,280**	**13,070**	**3,267,031**
Financial assets at fair value through profit or loss	105,805	2,552,412	-	2,658,217
Government debt securities	105,743	-	-	105,743
Trading derivative financial assets	-	2,552,412	-	2,552,412
Equity instruments	62	-	-	62
Other marketable securities	-	-	-	-
Financial assets at fair value through other comprehensive income	569,876	-	13,070	582,946
Equity instruments	-	-	13,070	13,070
Government debt securities	569,876	-	-	569,876
Hedging derivative financial assets	-	25,868	-	25,868
Cash flow hedges	-	25,868	-	25,868
Total liabilities	**-**	**966,160**	**-**	**966,160**
Trading derivative financial liabilities	-	848,993	-	848,993
Hedging derivative financial liabilities	-	117,167	-	117,167
Cash flow hedges	-	117,167	-	117,167

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VIII. Explanations on presentation of financial assets and liabilities at their fair values (continued)

There are no transfers between the 1st and the 2nd levels as of 31 December 2021 and 31 December 2020.

The movement table of financial assets at Level 3 is presented below.

	Current period	Prior period
Balance at the end of the prior period	13,070	11,390
Purchases	-	1,596
Redemption/sale	-	-
Valuation difference	556	84
Transfers	-	-
Balance at the end of the current period	**13,626**	**13,070**

IX. Explanations on the transactions carried out on behalf and account of other persons and fiduciary transactions

The Group performs purchase, sale, custody, and fund management services on behalf of its customers, and information about these transactions are shown in the off-balance sheet statement.

The Group has no trust transactions.

X. Explanations on presentation of financial assets and liabilities at their fair values

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to be announced to Public by Banks, promulgated in the Official Gazette, No. 29511, dated 23 October 2015 and became effective as of 31 March 2016. Due to usage of standard approach for credit risk in the calculation of capital adequacy by the Parent Bank, tables required by Internal Rating Based approach ("IRB") are not presented.

1. General explanations on Parent Bank's risk management and risk weighted assets

a. Group's risk management approach

The Parent Bank's risk management strategy and activities have been formed under the responsibility of the Board of Directors. The risk management strategy applied in the Parent Bank is based on three lines of defence model.

First line of defence

Business units are the first line of defence and primarily responsible for performance, operation, compliance and control of the risks affecting the business line.

Second line of defence

Risk Management, Financial Control and Asset Liability Management and Legal functions, which are the second line of defence, support the first line of defence in terms of implementation, training, advising, monitoring and reporting.

Risk Management is responsible for identifying, measuring, monitoring, controlling and reporting risks at corporate level. The Parent Bank's Risk Management consists of Financial Risk Management, Operational and Information Risk Management, Compliance departments and reports to the Audit Committee. Financial Risk Management includes Market Risk Management and Product Control, Credit Risk Control, Validation, Risk&Capital Integration and Reporting departments.

X. Explanations on consolidated risk management (continued)

Third line of defence

Internal Audit Department is the third line of defence. Internal Audit Department carries out both risks based and general audits. In addition, Internal Audit Department is responsible for reviewing and ensuring the integrity of the whole governance structure including risk governance, and presence, effectiveness and implementation of policies and procedures.

According to this strategy, these lines of defence carry out their activities through certain decision making committees such as the Executive Committee, Asset Liability Committee, Credit Committee and Non-Financial Risk Committee. External auditors and relevant Regulators and Regulating Entities are considered as third line of defence.

Senior Management and Board of Directors are notified on the market risks monthly or on a more frequent basis; and this notification consists of balance sheet developments, market developments, assessment of the risks incurred despite the determined risk appetite and other risk developments. Furthermore, credit risk reports focusing on development of performing and non-performing loan portfolios, rating distribution of portfolios, transitions and trends of ratings, concentration risks, business units and product based risk parameters and risk appetite indicators are closely followed.

In addition to measurement and assessment of the risks under normal market conditions, stress tests under the scope of ICAAP and also for internal purposes are performed to evaluate the possible risks under adverse market conditions. In this stress test, all kinds of financial risks that can be faced by the Parent Bank are taken into account and evaluated under adverse and extremely adverse scenarios. Also reverse stress test is performed which defines the conditions that the Parent Bank's regulatory limits is breached. The Parent Bank prepares stress test reports within the context of ICAAP on a consolidated basis as per the guideline, numbered 6656, dated 14 January 2016 on the Stress Test to be Used in Parent Banks' Capital and Liquidity Planning. The Stress Test provides a prospective perspective in possible adverse incidents or adverse situations.

It is aimed that all important risks are defined and relations between them are established in order to perform sensitivity analyses in the most effective manner throughout the Parent Bank. Accordingly, the Parent Bank performs the stress test together with all relevant units in a consolidated manner.

Detailed explanations on the Parent Bank's risk appetite and credit risk can be found in section "Credit Risk", and detailed explanations on market risk can be found in section "Market Risk" while detailed explanations on operational risk can be found in section "Operational Risk".

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X. Explanations on consolidated risk management (continued)

b. Overview of risk weighted amounts

	Risk weighted amount		Minimum capital requirement
	Current period	Prior period	Current period
Credit risk (excluding counterparty credit risk) (CCR)	**46,499,464**	**43,447,018**	**3,719,957**
Standardized approach (SA)	46,499,464	43,447,018	3,719,957
Internal rating-based (IRB) approach	-	-	-
Counterparty credit risk	**3,346,671**	**1,955,729**	**267,734**
Standardized approach for counterparty credit risk (SA-CCR)	3,346,671	1,955,729	267,734
Internal model method	-	-	-
Basic risk weight approach to internal models equity position in the banking account	-	-	-
Investments made in collective investment companies - look-through approach	-	-	-
Investments made in collective investment companies - mandate-based approach	-	-	-
Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
Settlement Risk	-	-	-
Securitization positions in banking accounts	-	-	-
IRB ratings-based approach (RBA)	-	-	-
IRB Supervisory Formula Approach (SFA)	-	-	-
SA/simplified supervisory formula approach	-	-	-
Market risk	**709,200**	**366,613**	**56,736**
Standardized approach (SA)	709,200	366,613	56,736
Internal model approaches (IMM)	-	-	-
Operational risk	**7,656,887**	**7,283,868**	**612,551**
Basic indicator approach	7,656,887	7,283,868	612,551
Standard approach	-	-	-
Advanced measurement approach	-	-	-
The amount of the discount threshold under the equity (subject to a 250% risk weight)	**-**	**-**	**-**
Floor adjustment	-	-	-
Total	**58,212,222**	**53,053,228**	**4,656,978**

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X. Explanations on consolidated risk management (continued)

2. Linkages between financial statements and risk amounts

a. Differences and linkage between scope of accounting consolidation and regulatory consolidation

			Revalued amount in accordance with TAS				
Assets	**Revalued amount in accordance with TAS as reported in published financial statements**	**Revalued amount in accordance with TAS under scope of regulatory consolidation**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Securitization positions**	**Subject to market risk**	**Not subject to capital requirements or subject to deduction from capital**
Cash and balances with Central Bank	18,802,474	18,802,474	18,802,474	-	-	-	-
Financial assets at fair value through profit and loss	5,020,218	4,943,126	-	4,845,340	-	5,020,218	-
Banks	1,403,611	1,403,611	1,403,611	-	-	-	-
Money market placements	2,771,996	2,771,996	170,970	2,601,026	-	-	-
Financial assets measured at fair value through other comprehensive income	1,343,367	1,341,772	1,343,367	-	-	-	-
Financial assets measured at amortised cost	5,609,794	5,609,794	5,609,794	-	-	-	-
Expected credit losses (-)	3,523	300,643	-	-	-	-	3,523
Loans (Net)	**51,804,459**	**52,206,619**	**52,349,336**	**-**	**-**	**-**	**(536,138)**
Loans	51,067,872	51,277,187	51,067,872	-	-	-	8,739
Lease receivables	814,222	814,222	814,222	-	-	-	-
Factoring receivables	-	-	-	-	-	-	-
Non performing receivables	1,738,225	1,738,225	1,738,225	-	-	-	-
Expected credit losses (-)	1,815,860	1,623,015	1,270,983	-	-	-	544,877
Associates (net)	-	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-	-
Joint ventures (net)	-	-	-	-	-	-	-
Derivative financial assets held for hedging	127,284	137,865	-	127,284	-	-	-
Tangible assets (net)	671,095	997,802	627,743	-	-	-	43,352
Intangible assets (net)	34,294	34,294	-	-	-	-	34,946
Investment property (net)	-	-	-	-	-	-	-
Tax asset	202,559	199,282	47	-	-	-	202,512
Property and equipment held for sale and related to discontinued operations (net)	660	660	660	-	-	-	-
Other assets	847,382	875,670	859,476	-	-	-	(12,094)
Total assets	**88,635,670**	**89,024,322**	**81,167,478**	**7,573,650**	**-**	**5,020,218**	**(270,945)**
Liabilities							
Deposit	52,617,198	52,617,198	-	-	-	-	52,617,198
Derivative financial liabilities at fair value through profit or loss	1,986,804	2,016,974	-	-	-	-	1,986,804
Loans received	15,551,224	15,760,539	-	-	-	-	15,551,224
Money market funds	2,595,723	2,501,827	-	2,595,723	-	-	-
Securities issued	-	-	-	-	-	-	-
Funds	-	-	-	-	-	-	-
Factoring payables	-	-	-	-	-	-	-
Lease payables	161,525	161,525	-	-	-	-	161,525
Derivative financial liabilities at fair value through other comprehensive income	11,068	23,912	-	-	-	-	11,068
Provisions	281,288	261,277	36,717	-	-	-	218,931
Tax liability	625,461	629,562	-	-	-	-	636,498
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-
Other liabilities	3,996,360	3,984,606	-	-	-	-	-
Shareholders' equity	10,809,019	11,066,902	-	-	-	-	10,799,888
Total liabilities	**88,635,670**	**89,024,322**	**36,717**	**2,595,723**	**-**	**-**	**81,983,136**

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

X. Explanations on consolidated risk management (continued)

b. Main differences between risk amounts and the amounts revalued in accordance with TAS financial statement

	Total	Subject to credit risk	Securitization positions	Subject to counterparty credit risk	Subject to market risk (*)
Assets carrying value in accordance with TAS	**88,906,615**	**81,167,478**	**-**	**7,573,650**	**5,020,218**
Liabilities carrying value in accordance with TAS under scope of regulatory consolidation	6,652,534	36,717	-	2,595,723	-
Total net amount under scope of regulatory consolidation	**82,254,081**	**81,130,761**	**-**	**4,977,927**	**5,020,218**
Off-balance sheet amount	14,174,007	5,214,658	-	5,577,595	-
Differences due to risk mitigation	-	(294,123)	-	(5,196,747)	-
Differences due to different netting rules	-	-	-	-	-
Differences due to consideration of provisions	-	-	-	-	-
Differences due to the applications of the Parent Bank	-	-	-	-	(4,311,018)
Effect of average exchange rate (**)	-	(16,182,117)	-	-	-
Exposure amounts	**-**	**69,869,179**	**-**	**5,358,775**	**709,200**

(*) The amounts of financial instruments, which are measured according to TAS and included in trading accounts within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", is represented in "Subject to market risk framework" column are presented.

(**) It shows the average exchange rate effect used in the calculation of credit risk within the scope of the BRSA's letter dated 21 December 2021.

c. Explanations on differences between carrying values in financial statements and risk amounts in capital adequacy calculation of assets and liabilities:

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

3. Explanations about credit risk

3.1. General Information on Credit Risk

a. General Qualitative Information on Credit Risk

The Parent Bank's Credit Risk Management reports to the Audit Committee. In order to carry out its functions and responsibilities more effectively, Credit Risk Management is structured as Credit Risk Control and Risk&Capital Integration and Reporting Department. Credit Risk Control team is responsible for developing, monitoring and sustaining the models to be used in Internal Ratings Based Method and TFRS 9 calculations and the integration of rating models in the bank systems. Risk&Capital Integration is responsible to form ICAAP process to carry out stress testing, IRB calculations.

Risk appetite expresses the total risk level assumed by the Parent Bank in order to realise its strategies. To ensure that the Parent Bank's risk appetite is equal to or below risk capacity, in general there is a buffer between the risk capacity and risk appetite. The Parent Bank's risk appetite is compatible with the main shareholder's risk appetite, and the Parent Bank pays sufficient attention to protect the interests of all stakeholders such as deposit holders and legal regulators.

Risk appetite is determined according to the risk identification and assessment results, the risk capacity formed by the Parent Bank considering the legal qualitative and quantitative limits and similarly the Bank's risk management and control abilities. If it is possible to implement, risk appetite indicators are approved by the management units (committees) formed for the relevant risk type. Both the risk appetite structure and risk appetite indicators are revised by the Audit Committee and presented by the Audit Committee to the Board of Directors. The approval authority for risk appetite structure and indicators is the Board of Directors.

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X. Explanations on consolidated risk management (continued)

The Parent Bank's risk profile is regularly measured, monitored in comparison with the risk appetite and reported to the Board of Directors and certain senior committees. Under credit risk, general condition of the credit portfolio, non-performing loans, risk appetite indicators, firm and group concentrations, legal credit ratios, development of capital adequacy ratio, development and distribution of ratings based on business units, rating and risk transitions, Probability of Default ("PD"), loss given default ("LGD") and Exposure at Default ("EAD") parameters are followed. Reports prepared in scope of ICAAP study are presented to the senior management and Board of Directors before they are sent to the BRSA.

Many rating models and scorecards are used in different processes such as allocation, monitoring, collection, pricing etc. for the purpose of managing credit risk. With these models, internal data sources and external data sources (such as CB credit risk and limit report, Credit Bureau) are used and creditworthiness of new clients is measured; and development of the existing credit portfolio is closely monitored. Performance of models is regularly monitored by Model Risk Management team under Financial Risk Management in addition to the teams developing the models.

b. Credit quality of assets

	Gross carrying values of (according to TAS)			
	Defaulted	Non-defaulted	Provisions/ amortization and impairment	Net values
Loans	1,738,225	51,882,094	1,815,125	51,805,194
Debt securities (*)	-	6,939,535	9,866	6,929,669
Off-balance sheet exposures	295,715	14,886,083	62,357	15,119,441
Total	**2,033,940**	**73,707,712**	**1,887,348**	**73,854,304**

(*) Includes provisions accounted under equity for financial assets at fair value through other comprehensive income.

c. Changes in stock of defaulted loans and debt securities

	Current period	Prior Period
Defaulted loans and debt securities at the end of the previous reporting period	2,220,877	2,973,616
Loans and debt securities defaulted since the last reporting period	329,484	246,666
Transferred to non-defaulted status	-	-
Amounts written off (*)	(357,487)	(337,706)
Other changes (**)	(454,649)	(661,699)
Defaulted loans and debt securities at the end of the reporting period	**1,738,225**	**2,220,877**

(*) Specific provisions for undrawn non-cash loans are not included in the table. Amounts written off also includes the NPL sale of the Parent Bank amounting to TL 203,788 (31 December 2020: TL 314,769).

(**) Collections within the period have included "Other changes" account.

ç. Additional explanations on the creditworthiness of assets

Definitions of overdue and provision set aside are presented in Section Four - II explanations on credit risk footnote.

Definitions of the methods used in determining the provision amounts:

The methods used are presented in the footnote of Section Three VIII - explanations on impairment in financial assets.

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

X. Explanations on consolidated risk management (continued)

Definitions of the restructured receivables:

The Parent Bank can restructure the first and second group loans and other receivables, as well as non-performing loans and receivables. All loan products are considered together and a single restructuring protocol is formed; according to the legislation and general economic situation, variable or fixed terms are provided to enhance customers’ ability to repay the loan.

Breakdown of receivables according to geographical regions, sector and remaining maturity:

Breakdown of receivables according to geographical regions, sector and remaining maturity is presented in footnote in Section Four II - explanations on credit risk.

Receivable amounts for which provisions are set aside on geographical regions and sectors and amounts written off with the provisions:

Breakdown of receivables according to geographical regions

	Non-performing loans (**)	Specific provision
Domestic	1,738,108	1,270,885
EU Countries	-	-
OECD Countries (*)	36	32
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other countries	81	66
Total	**1,738,225**	**1,270,983**

(*) OECD countries other than EU countries, USA and Canada.

(**) Non-cash loans are not included.

Sectoral receivables and related provisions are presented in Section Four - II. explanations on credit risk disclosure.

Aging of overdue exposures

	Current period	Prior period
Overdue 31 - 60 days	394,427	165,301
Overdue 61 - 90 days	62,693	50,883
Total	**457,120**	**216,184**

Breakdown of restructured receivables by whether or not provisions are allocated

	Current period	Prior period
Loans structured from standard loans and other receivables	-	-
Loans structured from closely monitored loans and other receivables	931,038	994,236
Loans restructured from non-performing loans	79,540	48,137

Group classifies all of its loans and receivables as Stage 2 if they meet the restructured loan conditions while being in the performing loan portfolio according to the “Provision Regulation”. Restructured loans classified as Stage 2 are subject to Stage 2 expected credit losses while restructured loans classified as non-performing loans are subject to specific provision.

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

X. Explanations on consolidated risk management (continued)

Information on expected credit loss

	Stage 1	Stage 2	Stage 3	Total
Opening balance (*)	**224,096**	**356,714**	**1,604,183**	**2,184,993**
Additional provision during the period	137,873	241,100	345,342	724,315
Disposals (-)	(90,121)	(183,181)	(347,977)	(621,279)
Amounts written off (-)	-	-	(293,827)	(293,827)
Transferred to Stage 1	-	(12,528)	-	(12,528)
Transferred to Stage 2	(23,373)	-	(21)	(23,394)
Transferred to Stage 3	(17,741)	(37,575)	-	(55,316)
Ending balance	**230,734**	**364,530**	**1,307,700**	**1,902,964**

(*) Includes provisions for non-cash loans and provisions accounted under equity for financial assets at fair value through other comprehensive income.

3.2. Credit risk mitigation techniques

a. Qualitative disclosure requirements related to credit risk mitigation techniques

The Group pays specific attention to the fact that the risk is completely covered by the collaterals and the easiness of collateral conversion into cash in case of default. In addition, the primary repayment source of loan is the cash flows from operations. Therefore, the financial status and retrospective and prospective cash flows of the firms to which credit proposal is made (the debtor) are analysed with due care during loan disbursement.

Collaterals in the Group are divided into two groups as financial collaterals and guarantees. Collaterals are considered as allowed by the related regulations.

If credit assignment is conditioned to a collateral extension, the data of the collaterals must be entered to the banking information system. Collaterals are entered in the main banking application Finsoft through branches. Collaterals are activated after the Credit Operation Centre ("CROM") teams' check and approval of the collateral entries.

The Group monitors up to date value of the collaterals by type. As a general principle, the Parent Bank revises all collaterals at least once a year. For the firms which still have a credit risk, the existing collaterals are not released unless the guarantees in the credit notification are fully ensured or risk amount is decreased.

The Group makes the assessment according to the latest expert value in the real estate guarantees taken as a real property.

The Group's credit risk exposure and mitigation techniques used in order to reduce the exposure level are taken into account according to the principles stated in the related regulation. The Parent Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals. The standardized risk weights are applied to the rest of the loans and receivables that remained unprotected after credit risk mitigation techniques. Financial collaterals that are composed of cash or similar assets and instruments of a high credit quality as well as real estate mortgages have been used in credit risk mitigation.

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

X. Explanations on consolidated risk management (continued)

b. Credit risk mitigation techniques

	Exposures unsecured carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collaterals	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
Loans (*)	46,804,662	5,000,532	3,679,850	359,529	323,264	-	-
Debt securities (*)	6,929,669	-	-	-	-	-	-
Total	**53,734,331**	**5,000,532**	**3,679,850**	**359,529**	**323,264**	**-**	**-**
Of which defaulted	1,738,225	-	-	-	-	-	-

(*) Stage 1 and Stage 2 expected credit losses are deducted from the related balance sheet amounts according to regulation.

c. Qualitative disclosures on Banks' use of external credit ratings under the standardised approach for credit risk

Explanations are disclosed in Section Four II - explanations on credit risk disclosures.

ç. Credit risk exposure and credit risk mitigation effects

	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Risk classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
Claims on sovereigns and Central Banks	22,565,729	249,211	20,336,676	30,753	4,054,409	19.91%
Claims on regional governments or local authorities	482,601	-	422,643	-	256,989	60.81%
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-
Claims on banks and intermediary institutions	7,621,723	3,440,901	4,926,803	1,146,135	1,145,099	18.86%
Claims on corporates	26,144,433	5,432,162	25,773,813	2,564,356	26,115,824	92.16%
Claims on retails	13,335,377	3,026,014	12,957,789	364,300	11,836,198	88.85%
Claims secured by residential property	1,569,426	-	1,569,426	-	549,299	35.00%
Claims secured by commercial property	1,094,089	35,159	1,094,089	9,016	648,649	58.80%
Past due loans	453,359	-	453,359	-	389,485	85.91%
Higher risk categories decided by the Board	13,883	-	13,883	-	9,653	69.53%
Secured by mortgages	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-
Other receivables	3,546,625	24,676	3,546,625	4,935	1,480,506	41.69%
Equity securities	13,353	-	13,353	-	13,353	100.00%
Total	**76,840,598**	**12,208,123**	**71,108,459**	**4,119,495**	**46,499,464**	**61.81%**

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X. Explanations on consolidated risk management (continued)

d. Standard approach exposures by asset classes and risk weights

Risk classes	0%	10%	20%	35%	50%	75%	100%	150%	200%	Others	Total credit exposures amount (post CCF and post-CRM)
Claims on sovereigns and Central Banks	16,282,264	-	-	-	-	-	4,085,165	-	-	-	20,367,429
Claims on regional governments or local authorities	-	-	-	-	331,308	-	91,335	-	-	-	422,643
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	-	-	2,023,009	-	3,421,638	-	583,649	44,642	-	-	6,072,938
Claims on corporates	-	-	338,090	-	1,400,193	-	26,529,513	70,373	-	-	28,338,169
Claims on retails	-	-	-	-	-	10,367,157	659,738	2,295,194	-	-	13,322,089
Claims secured by residential property	-	-	-	1,569,426	-	-	-	-	-	-	1,569,426
Claims secured by commercial property	-	-	-	-	908,913	-	194,192	-	-	-	1,103,105
Past due loans	-	-	-	-	217,146	-	146,819	89,394	-	-	453,359
Higher risk categories decided by the Board	-	-	-	-	9,421	-	3,496	966	-	-	13,883
Secured by mortgages	-	-	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-	-	-
Other receivables	2,071,056	-	-	-	-	-	1,480,504	-	-	-	3,551,560
Equity securities	-	-	-	-	-	-	13,353	-	-	-	13,353
Total	**18,353,320**	**-**	**2,361,099**	**1,569,426**	**6,288,619**	**10,367,157**	**33,787,764**	**2,500,569**	**-**	**-**	**75,227,954**

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

X. Explanations on consolidated risk management (continued)

4. Evaluation of counterparty credit risk according to measurement methods

a. Qualitative disclosure on counterparty credit risk

According to Appendix 2 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks, promulgated in the Official Gazette, no. 29511, dated 23 October 2015, the counterparty credit risk arising from the transactions that binding both parties such as derivatives and repo, is calculated. The sum of renewal cost for derivative transactions and potential credit risk amount is considered as the risk amount. Renewal cost is calculated with valuation of contracts at fair value and potential credit risk amount is calculated by multiplying the contract amounts with the credit conversion ratios stated in the appendix of the regulation.

For the forward, option and other derivative contracts, collateral management is conducted daily according to the International Swap and Derivative Association ("ISDA") and Credit Support Annex ("CSA") agreements concluded with international counterparties, and when needed, short term total credit risk is reduced by usage of rights and performance of duties.

For the forward, option and other derivative transactions which are done by local agreements and not according to ISDA agreement, the credit risk is controlled via "Pre-Settlement" limit monitoring. Pre-settlement limit is allocated for the firms and organizations according to analysis and allocation processes. The basic rule for the Bank is that client risks do not exceed such limits. Risks are monitored simultaneously with the market and developed models are used in calculation.

The maximum risk that the counterparty may incur due to futures, options and other derivative transactions are limited monitored with daily and instant reports. Possible limit breaches are reported to the high level committees and senior management of the bank and related actions taken to mitigate the risk.

b. Counterparty credit risk (CCR) approach analysis

	Replacement cost	Potential future exposure	EEPE [*]	Alpha used for computing regulatory EAD	Exposure after CRM	RWA
Standardised Approach - CCR (for derivatives)	4,724,644	386,428	-	1.40	5,111,072	2,942,519
Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	247,703	37,831
Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	-	-	-	-	-	-
Total						**2,980,350**

[*] Effective expected positive exposure

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X. Explanations on consolidated risk management (continued)

c. Credit valuation adjustment (CVA) for capital charge

	Exposure at default post-CRM	RWA
Total portfolios subject to the advanced CVA capital charge	-	-
(i) VaR component (including the 3*multiplier)	-	-
(ii) Stressed VaR component (including the 3*multiplier)	-	-
All portfolios subject to the standardised CVA capital charge	5,111,072	366,321
Total subject to the CVA capital charge	5,111,072	366,321

ç. Analysis of counterparty credit risk (CCR) exposure

Asset classes/Risk weight	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure (*)
Claims on sovereigns and Central Banks	506,790	-	-	-	-	30,754	-	-	537,544
Claims on regional governments or local authorities	-	-	-	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	-	-	366,469	3,093,880	-	700	-	-	3,461,049
Claims on corporates	-	-	860	33,864	-	1,269,859	-	-	1,304,583
Claims included in the regulatory retail portfolios	-	-	-	-	55,599	-	-	-	55,599
Claims secured by residential property	-	-	-	-	-	-	-	-	-
Past due loans	-	-	-	-	-	-	-	-	-
Higher risk categories decided by the Board	-	-	-	-	-	-	-	-	-
Secured by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-
Stock investment	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets (**)	-	-	-	-	-	-	-	-	-
Total	**506,790**	**-**	**367,329**	**3,127,744**	**55,599**	**1,301,313**	**-**	**-**	**5,358,775**

(*) Total credit exposure: After applying counterparty credit risk measurement techniques that are related to the amount of capital adequacy calculation.
(**) Other assets: Includes counterparty credit risk that does not reported in "central counterparty" table.

d. Collaterals for counterparty credit risk (CCR)

Related table is not presented due to not having derivative collaterals which is considered in the calculation of capital adequacy ratio.

e. Credit derivatives

There is no credit derivative transaction.

X. Explanations on consolidated risk management (continued)

5. Explanations on securitisation

There is no securitization transaction.

6. Explanations on market risk

The Parent Bank has reviewed activities of market risk management and has taken necessary precautions in order to mitigate the market risk within the framework of financial risk management, according to the "Regulation on the Internal Systems of Banks and Internal Capital Adequacy Valuation Process" and the "Regulation on Measurement and Assessment of Capital Adequacy of Banks", which was published in the Official Gazette No. 29057 and dated 11 July 2014.

Market risk is managed based on different product mandates based on banking books and trading books and within the risk limits including sensitivity that is approved by Board of Directions in where related limits are monitored on a regular basis and the results are shared with senior management and the Board of Directors. In addition, the impacts of change in balance sheet due to banking activities on risk appetite are simulated.

Audit Committee monitors and evaluates market risk closely. Recommendations are presented to the Asset Liability Committee and Board of Directors in terms of the risk management.

Risk management strategies and policies are updated regarding to regulations stated above and is approved by Board of Director's. In relation to the regulatory capital requirements, on a consolidated and the bank only basis, standard method is used in measuring the market risk. In addition to the standard method, for internal reporting purposes, value-at-risk (VaR) is used in daily calculation of amount subject to market risk and are reported to the senior management. Stress tests and scenario analyses are also applied within the scope of ICAAP to complement the risk analysis. In addition, compliance on ING Group's policies related to market risk, especially for the international regulations, is reviewed regularly. All these analysis are reflected in the relevant written procedures and policies. Due to the increase in the regulations and the need for pursuing more sophisticated risk management in recent years, the project of a software has been launched to manage risks related to asset liability management in a more integrated structure and currently enhancements are in progress.

	RWA
Outright products	**709,200**
Interest rate risk (general and specific)	313,550
Equity risk (general and specific)	-
Foreign exchange risk	395,650
Commodity risk	-
Options	
Simplified approach	-
Delta-plus method	-
Scenario approach	-
Securitisation	-
Total	**709,200**

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X. Explanations on consolidated risk management (continued)

7. Explanations on operational risk

The "Basic Indicator Method" that is stated in "Regulation on Measurement and Assessment of Capital Adequacy of Banks" Communiqué published in the Official Gazette no. 28337 on 28 June 2012, is used in the annual operational risk calculation of the Bank. The amount subject to the operational risk as of 31 December 2021 is calculated by using the gross income of the Parent Bank in 2018, 2019 and 2020.

Annual gross revenue is calculated by deduction of profit/loss derived from the sale of available-for-sale assets and held-to-maturity securities, extraordinary income and indemnity insurance gains from the total of net interest income and non-interest income.

Current period	2018 amount	2019 amount	2020 amount	Total/Number of years of positive gross income	Ratio (%)	Total
Gross income	4,035,249	4,623,593	3,592,175	4,083,672	15	612,551
Amount subject to operational risk (Amount*12.5)						**7,656,887**

8. Interest rate risk arising from banking book

Interest rate risk in the banking book is managed within the framework of sensitivity based risk limits which is internally determined by the Board of Directors, and results are shared periodically with senior management, Asset Liability Committee, Audit Committee and Board of Directors. In addition, interest rate risk in the banking book is calculated according to the interest structure profile of all interest sensitive assets and liabilities and the period remaining for their maturity or re-pricing dates under the Regulation on Measurement and Evaluation of the Interest Rate Risk in the Banking Book through Standard Shock Method published by the BRSA in the Official Gazette no: 28034 and dated 23 August 2011.

Under the regulation, core deposit is calculated only for demand deposits and also separately for each currency. Maturity profile of demand deposit assumptions have been determined by taking into account the analyses conducted by the Bank through using historical data for demand deposit portfolio and the maximum hypothetical maturity limit stated in the Regulation.

In addition, analysis being performed about asset and liability accounts comprising different customer behavior characteristics such as internal interest sensitivity and optionality, and effects on balance sheet risk are evaluated within the framework of analysis results and business lines' expectations.

Interest rate risk in the banking book standard ratio is calculated at the end of months by measuring and evaluating the interest rate risk resulting from balance sheet and off-balance sheet positions in the banking books through standard shock method. Profits/losses refer to the profit/loss risk that might occur in the market value of financial assets and liabilities in the balance sheet as a result of applying upward/downward scenarios to the market interest rate.

Currency	Applied shock (+/-x basis points)	Gains/ (Losses)	Gains/Equity (Losses)/Equity
TL	(-) 400	470,388	4.21%
TL	(+) 500	(523,210)	(4.69)%
EURO	(-) 200	(3,813)	(0.03)%
EURO	(+) 200	(80,943)	(0.73)%
USD	(-) 200	30,112	0.27%
USD	(+) 200	(72,991)	(0.65)%
Total (for negative shocks)		**496,687**	**4.45%**
Total (for positive shocks)		**(677,144)**	**(6.07)%**

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

XI. Explanations on hedge transactions

Breakdown of the derivative transactions used in cash flow hedges

	Current period			Prior period		
	Notional	Assets	Liabilities	Notional	Assets	Liabilities
Interest rate swaps	2,540,000	127,284	11,068	3,245,834	25,868	117,167
Cross currency swaps	-	-	-	-	-	-
Total	**2,540,000**	**127,284**	**11,068**	**3,245,834**	**25,868**	**117,167**

Explanations on derivative transactions used in cash flow hedges

Current period

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV Assets	Hedging instrument FV Liabilities	Net gain/(loss) recognized in OCI during the period	Net gain/(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
Interest rate swaps	TL/FC customer deposits	Cash flow risk due to the changes in the interest rates of TL and FC customer deposits	127,284	11,068	219,327	(17,805)	(6,711)
Interest rate swaps	TL revolving loans	Cash flow risk due to the changes in the interest rates of TL revolving loans	-	-	-	13,549	-
Cross currency swaps	TL customer deposits and FC borrowings	Cash flow risk due to the changes in the interest rates of deposits and currency risk of FC borrowings	-	-	(24,007)	-	-
Total			**127,284**	**11,068**	**195,320**	**(4,256)**	**(6,711)**

Prior period

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV Assets	Hedging instrument FV Liabilities	Net gain/(loss) recognized in OCI during the period	Net gain/(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
Interest rate swaps	TL/FC customer deposits	Cash flow risk due to the changes in the interest rates of TL and FC customer deposits	15,117	115,088	198,147	(33,397)	(4,493)
Interest rate swaps	TL revolving loans	Cash flow risk due to the changes in the interest rates of TL revolving loans	10,751	2,079	2,375	-	-
Cross currency swaps	TL customer deposits and FC borrowings	Cash flow risk due to the changes in the interest rates of deposits and currency risk of FC borrowings	-	-	(42,356)	-	-
Total			**25,868**	**117,167**	**158,166**	**(33,397)**	**(4,493)**

Contractual maturity analysis of the derivative transactions subject to cash flow hedges:

Maturity analysis of the derivative transactions subject to cash flow hedges is provided in the Note VI of Section Four.

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

XII. Explanations on segment reporting

The Group operates mainly in corporate, business and retail banking services. In scope of corporate, business banking operations, customers are provided with special banking services including cash management service. In retail banking operations, customers are provided with debit and credit card, retail loan, online banking and private banking services. Spot TL, foreign exchange buy/sell transactions, derivative transactions, and treasury bill/government bond buy/sell transactions are performed at treasury operations.

Information on operating segments is prepared in accordance with the data provided by the Parent Bank's Management Reporting System.

Current period - 31 December 2021	Corporate, Business Banking	Retail Banking	Other	Total
Net interest income	1,206,703	1,105,490	613,477	2,925,670
Net fees and commissions income and other operating income	534,166	393,603	87,027	1,014,796
Trading gain/loss	289,538	128,213	39,215	456,966
Dividend income	-	-	507	507
Expected credit loss	(346,895)	(246,618)	(16)	(593,529)
Segment results	1,683,512	1,380,688	740,210	3,804,410
Other operating expenses (*) (**)				(2,212,731)
Income from continuing operations before tax				1,591,679
Tax provision (*)				(391,566)
Net profit				**1,200,113**

Prior period - 31 December 2020	Corporate, Business Banking	Retail Banking	Other	Total
Net interest income	1,209,183	1,503,882	341,916	3,054,981
Net fees and commissions income and other operating income	448,257	310,831	196,161	955,249
Trading gain/loss	134,706	75,856	6,334	216,896
Dividend income	-	-	476	476
Expected credit loss	(716,080)	(405,446)	(30,487)	(1,152,013)
Segment results	1,076,066	1,485,123	514,400	3,075,589
Other operating expenses (*) (**)				(2,088,644)
Income from continuing operations before tax				986,945
Tax provision (*)				(218,809)
Net profit				**768,136**

(*) Other operational expenses and tax provision are presented at total column due to inability to allocate among the sections.
(**) Includes "Personnel Expenses" and "Other Provision Expenses" that presented in the statement of profit or loss as a different items.

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

XII. Explanations on segment reporting (continued)

Current period - 31 December 2021	Corporate, Business Banking	Retail Banking	Other	Total
Asset	42,215,110	12,358,728	34,061,832	88,635,670
Liability	20,898,757	38,472,522	18,455,372	77,826,651
Equity	-	-	10,809,019	10,809,019

Prior period - 31 December 2020	Corporate, Business Banking	Retail Banking	Other	Total
Asset	31,992,394	12,342,747	21,853,009	66,188,150
Liability	16,053,254	28,809,496	11,913,152	56,775,902
Equity	-	-	9,412,248	9,412,248

Section five

Information and disclosures related to consolidated financial statements

I. Explanations and notes related to assets of the consolidated balance sheet

1. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey

1.1. Information on cash equivalents

	Current period		Prior period	
	TL	FC	TL	FC
Cash in TL/foreign currency	134,581	2,879,135	224,384	1,157,576
Balances with the Central Bank of Turkey	1,876,631	13,912,127	761,934	6,965,900
Other	-	-	-	-
Total	**2,011,212**	**16,791,262**	**986,318**	**8,123,476**

1.2. Information related to the account of the Central Bank of Turkey

	Current period		Prior period	
	TL	FC	TL	FC
Unrestricted demand deposit	1,876,631	3,315,244	761,934	2,064,549
Restricted time deposit	-	4,265,380	-	2,050,448
Reserve requirement	-	6,331,503	-	2,850,903
Total	**1,876,631**	**13,912,127**	**761,934**	**6,965,900**

As per the "Communiqué on Reserve Requirements" promulgated by the Central Bank, banks operating in Turkey must keep required reserves as of the balance sheet date at a rate ranging between 3% and 8% for Turkish lira deposits and liabilities depending on their maturity. The reserve rates vary between 5% and 25% for foreign currency deposits and other foreign currency liabilities and vary between 22% and 26% for gold liabilities depending on their maturity.

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

I. Explanations and notes related to assets of the consolidated balance sheet (continued)

In accordance with the "Communiqué Regarding the Reserve Requirements", the reserve requirements can be maintained as TL, USD, EUR and standard gold.

Within the scope of the Communiqué No. 2021/14 on Supporting the Conversion of TL Deposit and Participation Accounts, the conversion rate from foreign currency deposit accounts in USD, EUR, GBP and participation fund accounts in foreign currency to time deposits and participation funds in TL as of the obligation date of 15 April 2022, it has been decided not to apply an annual commission of 1.5% to the banks that have reached the 10% level and the 20% level as of the 8 July 2022 obligation date, up to the amount to be kept for their liabilities until the end of 2022.

TL 1,876,237 (31 December 2020: TL 761,598) of the TL reserve deposits provided over the average balance and TL 3,315,244 (31 December 2020: TL 2,064,549) of the FC reserve deposits provided over the average balance are presented under unrestricted demand deposit account.

2. Information on financial assets at fair value through profit/loss

2.1. Information on financial assets at fair value through profit/loss subject to repo transactions and those given as collateral/blocked

Financial assets at fair value through profit or loss subject to repo transactions and those given as collateral/blocked are stated below in net amount.

	Current period	Prior period
Unrestricted portfolio	134,575	67,198
Collateral/blocked	40,303	38,607
Total	**174,878**	**105,805**

2.2. Positive differences related to derivative financial assets held for trading

	Current period		Prior period	
	TL	FC	TL	FC
Forward transactions	-	477,496	-	185,704
Swap transactions	4,102,247	258,886	2,242,600	123,735
Futures transactions			-	-
Options	85	6,626	-	373
Other	-	-	-	-
Total	**4,102,332**	**743,008**	**2,242,600**	**309,812**

3. Information on banks and foreign banks accounts

3.1. Information on banks

	Current period		Prior period	
	TL	FC	TL	FC
Banks	77,712	1,325,899	135,568	1,687,927
Domestic	77,712	723	135,448	100,482
Foreign	-	1,325,176	120	1,587,445
Headquarters and branches abroad	-	-	-	-
Total	**77,712**	**1,325,899**	**135,568**	**1,687,927**

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I. Explanations and notes related to assets of the consolidated balance sheet (continued)

3.2. Information on foreign banks

	Unrestricted amount		Restricted amount	
	Current period	Prior period	Current period	Prior period
EU countries	839,930	1,344,673	361,311	222,045
USA, Canada	76,479	10,717	-	388
OECD Countries (*)	45,894	8,611	-	-
Off-shore banking regions	-	-	-	-
Other	1,562	1,131	-	-
Total	**963,865**	**1,365,132**	**361,311**	**222,433**

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

As of 31 December 2021, restricted bank balance amounting to TL 361,311 (31 December 2020: TL 222,433) all of which is comprised of (31 December 2020: all amount) collaterals that is held by counter banks under CSA (credit support annex) contracts and is calculated based on related derivatives market price.

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

4.1. Financial assets at fair value through other comprehensive income subject to repo transactions and those given as collateral/blocked

Financial assets at fair value through other comprehensive income subject to repo transactions and those given as collateral/blocked with net amounts are shown in below table.

Financial assets measured at fair value through other comprehensive income:

	Current period	Prior period
Unrestricted portfolio	211,971	449,783
Repo transactions	1,131,396	-
Collateral/blocked	-	133,163
Total	**1,343,367**	**582,946**

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

Financial assets measured at fair value through other comprehensive income:

	Current period	Prior period
Debt securities	1,335,706	570,257
Quoted to stock exchange	1,335,706	570,257
Not quoted	-	-
Equity certificates	13,626	13,070
Quoted to stock exchange	-	-
Not quoted	13,626	13,070
Provision for impairment (-)	(5,965)	(381)
Total	**1,343,367**	**582,946**

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I. Explanations and notes related to assets of the consolidated balance sheet (continued)

5. Information on loans

5.1. Information on the balance of all types of loans and advances given to shareholders and employees of the Parent Bank

	Current period		Prior period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders of the Parent Bank	187	1,082,968	3,714	944,813
Corporate shareholders	-	1,082,968	3,692	944,813
Real person shareholders	187	-	22	-
Indirect loans granted to shareholders of the Parent Bank	395	428,782	8,949	358,190
Loans granted to employees of the Parent Bank	42,595	-	40,689	-
Total	**43,177**	**1,511,750**	**53,352**	**1,303,003**

5.2. Information on the first and second group loans and other receivables including restructured or rescheduled loans

		Loans and other receivables under close monitoring		
		Loans and receivables not subject to restructuring	Restructured loans and receivables	
Cash loans	Standard loans		Revised contract terms	Refinance
Non-specialized loans	43,723,015	6,413,819	693,702	237,336
Business loans	16,296,809	4,870,224	485,766	218,653
Export loans	9,404,279	382,821	39,383	18,683
Import loans	-	-	-	-
Loans given to financial sector	4,734,882	-	-	-
Consumer loans	10,222,203	1,086,163	155,022	-
Credit cards	507,276	58,542	13,531	-
Other	2,557,566	16,069	-	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	**43,723,015**	**6,413,819**	**693,702**	**237,336**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)
(Convenience translation of the consolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

I. Explanations and notes related to assets of the consolidated balance sheet (continued)

	Current period		Prior period	
	Standard loans	Loans and other receivables under close monitoring	Standard loans	Loans and other receivables under close monitoring
12 Month Expected Credit Losses	210,564	21	196,047	58
Loans	*194,234*	-	*183,480*	-
Other assets	*12,072*	*21*	*8,352*	*58*
Banks and money market placements	*3,523*	-	*3,660*	-
Marketable securities	*735*	-	*555*	-
Lifetime expected credit losses significant increase in credit risk	-	349,908	-	339,041
Loans	-	*349,908*	-	*339,041*
Total	**210,564**	**349,929**	**196,047**	**339,099**

5.3. Loans according to their maturity structure

		Loans and other receivables under close monitoring	
Cash loans	**Standard loans**	**Loans and receivables not subject to restructuring**	**Restructured loans and receivables**
Short-term loans and other receivables	15,897,148	2,690,287	148,827
Medium and long-term loans and other receivables	27,825,867	3,723,532	782,211
Total	**43,723,015**	**6,413,819**	**931,038**

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I. Explanations and notes related to assets of the consolidated balance sheet (continued)

5.4. Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel

	Short term	Medium and long term	Total
Consumer loans - TL	**475,355**	**10,760,634**	**11,235,989**
Mortgage loans	242	3,768,120	3,768,362
Automotive loans	35,594	418,153	453,747
General purpose loans	439,519	6,574,361	7,013,880
Other	-	-	-
Consumer loans - indexed to FC	**-**	**-**	**-**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Consumer loans - FC	**-**	**-**	**-**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Consumer credit cards - TL	**527,613**	**9,996**	**537,609**
With installments	152,025	9,996	162,021
Without installments	375,588	-	375,588
Consumer credit cards - FC	**-**	**-**	**-**
With installments	-	-	-
Without installments	-	-	-
Personnel loans - TL	**4,423**	**27,731**	**32,154**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	4,423	27,731	32,154
Other	-	-	-
Personnel loans - indexed to FC	**-**	**-**	**-**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel loans - FC	**-**	**-**	**-**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel credit cards - TL	**10,628**	**-**	**10,628**
With installments	3,384	-	3,384
Without installments	7,244	-	7,244
Personnel credit cards - FC	**-**	**-**	**-**
With installments	-	-	-
Without installments	-	-	-
Overdraft accounts - TL (real person)	**195,245**	**-**	**195,245**
Overdraft accounts - FC (real person)	**-**	**-**	**-**
Total	**1,213,264**	**10,798,361**	**12,011,625**

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

I. Explanations and notes related to assets of the consolidated balance sheet (continued)

5.5. Information on commercial loans with installments and corporate credit cards

	Short term	Medium and long term	Total
Commercial installment loans - TL	**1,210,454**	**1,413,587**	**2,624,041**
Real estate loans	-	5,881	5,881
Automotive loans	2,319	122,322	124,641
General purpose loans	-	-	-
Other	1,208,135	1,285,384	2,493,519
Commercial installment loans - indexed to FC	**-**	**17,156**	**17,156**
Real estate loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	17,156	17,156
Commercial installment loans-FC	**-**	**1,935**	**1,935**
Real estate residential loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	1,935	1,935
Corporate credit cards - TL	**31,112**	**-**	**31,112**
With installments	15,246	-	15,246
Without installments	15,866	-	15,866
Corporate credit cards - FC	**-**	**-**	**-**
With installments	-	-	-
Without installments	-	-	-
Overdraft loans - TL (legal entity)	**48,212**	**-**	**48,212**
Overdraft loans - FC (legal entity)	**-**	**-**	**-**
Total	**1,289,778**	**1,432,678**	**2,722,456**

5.6. Loans according to borrowers

	Current period	Prior period
Public	4,296,136	2,381,984
Private	46,771,736	37,410,463
Total	**51,067,872**	**39,792,447**

5.7. Domestic and foreign loans

	Current period	Prior period
Domestic loans	51,059,786	39,772,290
Foreign loans	8,086	20,157
Total	**51,067,872**	**39,792,447**

5.8. Loans granted to subsidiaries and associates

The loans granted to subsidiaries and associates are eliminated at the consolidated financial statements.

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I. Explanations and notes related to assets of the consolidated balance sheet (continued)

5.9. Specific provisions set aside against loans

	Current period	Prior period
Loans and receivables with limited collectability	66,116	21,897
Loans and receivables with doubtful collectability	33,277	36,622
Uncollectible loans and receivables	1,171,590	1,516,731
Total	**1,270,983**	**1,575,250**

5.10. Information on non-performing loans (net)

5.10.1. Information on non-performing loans and other receivables restructured or rescheduled by the Group

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and r eceivables
Current period			
Gross amounts before specific provision	-	1,332	78,208
Restructured loans	-	1,332	78,208
Prior period			
Gross amounts before specific provision	-	209	47,928
Restructured loans	-	209	47,928

5.10.2. Information on total non-performing loans

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Prior period end balance	**39,249**	**63,584**	**2,118,044**
Additions (+)	305,130	1,925	22,429
Transfers to other categories of non-performing loans (+)	-	181,621	171,650
Transfers from other categories of non-performing loans (-)	(181,621)	(171,650)	-
Collections (-)	(61,818)	(17,835)	(374,996)
Write-offs (-) (*)	(9)	(30)	(153,660)
Sold Portfolio (-) (**)	-	(2,793)	(200,995)
Corporate and commercial loans	-	(2,793)	(90,035)
Retail loans	-	-	(90,430)
Credit cards	-	-	(20,530)
Other	-	-	-
Current period end balance	**100,931**	**54,822**	**1,582,472**
Provisions (-)	(66,116)	(33,277)	(1,171,590)
Net balance on balance sheet	**34,815**	**21,545**	**410,882**

(*) In current period, the amount of write-off made according to the “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated 6 July 2021 and numbered 31533 is TL 139,458 and its effect on the NPL ratio is 0.25% (31 December 2020: TL 31,241 and its effect on the NPL ratio is 0.07%).

(**) The Parent Bank sold non-performing loan portfolio amounting to TL 203,788 (31 December 2020: TL 314,769) to domestic asset management companies at 26 October 2021.

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

I. Explanations and notes related to assets of the consolidated balance sheet (continued)

5.10.3. Information on foreign currency non-performing loans and other receivables

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period			
Balance at the end of the period	1,545	-	165,780
Provision (-)	(742)	-	(106,817)
Net balance on balance sheet	**803**	**-**	**58,963**
Prior period			
Balance at the end of the period	2,654	6,447	165,675
Provision (-)	(1,947)	(5,142)	(106,500)
Net balance on balance sheet	**707**	**1,305**	**59,175**

Non-performing loans granted as foreign currency are followed under TL accounts at the balance sheet.

5.10.4. Gross and net amounts of non-performing loans per customer categories

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period (net)	**34,815**	**21,545**	**410,882**
Loans granted to corporate entities and real person (gross)	91,569	54,822	1,579,879
Provision amount (-)	(60,838)	(33,277)	(1,169,542)
Loans granted to corporate entities and real person (net)	30,731	21,545	410,337
Banks (gross)	-	-	-
Provision amount (-)	-	-	-
Banks (net)	-	-	-
Other loans (gross)	9,362	-	2,593
Provision amount (-)	(5,278)	-	(2,048)
Other loans (net)	4,084	-	545
Prior period (net)	**17,352**	**26,962**	**601,313**
Loans granted to corporate entities and real person (gross)	29,180	63,584	2,115,450
Provision amount (-)	(20,186)	(36,622)	(1,514,137)
Loans granted to corporate entities and real person (net)	8,994	26,962	601,313
Banks (gross)	-	-	-
Provision amount (-)	-	-	-
Banks (net)	-	-	-
Other loans (gross)	10,069	-	2,594
Provision amount (-)	(1,711)	-	(2,594)
Other loans (net)	8,358	-	-

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

I. Explanations and notes related to assets of the consolidated balance sheet (continued)

5.10.5. According to TFRS 9, accruals, valuation differences and related provisions calculated for non-performing loans

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectable loans and receivables
Current period (Net)	**2,742**	**1,858**	**22,891**
Interest accruals and valuation differences	9,436	5,200	77,914
Provision (-)	(6,694)	(3,342)	(55,023)
Prior period (Net)	**1,949**	**3,249**	**29,102**
Interest accruals and valuation differences	4,262	7,503	82,158
Provision (-)	(2,313)	(4,254)	(53,056)

5.11. Liquidation policy for uncollectible loans and receivables

As with the loans classified in the other liquidation accounts, “Loans and receivables with limited collectability” and “Loans and receivables with doubtful collectability” accounts, according to the Provisions Regulation, the most appropriate action is determined by evaluating the quality of the loan, the collateral status, bona fide of the debtor and assessment of the emergency, in order to ensure the collection and liquidation of the loans classified in the accounts of “Uncollectable loans and receivables”.

5.12. Information on the write-off policy

Accounting policies regarding the write-off policy are explained in the section three note VIII.

In current period, the amount of write-off made according to the “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated 6 July 2021 and numbered 31533 is TL 139,458 (31 December 2020: TL 31,241) and its effect on the NPL ratio is 0.25% (31 December 2020: 0.07%).

6. Financial assets measured at amortised cost

6.1. Financial assets subject to repurchase agreements and provided as collateral/blocked:

	Current period	Prior period
Investments subject to repurchase agreements	1,397,601	9,081
Collateralised/blocked investments (*)	1,026,088	1,274,855
Total	**2,423,689**	**1,283,936**

(*) Consists of bonds given as collaterals by the Parent Bank to be a member of Interbank, BIST, Derivatives Exchange, Takasbank, Money Markets and to operate in those markets.

6.2. Government securities measured at amortised cost

	Current period	Prior period
Government bonds	5,609,794	4,253,314
Treasury bills	-	-
Other government securities	-	-
Total	**5,609,794**	**4,253,314**

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I. Explanations and notes related to assets of the consolidated balance sheet (continued)

6.3. Financial assets measured at amortised cost

	Current period	Prior period
Debt securities	5,609,794	4,253,314
Quoted to stock exchange	5,609,794	4,253,314
Not quoted	-	-
Impairment provision (-)	-	-
Total	**5,609,794**	**4,253,314**

6.4. Movement of financial assets measured at amortised cost

	Current period	Prior period
Balances at the beginning of the period	4,253,314	2,114,571
Foreign currency differences on monetary assets	-	-
Purchases during the period	3,378,383	3,644,739
Disposals through sales and/redemptions	(2,006,706)	(1,553,437)
Provision for impairment (-)	-	-
Valuation effect	(15,197)	47,441
Period end balance	**5,609,794**	**4,253,314**

7. Information on associates (net)

7.1. Explanations related to the associates

The Parent Bank does not have any associates.

8. Information on subsidiaries (net)

8.1. Information on equity of subsidiaries

As of 31 December 2021, information on the equities of subsidiaries is as follows:

	ING European Financial Services Plc.	ING Factoring (*)	ING Leasing	ING Securities
Paid in capital and adjustment to paid-in capital	2,942	50,000	50,000	31,907
Profit reserves, capital reserves and prior year profit/loss	116,169	104,191	150,492	28,114
Profit	56,840	17,192	38,044	29,719
Development cost of operating lease (-)	-	-	-	-
Intangible assets (-)	-	-	(273)	-
Total core capital	**175,951**	**171,383**	**238,263**	**89,740**
Supplementary capital	**-**	**-**	**-**	**-**
Capital	**175,951**	**171,383**	**238,263**	**89,740**
Net usable shareholder's equity	**175,951**	**171,383**	**238,263**	**89,740**

(*) In accordance with the Parent Bank's Board of Directors decision dated 28 December 2020; it has been decided for initiating the liquidation process of its subsidiary, ING Factoring A.Ş., applying for the approval of the BRSA on this matter by taking a decision in the ING Faktoring A.Ş.'s Board of Directors for the liquidation of the company and giving authorization to General Management to carry out the liquidation procedures and processes. The Parent Bank applied to the BRSA on 27 December 2021 for the liquidation of ING Factoring. With the decision of the BRSA Board numbered 10043 and dated 13 January 2022, the cancellation of the operating license of ING Factoring was approved.

The Parent Bank does not have any additional capital requirements due to the subsidiaries included in the consolidated calculation of capital requirement.

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I. Explanations and notes related to assets of the consolidated balance sheet (continued)

8.2. Information on consolidated subsidiaries

Title	Address (City/Country)	The Parent Bank's share percentage-If different voting (%)	The Parent Bank's risk group share (%)
(1) ING European Financial Services Plc.	Dublin/Ireland	100%	100%
(2) ING Factoring	İstanbul/Turkey	100%	100%
(3) ING Leasing	İstanbul/Turkey	100%	100%
(4) ING Securities	İstanbul/Turkey	100%	100%

As of 31 December 2021, financial information on consolidated subsidiaries as follows (*):

	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit/loss	Prior period profit/loss	Fair value
(1)	6,449,907	175,951	29	141,604	-	56,840	53,271	-
(2)	175,369	171,383	345	30,701	-	17,192	6,655	-
(3)	1,117,244	238,536	1,711	64,975	-	38,044	30,833	-
(4)	397,536	89,740	648	15,512	-	29,719	25,994	-

(*) The financial information of ING Factoring, ING Leasing, ING Securities and ING European Financial Services Plc are obtained from 31 December 2021 audited financial statements.

8.3. Information on consolidated subsidiaries

	Current period	Prior period
Balance at the beginning of the period	**569,189**	**391,634**
Movements during the period	270,097	177,555
Purchases	-	-
Bonus shares obtained	-	-
Dividends from current year income	129,955	141,491
Sales	-	-
Revaluation increase (*)	140,142	36,064
Provisions for impairment	-	-
Balance at the end of the period	**839,286**	**569,189**
Capital commitments	-	-
Share percentage at the end of the period (%)	100	100

(*) Amounts refer to revaluation differences arising from accounting of financial subsidiaries under the equity method in the unconsolidated financial statements.

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

I. Explanations and notes related to assets of the consolidated balance sheet (continued)

8.4. Sectoral information on consolidated financial subsidiaries and the related carrying amounts

	Current period	Prior period
Banks	-	-
Insurance companies	-	-
Factoring companies	169,507	174,100
Leasing companies	216,381	172,675
Finance companies	-	-
Other financial subsidiaries	453,398	222,414

8.5. Subsidiaries quoted in a stock exchange

There are no subsidiaries quoted on a stock exchange.

9. Information on entities under common control (net)

9.1. Information on entities under common control (net)

There are no entities under common control.

10. Information on lease receivables (net)

10.1 Investments made in finance lease as per their maturity

	Current period		Prior period	
	Gross	Net	Gross	Net
Less than 1 year	134,305	131,510	59,619	58,819
1-5 years	702,175	642,905	791,483	732,346
More than 5 years	44,969	39,807	-	-
Total	**881,449**	**814,222**	**851,102**	**791,165**

10.2 Information of the net investments made in finance lease

	Current period	Prior period
Gross financial lease investment	881,449	851,102
Unearned financial lease income (-)	(67,227)	(59,937)
Cancelled leases (-)	-	-
Net financial lease investment	**814,222**	**791,165**

11. Information on derivative financial assets held for hedging

11.1 Information on positive differences of derivative financial assets held for hedging

	Current period		Prior period	
	TL	FC	TL	FC
Fair value hedge	-	-	-	-
Cash flow hedge	127,284	-	25,868	-
Net investment hedge	-	-	-	-
Total	**127,284**	**-**	**25,868**	**-**

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I. Explanations and notes related to assets of the consolidated balance sheet (continued)

12. Information on tangible assets (net)

Current period	Real estates	Right-of-use assets	Other fixed assets	Total
Cost				
Opening balance	286,399	304,079	927,065	1,517,543
Additions	5,086	134,859	113,008	252,953
Disposals	(3,201)	(202,936)	(201,868)	(408,005)
Transfers	-	-	-	-
Currency differences	-	-	223	223
Provisions for impairment	-	-	-	-
Closing balance	288,284	236,002	838,428	1,362,714
Accumulated depreciation				
Opening balance	(131,261)	(86,378)	(478,670)	(696,309)
Current year depreciation expense	(6,919)	(46,244)	(67,436)	(120,599)
Disposals	416	45,780	79,595	125,791
Transfers	-	-	(291)	(291)
Currency differences	-	-	(211)	(211)
Closing balance	(137,764)	(86,842)	(467,013)	(691,619)
Net book value	**150,520**	**149,160**	**371,415**	**671,095**

Prior period	Real estates	Right-of-use assets	Other fixed assets	Total
Cost				
Opening balance	282,843	349,427	949,757	1,582,027
Additions	3,988	154,012	188,093	346,093
Disposals	(586)	(199,360)	(210,466)	(410,412)
Transfers	-	-	(395)	(395)
Currency differences	-	-	76	76
Provisions for impairment	154	-	-	154
Closing balance	286,399	304,079	927,065	1,517,543
Accumulated depreciation				
Opening balance	(124,641)	(55,283)	(455,125)	(635,049)
Current year depreciation expense	(6,882)	(65,063)	(62,863)	(134,808)
Disposals	262	33,968	38,718	72,948
Transfers	-	-	652	652
Currency differences	-	-	(52)	(52)
Closing balance	(131,261)	(86,378)	(478,670)	(696,309)
Net book value	**155,138**	**217,701**	**448,395**	**821,234**

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

I. Explanations and notes related to assets of the consolidated balance sheet (continued)

13. Information on intangible assets (net)

	Current period	Prior period
Cost		
Opening balance	272,310	252,022
Additions	19,316	20,303
Currency differences	107	26
Disposals	(123)	(41)
Closing balance	291,610	272,310
Accumulated amortization		
Opening balance	(225,842)	(196,851)
Current year's amortization expense	(30,918)	(29,006)
Currency differences	(569)	(26)
Disposals	13	41
Closing balance	(257,316)	(225,842)
Net book value	**34,294**	**46,468**

14. Information on investment properties (net)

The Group does not have investment properties.

15. Explanations on deferred tax asset

15.1. Explanations on current tax asset

The Group has current tax asset relating to corporation tax by the amount of TL 195,910 (31 December 2020: TL 158,354 current tax liability) under the asset items.

15.2. Explanations on deferred tax asset

Deferred tax asset and liability are netted of based on the Parent Bank and each company subject to consolidation, and shown as deferred tax asset or liability in the consolidated balance sheet. The explanations about deferred tax asset/ liability for the current and prior period are disclosed in Note II.9 of Section Five.

16. Explanations on assets held for sale and discontinued operations (net)

16.1. Explanations on assets held for sale

	Current period	Prior period
Opening balance (net)	660	660
Additions	-	-
Disposals (-)	-	-
Depreciation (-)	-	-
Balance at the end of the period (net)	**660**	**660**

16.2. Explanations on discontinued operations

The Group does not have assets with respect to the discontinued operations.

17. Other assets exceed 10% of the balance sheet total (excluding off balance sheet commitments), breakdown of the names and amounts of accounts constructing at least 20% of grand totals

Other assets in the balance sheet excluding off balance sheet commitments do not exceed 10% of the balance sheet total.

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II. Explanations and notes related to liabilities of the consolidated balance sheet

1. Information on deposits

1.1 Maturity structure of deposits

Current period	Demand	7 day call accounts	Up to 1 month	1-3 months	3-6 months	6 months-1 year	1 year and over	Cumulative deposits	Total
Saving deposits	1,265,135	-	11,974,081	3,694,786	469,204	68,904	78,941	-	17,551,051
Foreign currency deposits	9,156,126	-	12,357,638	7,449,834	333,193	72,249	49,281	-	29,418,321
Residents in Turkey	8,987,254	-	12,272,184	7,289,998	318,202	59,535	44,203	-	28,971,376
Residents abroad	168,872	-	85,454	159,836	14,991	12,714	5,078	-	446,945
Public sector deposits	230,878	-	-	-	-	-	-	-	230,878
Commercial deposits	728,954	-	1,131,305	183,215	3,807	1,191	33	-	2,048,505
Other institutions deposits	9,569	-	9,672	3,135	14	11	6	-	22,407
Precious metals deposits	2,192,068	-	1,102,752	-	-	-	-	-	3,294,820
Interbank deposits	8,176	-	43,040	-	-	-	-	-	51,216
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	225	-	43,040	-	-	-	-	-	43,265
Foreign banks	7,951	-	-	-	-	-	-	-	7,951
Participation banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	**13,590,906**	**-**	**26,618,488**	**11,330,970**	**806,218**	**142,355**	**128,261**	**-**	**52,617,198**

Foreign exchange-protected deposit instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against changes in foreign exchange rates, started to be offered to the Bank's customers. In this context, the total amount of deposits opened as of 31 December 2021 is TL 384,135.

Prior period	Demand	7 day call accounts	Up to 1 month	1-3 months	3-6 months	6 months-1 year	1 year and over	Cumulative deposits	Total
Saving deposits	1,019,238	-	12,916,901	3,257,890	66,226	27,754	14,045	-	17,302,054
Foreign currency deposits	4,317,867	-	9,052,713	2,951,563	100,843	50,860	29,907	-	16,503,753
Residents in Turkey	4,036,123	-	8,990,469	2,839,428	91,135	41,595	26,110	-	16,024,860
Residents abroad	281,744	-	62,244	112,135	9,708	9,265	3,797	-	478,893
Public sector deposits	75,720	-	6	16,019	86	-	-	-	91,831
Commercial deposits	651,514	-	1,109,754	41,269	2,209	89	-	-	1,804,835
Other institutions deposits	8,944	-	6,550	2,795	32	35	52	-	18,408
Precious metals deposits	1,959,808	-	787,258	-	-	-	-	-	2,747,066
Interbank deposits	1,662,936	-	-	-	-	-	-	-	1,662,936
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	10	-	-	-	-	-	-	-	10
Foreign banks	1,662,926	-	-	-	-	-	-	-	1,662,926
Participation banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	**9,696,027**	**-**	**23,873,182**	**6,269,536**	**169,396**	**78,738**	**44,004**	**-**	**40,130,883**

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

II. Explanations and notes related to liabilities of the consolidated balance sheet (continued)

1.2. Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance

	Under the guarantee of saving deposit insurance		Exceeding the limit of saving deposit insurance	
Saving deposits	Current period	Prior period	Current period	Prior period
Saving deposit	11,045,377	11,915,530	6,499,960	5,380,088
Foreign currency saving deposits	7,659,628	6,027,959	16,611,654	7,678,193
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Deposits in off-shore banking regions' under foreign authorities' insurance	-	-	-	-

1.3. Information on whether the saving deposits/private current accounts of real persons not subject to commercial transactions in the Turkey branch of the Parent Bank headquartered abroad are in scope of insurance in the country where the head office is located

The Parent Bank's head office is in Turkey and its saving deposits are covered by saving deposit insurance.

1.4. Saving deposits of real persons not under the guarantee of saving deposit insurance fund

	Current period	Prior period
Deposits and other accounts in foreign branches	-	-
Saving deposits and other accounts of controlling shareholders and their mothers, fathers, spouses, children in care	-	-
Saving deposits and other accounts of president and members of board of directors, general manager and vice presidents, and their mothers, fathers, spouses and children in care	17,844	22,033
Saving deposits and other accounts in scope of the property holdings derived from crime defined in Article 282 of Turkish Criminal Law No: 5237, dated 26 September 2004	-	-
Saving deposits in deposit bank established in Turkey in order to engage solely in off-shore banking activities	-	-

2. Information on derivative financial liabilities held for trading

2.1. Table of negative differences for derivative financial liabilities held for trading

	Current period		Prior period	
	TL	FC	TL	FC
Forward transactions	-	733,145	-	40,999
Swap transactions	1,169,273	76,017	678,568	128,082
Future transactions	-	-	-	-
Options	63	8,306	7	1,337
Other	-	-	-	-
Total	**1,169,336**	**817,468**	**678,575**	**170,418**

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II. Explanations and notes related to liabilities of the consolidated balance sheet (continued)

3. Banks and other financial institutions

3.1. Information on banks and other financial institutions

	Current period		Prior period	
	TL	FC	TL	FC
Funds borrowed from Central Bank of Turkey	-	-	-	-
Funds borrowed from domestic banks and institutions	115,519	453,497	140,946	74,119
Funds borrowed from foreign banks, institutions and funds	208,871	14,773,337	1,658,818	7,895,577
Total	**324,390**	**15,226,834**	**1,799,764**	**7,969,696**

3.2. Maturity analysis of funds borrowed

	Current period		Prior period	
	TL	FC	TL	FC
Short term	303,248	965,364	1,798,732	106,353
Medium and long term	21,142	14,261,470	1,032	7,863,343
Total	**324,390**	**15,226,834**	**1,799,764**	**7,969,696**

3.3. Funding industry group where the Group liabilities are concentrated

The liabilities providing the funding sources of the Group are deposits, borrowings, marketable securities issued and money market borrowings. Deposits are the most important funding source of the Group and the diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. The borrowings are composed of funds such as syndicated and post-financing obtained from different financial institutions with different maturity-interest structures and characteristics. There is no risk concentration in any of the funding sources of the Group.

4. Explanations on securities issued (net)

The Group does not have any securities issued end of the reporting period (31 December 2020: None).

5. If other liabilities exceed 10% of the balance sheet total, names and amounts of the accounts constituting at least 20% of grand totals

Other liabilities do not exceed 10% of the balance sheet total.

6. Explanations on lease liabilities (net)

	Current period		Prior period	
	Gross	Net	Gross	Net
Less than 1 year	14,477	5,079	2,509	2,343
Between 1-4 years	71,331	49,307	103,996	84,738
More than 4 year	178,280	107,139	227,229	141,995
Total	**264,088**	**161,525**	**333,734**	**229,076**

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II. Explanations and notes related to liabilities of the consolidated balance sheet (continued)

7. Information on derivative financial liabilities held for hedging

7.1. Negative differences related to derivative financial liabilities held for hedging

	Current period		Prior period	
	TL	FC	TL	FC
Fair value hedge	-	-	-	-
Cash flow hedge	11,068	-	112,999	4,168
Net investment hedge	-	-	-	-
Total	**11,068**	**-**	**112,999**	**4,168**

8. Information on provisions

8.1. Information on the exchange rate decrease provision on foreign currency indexed loans and financial lease receivables

None (31 December 2020: None).

8.2. Information on other provisions

	Current period	Prior period
Specific provisions for undrawn non-cash loans	36,717	28,933
Provision for credit card score promotion	1,287	1,291
Other provisions	167,368	159,448
Allowance for expected credit losses (Stage 1 and Stage 2) (*)	*25,640*	*42,395*
Other	*141,728*	*117,053*
Total	**205,372**	**189,672**

(*) Non-cash loan provisions are included.

Amount to TL 111,051 (31 December 2020: TL 74,277) of the other provisions consist of provisions set aside as a result of the legal assessment for the lawsuits that are likely to result against the Parent Bank.

The deposit holders of off-shore accounts held at Sümerbank A.Ş. (together with other dissolved banks merged into Sümerbank A.Ş., all of which were ultimately merged into the Parent Bank), which were opened before Savings Deposit Insurance Fund (SDIF) seized these banks, initiates lawsuits against the Parent Bank (former title Oyak Bank A.Ş.). As a result of these lawsuits, the Parent Bank pays certain amounts to these off-shore deposit holders of the dissolved banks. SDIF indemnifies these amounts in accordance with the Share Sale Agreement entered into between Turkish Armed Forces Assistance (and Pension) Fund (OYAK) and SDIF (SSA).

II. Explanations and notes related to liabilities of the consolidated balance sheet (continued)

SDIF, however, does not fully indemnify the Parent Bank and pays these amounts subject to legal reservation against the SSA provisions. SDIF initiated nine enforcement proceedings to claim the amount it had indemnified, a total of approximately TL 499 million (Full TL). Upon the Parent Bank's objection to legal grounds of the enforcement proceedings initiated by SDIF against the Parent Bank, SDIF initiated cancellation of objection lawsuits against the Parent Bank. Currently, there are eight of such lawsuits: (i) the first case relates to the first enforcement proceeding of approximately TL 21.9 million (Full TL) (the "First Case"), (ii) the second case relates to the second enforcement proceeding of approximately TL 21.8 million (Full TL) (the "Second Case"), (iii) the third case relates to the third and fifth enforcement proceedings of a total of approximately TL 97.7 million (Full TL) (the "Third Case") and (iv) the fourth case relates to the fourth enforcement proceeding of approximately TL 109.5 million (Full TL) (the "Fourth Case"). SDIF has not yet initiated a case in connection with the sixth enforcement proceeding of approximately TL 126 million (Full TL) against which the Parent Bank objected and SDIF filed a lawsuit (the "Sixth Case") for the cancellation of objection lawsuit. Furthermore, SDIF initiated the seventh enforcement procedure for approximately TL 52 million and the Parent Bank objected to this payment request and the case was filed by the SDIF. The case is going on the first instance court. SDIF initiated the eighth enforcement procedure for approximately TL 49 million (Full TL) in 2019 and the Parent Bank objected to this payment request. The mediation meeting was taken in 9 July 2020 between parties (mandatory mediation before proceedings) and a minute was drawn up in order not to agree between the bank and the SDIF. A lawsuit has been filed by the SDIF for the cancellation of the Parent Bank's objection to this execution proceeding.

In the First Case, the first instance court ruled in favor of the Parent Bank, which has been later reversed by the Supreme Court of Appeals (Yargıtay). The First Case has been returned to the first instance court following the appellate decision, where the court of first instance decided to obtain an expert opinion in accordance with the Supreme Court of Appeals' decision. Following the court appointed expert's examination of the case, the expert report has been completed and it was in favor of the Parent Bank. The first instance court decided in favor of the Parent Bank however SDIF appealed against the decision and the appeal of the SDIF has been rejected in favor of the Parent Bank. Against this decision, the Court of Cassation, the way of correction of the decision was clear. SDIF made a decision correction, the decision. Saving Deposit Insurance Fund's request of revision of decision has been approved in April 2021 with the following justification: "Share Sale Agreement executed by and between OYAK and ING Bank N.V. and dated 18 June 2007 should also be presented and an expert examining should be conducted by a new panel of experts". At this point, the lawsuit started to re-reviewed by Istanbul 1st Commercial Court of First Instance. On the trial dated 14 October 2021, the Court of First Instance decided to abide by the reversal decision of the Supreme Court of Appeal and decided to gather the Share Sale Agreement between ING Bank N.V. and OYAK, then to conduct an expert examination again, and accepted ING Bank N.V.'s request for ancillary intervention.

The first instance court held the trial of the Second Case, Third Case and Fourth Case together due to the first instance court's earlier decision to merge these cases. However, the first instance court only ruled on the merits of the Second Case in favor of ING Bank A.Ş. and rejected SDIF's claims and decided to demerge each of the Third Case and the Fourth Case from the Second Case. In the proceedings held after the court's demerger decision, the court decided in favor of the Parent Bank for each case. Also, in the Sixth Case, the first instance court decided in favor of the Parent Bank. The court's decision in the Second Case and in the other cases are subject to a two-tiered appeal, i.e., appeal before the regional appellate court and the Supreme Court of Appeals. The Regional Appeal Court decided in favor of the Parent Bank in Second, Third and the Fourth cases. Also, SDIF initiated the Ninth enforcement procedure for approximately TL 20.9 million which is objected by ING Turkey. After 30 September 2021, SDIF applied to the mandatory mediation institution regarding this enforcement proceeding. The Bank attended the meeting in October 2021 and there is no settlement between the parties. SDIF applied for the Ninth Case. Currently, there are 9 enforcement proceedings and 9 ongoing lawsuits based on the same legal grounds.

On the other hand, there is an administrative law dispute between the Parent Bank and SDIF. The Parent Bank has filed a lawsuit for the annulment of the administrative resolution No. 2013/36 dated 31 January 2013 of SDIF's Fund Board (the "SDIF Fund Board Decision"), which constitutes the legal basis of the SDIF's abovementioned actions. Although the first instance administrative court ruled in favor of the Parent Bank to annul the SDIF Fund Board Decision, the Council of State (i.e., the Administrative Supreme Court of Appeals, Danıştay) reversed the first instance court's decision on the grounds that the administrative courts lack jurisdiction because the dispute was a matter of private law and not one of administrative law. The Parent Bank submitted a motion for the post judgment relief, i.e., correction of judgment which the Council of State rejected. Upon completion of the Council of State's review, the first instance court rendered a decision in line with the Council of State's decision against which the Parent Bank (claiming the annulment of the SDIF Fund Board Decision) and SDIF (claiming the determination of the SDIF Fund Board Decision's legal validity by the administrative courts rather than a lack of jurisdiction decision) filed an appeal.

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

II. Explanations and notes related to liabilities of the consolidated balance sheet (continued)

No provisions were set aside in respect of the amounts that the Parent Bank paid in connection with the off-shore lawsuits, court decisions on off-shore lawsuits and lawsuits filed by SDIF, considering the (i) relevant provisions of the SSA, (ii) relevant provisions of the of the Share Sale Agreement dated 18 June 2007 relating to the purchase of the Parent Bank's shares (owned by OYAK) by ING Bank N.V. and (iii) the course of the pending lawsuits against SDIF.

8.3. Information on provisions for employee benefits

As of 31 December 2021, TL 39,083 (31 December 2020: TL 31,992) of TL 75,916 (31 December 2020: TL 61,926) provisions for employee benefits is the unused vacation provisions. Full provision is provided for the unused vacation liability.

TL 36,833 (31 December 2020: TL 29,934) of the provisions for employee benefits is the termination benefit provision. In accordance with the labor law, the Group is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation and misconduct. The payments are calculated on the basis of 30 days' pay limited to a maximum of historical TL 8,284.51 (Full TL) at 31 December 2021 and TL 7,117.17 (Full TL) at 31 December 2020 per year of employment at the rate of pay applicable at the date of retirement or termination.

In the consolidated financial statements dated 31 December 2021 and 31 December 2020, the Group operating in Turkey has calculated severance pay by taking into account their experience in personnel service completion or termination, and by discounting it via using the forecasted annual inflation and interest rates.

	Current period	Prior period
Net discount rate	3.33%	3.27%
Inflation rate	20.00%	9.40%
Interest rate	24.00%	12.98%
Probability of severance	33.55%	35.03%

Movement of the provision for termination benefit:

	Current period	Prior period
Balance at the beginning of the period	29,934	26,307
Change during the year	17,984	13,281
Actuarial gain	2,684	377
Benefits paid during the year	(13,769)	(10,031)
Balance at the end of the period	**36,833**	**29,934**

9. Explanations on tax liability

9.1. Explanations on current tax liability

9.1.1. Explanations on tax provision

Explanations on taxation and calculations are explained in Note XVII of Section Three. As of 31 December 2021, as a result of the setoff of the Group's corporate tax liability and temporary taxes paid, the remaining corporate tax liability amounts to TL 6,762 and as a result of the such setoff being made on each entity and tax authority basis.

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II. Explanations and notes related to liabilities of the consolidated balance sheet (continued)

9.1.2. Information on taxes payable

	Current period	Prior period
Corporate tax payable	6,762	90,439
Taxation of securities	25,418	17,344
Banking insurance transaction tax ("BITT")	27,922	18,183
Foreign exchange transaction tax	20,137	2,642
Value added tax payable	12,343	3,116
Property tax	795	512
Other	15,925	12,042
Total	**109,302**	**144,278**

9.1.3. Information on premiums

	Current period	Prior period
Social security premiums-employee	6,485	5,263
Social security premiums-employer	9,499	7,703
Bank social aid pension fund premium-employee	-	-
Bank social aid pension fund premium-employer	-	-
Pension fund membership fees and provisions-employee	-	-
Pension fund membership fees and provisions-employer	-	-
Unemployment insurance-employee	477	382
Unemployment insurance-employer	894	728
Other	-	-
Total	**17,355**	**14,076**

9.2. Explanations on deferred tax liabilities

As of 31 December 2021, deferred tax asset and deferred tax liability of the Group amounts to TL 6,649 and TL 498,804 respectively (31 December 2020: deferred tax asset is TL 1,770 and deferred tax liability is TL 179,664) which is calculated based on the deductible temporary differences.

	Current period		Prior period	
Timing differences constituting the basis for deferred tax	Accumulated temporary differences	Deferred tax asset/(liability)	Accumulated temporary differences	Deferred tax asset/(liability)
Provisions (*)	209,430	47,313	150,828	30,206
Fair value differences for financial assets and liabilities	(76,033)	(15,036)	(33,774)	(6,542)
Derivative valuation differences	(2,994,387)	(660,587)	(1,644,582)	(328,916)
Expected credit losses of Stage I and II	586,133	123,104	577,541	115,508
Other	66,629	13,051	66,516	11,850
Total deferred tax assets/(liabilities) net		**(492,155)**		**(177,894)**

(*) Consists of reserve for employee benefits, provision for promotion expenses of credit cards and other provisions.

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

II. Explanations and notes related to liabilities of the consolidated balance sheet (continued)

Deferred tax assets/(liabilities) movements of the current and previous years are as follows:

Deferred tax assets/(liabilities) net	Current period (1 January - 31 December 2021)	Prior period (1 January - 31 December 2020)
Opening balance	**(177,894)**	**(191,294)**
Deferred tax income/(expense) net	(282,862)	31,953
Deferred tax recognized under equity	(30,606)	(16,965)
Currency differences	(793)	(1,588)
Balance at the end of the period	**(492,155)**	**(177,894)**

10. Information on liabilities regarding assets held for sale

As of 31 December 2021 and 31 December 2020, there are no liabilities regarding assets held for sale.

11. Explanations on the subordinated loans (*)

	Current period		Prior period	
	TL	FC	TL	FC
To be included in the calculation of additional capital borrowing instruments	**-**	**-**	**-**	**-**
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in contribution capital calculation	**-**	**-**	**-**	**4,019,844**
Subordinated loans	-	-	-	4,019,844
Subordinated debt instruments	-	-	-	-
Total	**-**	**-**	**-**	**4,019,844**

(*) The subordinated loan amounting to USD 62 million obtained from ING Bank N.V. on 26 May 2015 was paid on 26 May 2021, by using the early redemption option, in accordance with the BRSA's approval letter dated 10 March 2021. Remaining amount of EUR 231 million of subordinated loan obtained from ING Bank N.V. on 26 May 2015 and the subordinated loans amounting to EUR 85 million and USD 91 million obtained from ING Bank N.V. on 25 May 2014 were paid on 28 June 2021, by using the early redemption option, in accordance with the BRSA's same approval letters.

12. Information on shareholders' equity

12.1. Paid-in capital

	Current period	Prior period
Common stock (*)	3,486,268	3,486,268
Preferred stock	-	-

(*) The amount represents nominal capital.

12.2. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so, the amount of registered share capital ceiling

Paid-in-capital amount is TL 3,486,268 and registered share capital system is not applied.

12.3. Information on share capital increases and their sources; other information on increased capital shares in current period

None.

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

II. Explanations and notes related to liabilities of the consolidated balance sheet (continued)

12.4. Information on share capital increases from capital reserves

There is no capital increase from capital reserves in the current period.

12.5. Capital commitments in the last fiscal year and in the interim period following the last fiscal year, the general purpose of these commitments and projected resources required to meet these commitments

There are no capital commitments in the last fiscal year and in the interim period following the last fiscal year.

12.6. Indicators of the Group's income, profitability and liquidity for the previous periods and possible effects of future assumptions made by taking into account the uncertainties of these indicators on the Group's equity

The Group's consolidated balance sheet is managed in a conservative manner in order to be minimally affected by interest, currency and credit risks. The Group's operations are aimed to be continued with a conservative approach and with an increasing profitability. The year end income is transferred to the statutory reserves and extraordinary reserves under the shareholder's equity. The Group tries to invest the majority of its shareholder's equity in interest bearing assets and to keep investments in non-banking assets such as tangible assets, investments in non-financial subsidiaries limited.

12.7. Information on preferred shares

There are no preferred shares.

12.8. Information on marketable securities revaluation reserve

	Current period		Prior period	
	TL	FC	TL	FC
From associates, subsidiaries, and entities under common control	-	-	-	-
Valuation difference	(11,562)	-	23,453	-
Foreign exchange difference	-	-	-	-
Total	**(11,562)**	**-**	**23,453**	**-**

12.9. Profit reserves and profit distribution

Under the Turkish Commercial Code ("TCC"), legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital.

As per the decision made at the annual general assembly of shareholders of the Parent Bank on 25 March 2021, the distribution of the net profit of the year 2020, is as follows. Dividend distribution was made on 29 March 2021.

Profit distribution table of 2020	
2020 net profit	**626,645**
A - I. Legal Reserve (TCC 519/A) 5%	(31,332)
B - The First Dividend for Shareholders	(62,000)
C - Extraordinary Reserves	(525,858)
D - Special funds	(7,455)

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

1. Explanations on off-balance sheet commitments

1.1. Type and amount of irrevocable commitments

	Current period	Prior period
Forward asset purchase commitments	2,233,024	1,621,623
Forward deposit purchase and sales commitments	-	-
Loan granting commitments	2,085,377	2,748,315
Commitments for cheque payments	200,991	231,822
Commitments for credit card limits	1,065,170	1,146,771
Commitments for credit cards and banking services promotions	7,093	5,929
Other irrevocable commitments	29,267	28,107
Total	**5,620,922**	**5,782,567**

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

1.2.1 Non-cash loans including guarantees, bank acceptances, collaterals and others deemed as financial commitments and other letter of credits

	Current period	Prior period
Letter of credits	951,361	723,168
Commitments and contingencies	62,578	244,612
Bank acceptance loans	-	1,269
Total	**1,013,939**	**969,049**

1.2.2. Irrevocable guarantees, temporary guarantees and other similar commitments and contingencies

	Current period	Prior period
Irrevocable letters of guarantees	6,847,204	6,182,723
Cash loans letters of guarantees	695,953	561,537
Advance letters of guarantees	830,462	576,439
Temporary letters of guarantees	59,184	46,459
Other	114,134	84,168
Total	**8,546,937**	**7,451,326**

1.3. Explanation on non-cash loans

1.3.1. Total amount of non-cash loans

	Current period	Prior period
Non-cash loans given against cash loans	741,194	636,479
With original maturity of 1 year or less than 1 year	64,983	45,314
With original maturity of more than 1 year	676,211	591,165
Other non-cash loans	8,819,682	7,783,896
Total	**9,560,876**	**8,420,375**

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III. Explanations and notes related to consolidated off-balance sheet accounts (continued)

1.3.2. Information on sectoral risk concentrations of non-cash loans

	Current period				Prior period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	**993**	**0.07**	**-**	**-**	**6,928**	**0.51**	**838**	**0.01**
Farming and raising	940	0.07	-	-	6,240	0.46	838	0.01
Forestry	34	-	-	-	34	-	-	-
Fishing	19	-	-	-	654	0.05	-	-
Manufacturing	**226,551**	**16.53**	**3,273,142**	**39.97**	**243,965**	**17.97**	**3,657,236**	**51.77**
Mining	4,221	0.31	1,664,758	20.33	4,251	0.31	2,314,633	32.77
Production	195,217	14.24	1,575,520	19.24	207,116	15.26	1,336,613	18.92
Electric, gas and water	27,113	1.98	32,864	0.40	32,598	2.40	5,990	0.08
Construction	**164,473**	**11.99**	**921,903**	**11.26**	**186,030**	**13.70**	**606,823**	**8.59**
Services	**972,816**	**70.93**	**3,989,413**	**48.71**	**913,117**	**67.27**	**2,792,368**	**39.54**
Wholesale and retail trade	713,655	52.04	630,070	7.69	563,474	41.51	413,472	5.85
Hotel, food and beverage	8,002	0.58	2,281	0.03	7,667	0.56	32,254	0.46
Transportation and telecommunication	72,077	5.26	268,940	3.28	87,467	6.44	79,156	1.12
Financial institutions	151,367	11.04	2,590,795	31.64	217,013	15.99	1,552,953	21.99
Real estate and renting services	8,539	0.62	182	-	9,591	0.71	6,953	0.10
Self-employment services	18,406	1.34	497,145	6.07	25,864	1.91	707,580	10.02
Education services	25	-	-	-	25	-	-	-
Health and social services	745	0.05	-	-	2,016	0.15	-	-
Other	**6,513**	**0.48**	**5,072**	**0.07**	**7,393**	**0.54**	**5,677**	**0.09**
Total	**1,371,346**	**100.00**	**8,189,530**	**100.00**	**1,357,433**	**100.00**	**7,062,942**	**100.00**

1.3.3. Non-cash loans classified in Group I and Group II

	Group I		Group II	
	TL	FC	TL	FC
Non-cash loans	**1,326,458**	**7,962,266**	**17,857**	**7,864**
Letter of guarantees	1,326,131	6,948,654	17,857	7,864
Bank acceptances	-	-	-	-
Letter of credits	327	951,034	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other	-	62,578	-	-

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III. Explanations and notes related to consolidated off-balance sheet accounts (continued)

2. Information on derivative transactions

	Current period	Prior period
Types of hedging transactions		
Fair value hedges (I)	**-**	**-**
Purchase transactions	-	-
Sale transactions	-	-
Cash flow hedges (II)	**2,540,000**	**3,245,834**
Purchase transactions	1,270,000	1,622,917
Sale transactions	1,270,000	1,622,917
Net investment hedges (III)	**-**	**-**
Purchase transactions	-	-
Sale transactions	-	-
A. Total derivatives held for hedging (I+II+III)	**2,540,000**	**3,245,834**
Derivative transactions held for trading		
Trading transactions (I)	**83,847,247**	**59,093,757**
Forward foreign currency transactions - buy	10,743,091	5,308,107
Forward foreign currency transactions - sell	10,906,908	5,125,985
Swap transactions- buy	29,667,168	23,348,617
Swap transactions - sell	26,671,170	21,818,534
Foreign currency options - buy	2,929,455	1,746,257
Foreign currency options - sell	2,929,455	1,746,257
Foreign currency futures - buy	-	-
Foreign currency futures - sell	-	-
Interest rate derivatives (II)	**25,510,608**	**20,221,052**
Interest rate swap - buy	12,755,304	10,110,526
Interest rate swap - sell	12,755,304	10,110,526
Interest rate options - buy	-	-
Interest rate options - sell	-	-
Securities options - buy	-	-
Securities options - sell	-	-
Interest futures - buy	-	-
Interest futures - sell	-	-
Other trading derivative transactions (III)	**-**	**-**
B. Total derivative transactions held for trading (I+II+III)	**109,357,855**	**79,314,809**
Total derivative transactions (A+B)	**111,897,855**	**82,560,643**

3. Information on credit swaps and related risks

As of 31 December 2021 and 31 December 2020, there are no credit derivative transactions.

4. Information on contingent liabilities and assets

As of 31 December 2021, a total provision of TL 111,051 (31 December 2020: TL 74,277) separated other provisions are under the item, considering legal assessment for the lawsuits with a high probability of resulting against the Group and as a result of the audits of public authorities.

5. Information on the services provided on behalf of others

Related information is provided in note IX of section four.

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IV. Explanations and notes related to consolidated statement of profit or loss

1. Information on interest income

1.1. Information on interest income from loans (*)

	Current period		Prior period	
	TL	FC	TL	FC
Short term loans	1,521,384	187,207	880,393	126,395
Medium and long term loans	2,130,461	511,635	2,418,582	544,144
Interest on loans under follow-up	120,692	-	228,028	-
Premiums received from resource utilization support fund	-	-	-	-
Total	**3,772,537**	**698,842**	**3,527,003**	**670,539**

(*) Commissions and fees received from cash loans are included.

1.2. Information on interest income received from banks

	Current period		Prior period	
	TL	FC	TL	FC
From Central Bank of Turkey	-	-	-	-
From domestic banks	41,209	1,819	25,329	582
From foreign banks	14	6,528	126	8,594
From branches abroad	-	-	-	-
Total	**41,223**	**8,347**	**25,455**	**9,176**

1.3. Information on interest income received from marketable securities portfolio

	Current period		Prior period	
	TL	FC	TL	FC
Financial assets measured at fair value through profit or loss	7,676	2,166	12,508	1,263
Financial assets measured at fair value through other comprehensive income	162,199	-	106,453	-
Financial assets measured at amortised cost	837,879	-	432,895	-
Total	**1,007,754**	**2,166**	**551,856**	**1,263**

1.4. Information on interest income received from associates and subsidiaries

The interest income from subsidiaries is eliminated in the accompanying consolidated financial statements.

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Notes to the Consolidated Financial Statements As of and for the Year Ended 31 December 2021

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

2. Information on interest expenses

2.1. Information on interest on funds borrowed (*)

	Current period		Prior period	
	TL	FC	TL	FC
Banks	197,301	139,293	68,750	192,359
Central Bank of Turkey	-	-	-	-
Domestic banks	15,976	5,489	22,893	2,754
Foreign banks	181,325	133,804	45,857	189,605
Branches and offices abroad	-	-	-	-
Other institutions	-	3,730	-	3,072
Total	**197,301**	**143,023**	**68,750**	**195,431**

(*) Commissions and fees paid for cash funds borrowed are included.

2.2. Information on interest expenses paid to associates and subsidiaries

The interest expenses paid to subsidiaries are eliminated in the consolidated financial statements.

2.3. Information on interest on securities issued

There is no interest on securities issued on current period.

2.4. Allocation of interest expenses on deposits according to maturity of deposits

		Time deposit						
Account name	Demand deposit	Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year	Accumulated deposits	Total
Turkish lira								
Bank deposits	-	1,912	-	-	-	-	-	1,912
Saving deposits	-	2,252,250	669,039	12,294	7,266	8,254	-	2,949,103
Public sector deposits	-	-	324	-	-	-	-	324
Commercial deposits	-	234,584	17,708	1,401	678	4	-	254,375
Other deposits	-	939	375	2	-	1	-	1,317
7 days call accounts	-	-	-	-	-	-	-	-
Total	**-**	**2,489,685**	**687,446**	**13,697**	**7,944**	**8,259**	**-**	**3,207,031**
Foreign currency								
Foreign currency deposits	-	33,177	39,675	775	571	268	-	74,466
Banks deposits	-	1,606	-	-	-	-	-	1,606
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	1,945	-	-	-	-	-	1,945
Total	**-**	**36,728**	**39,675**	**775**	**571**	**268**	**-**	**78,017**
Grand total	**-**	**2,526,413**	**727,121**	**14,472**	**8,515**	**8,527**	**-**	**3,285,048**

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

3. Information on dividend income

	Current period	Prior period
Financial assets at fair value through profit and loss	-	-
Financial assets at fair value through other comprehensive income	507	476
Other	-	-
Total	**507**	**476**

4. Information on trading income/loss (net)

	Current period	Prior period
Income	**56,195,244**	**53,544,228**
Gains on capital market transactions	29,236	183,390
Gains on derivative financial instruments	24,688,879	15,340,062
Foreign exchange gains	31,477,129	38,020,776
Loss (-)	**(55,738,278)**	**(53,327,332)**
Loss on capital market transactions	(41,543)	(84,983)
Loss on derivative financial instruments	(22,876,791)	(14,818,130)
Foreign exchange loss	(32,819,944)	(38,424,219)

Net profit on derivative financial instruments recognized in profit/loss resulting from fluctuations in foreign exchange rates is TL 1,947,998 (31 December 2020: TL 625,294 net profit).

5. Information on other operating income

	Current period	Prior period
Income from reversal of prior years' provisions	467,945	474,848
Income arising from sale of assets	75,402	60,406
Banking services income	1,566	1,758
Other non-interest income	58,696	50,542
Total	**603,609**	**587,554**

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

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

6. Allowance for expected credit losses and other provision expenses

	Current period	Prior period
Expected credit losses	593,529	1,152,013
12-Month expected credit loss (Stage 1)	*33,743*	*53,220*
Expected credit loss significant increase in credit risk (Stage 2)	*72,732*	*192,714*
Expected credit loss impaired credits (Stage 3)	*487,054*	*906,079*
Impairment losses on securities	1,279	45
Financial assets measured at fair value through profit/loss	*1,279*	*45*
Financial assets measured at fair value through other comprehensive income	-	-
Impairment losses on associates, subsidiaries and joint-ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Other	73,931	10,790
Total	**668,739**	**1,162,848**

7. Information on other operating expenses

	Current period	Prior period
Reserves for employee termination benefits	4,215	3,250
Bank social aid fund deficit provision	-	-
Tangible assets impairment expense	-	3,600
Depreciation expense of tangible assets	120,599	134,808
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortisation expense of intangible assets	30,918	29,006
Impairment expense of equity participations for which equity method is applied	-	-
Impairment expense for securities that to be disposed	-	-
Depreciation expense of securities that to be disposed	-	-
Impairment expense of held for sale tangible assets and discontinued operations	-	-
Other operating expenses	855,771	850,530
Operating lease expenses related with TFRS 16 exception	17,058	17,761
Repair and maintenance expenses	34,467	31,361
Advertisement expenses	95,765	92,659
Other expenses	708,481	708,749
Loss on sales of assets	8,664	10,647
Other (*)	291,506	299,619
Total	**1,311,673**	**1,331,460**

(*) Includes saving-deposits-insurance-fund related expenses of TL 134,742 (31 December 2020: TL 131,304).

8. Information on income/(loss) before taxes for continued and discontinued operations

As of 31 December 2021, the income before taxes is TL 1,591,679 (31 December 2020: TL 986,945).

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

9. Information on tax provision for continued and discontinued operations

As of 31 December 2021, the corporate tax provision expense for the period is TL 108,704 (31 December 2020: TL 250,762), and the deferred tax expense is TL 282,862 (31 December 2020: TL 31,953 current tax income).

10. Information on net operating income after taxes for continued and discontinued operations

As of 31 December 2021, the net operating income after taxes is TL 1,200,113 (31 December 2020: TL 768,136).

11. The explanations on net income/loss for the period

Interest income from regular banking transactions is TL 6,616,553 (31 December 2020: TL 5,225,358), while the interest expense is TL 3,690,883 (31 December 2020: TL 2,170,377).

There are no changes in estimations related to the items in the financial statements.

12. If the other items in the statement of profit or loss exceed 10% of the statement of profit or loss total, explanations on the sub-accounts amounting to at least 20% of these items

Other fees and commissions received amounting to TL 498,503 (31 December 2020: TL 447,042) has included TL 130,028 (31 December 2020: TL 109,726) resulting from the credit card fees and commissions, TL 49,200 (31 December 2020: TL 31,556) resulting from service fees and commissions from contracted merchants and TL 109,004 (31 December 2020: TL 136,957) resulting from insurance commissions.

Other fees and commissions paid amounting to TL 198,486 (31 December 2020: TL 182,062) has included TL 100,342 (31 December 2020: TL 73,823) resulting from credit card exchange commissions.

13. Fees related with the services provided by independent auditors/independent audit agencies

In accordance with the decision made by Public Oversight Accounting and Auditing Standards Authority dated 26 March 2021, fees, based on the given reporting period, in relation to the services provided by independent auditors or independent audit firms excluding value added tax costs are presented in the following table. These fees include the fees for services rendered to the Bank's foreign and domestic subsidiaries.

	Current period	Prior period
Independent audit fees in the reporting period	3,289	2,569
Total	**3,289**	**2,569**

V. Explanations and notes related to consolidated statement of changes in shareholders' equity

Under the Turkish Commercial Code ("TCC"), legal reserves comprise of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital.

The Ordinary General Assembly Meeting of the Parent Bank was held on 25 March 2021. In the Ordinary General Assembly meeting, it was decided to transfer TL 626,645 unconsolidated net income from 2020 operations to statutory legal reserves, extraordinary reserves and revaluation surplus on tangible and intangible assets as a real estate sale income and utilized from the tax exemption amounting to TL 31,332, TL 525,858 and TL 7,455, respectively.

In the Ordinary General Assembly, gross amount of TL 62,000 cash dividend was distributed from retained earnings to the Parent Bank's shareholders on 29 March 2021.

General Assembly of the Parent Bank is authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting of the Parent Bank has not been held as of the date of these financial statements.

As of the balance sheet date, consolidated legal reserves amount to TL 368,858 (31 December 2020: TL 334,352)

As of the balance sheet date, consolidated extraordinary reserves amount to TL 5,335,988 (31 December 2020: TL 4,716,511).

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

VI. Explanations and notes related to the consolidated statement of cash flows

1. Information on cash flow statements

Components of cash and cash equivalents are cash, cash in foreign currency, money in transit, cheques purchased, demand deposits including unrestricted deposits in the Central Bank of Turkey and time deposits in banks with original maturities less than three months.

1.1. Cash and cash equivalents at the beginning of the period

	31 December 2020	31 December 2019
Cash	**1,381,960**	**1,253,373**
Cash in vault	224,384	305,785
Cash in foreign currency	1,157,576	947,588
Cash equivalents	**11,493,395**	**12,152,246**
Central Bank of Turkey	4,869,324	3,146,437
Banks	1,599,686	749,232
Interbank money market	5,024,385	8,256,577
Total	**12,875,355**	**13,405,619**

1.2. Cash and cash equivalents at the end of period

	31 December 2021	31 December 2020
Cash	**3,013,716**	**1,381,960**
Cash in vault	134,581	224,384
Cash in foreign currency	2,879,135	1,157,576
Cash equivalents	**13,224,932**	**11,493,395**
Central Bank of Turkey	9,411,191	4,869,324
Banks	1,041,745	1,599,686
Interbank money market	2,771,996	5,024,385
Total	**16,238,648**	**12,875,355**

2. Explanation about other line items included in the cash flow and about the effect of changes in foreign exchange rates on cash and cash equivalents line item included in the cash flow statement

Amounting to TL 141,065 increase (31 December 2020: TL 120,929 increase) under “Operating profit before changes in operating assets and liabilities” consists of other operational incomes.

Amounting to TL 3,640,858 increase (31 December 2020: TL 2,192,268 increase) under “Operating profit before changes in operating assets and liabilities” consists of profit/loss from capital market transactions, profit/loss from derivative transactions and other operational expenses.

Amounting to TL 3,915,846 decrease (31 December 2020: TL 287,614 decrease) under “Changes in operating assets and liabilities” consists of mainly changes in prepaid expenses, factoring and leasing receivables and changes in exchange accounts under other assets.

Amounting to TL 7,166,096 increase (31 December 2020: TL 222,541 increase) under “Changes in operating assets and liabilities” consists of mainly changes in fees and commissions obtained in advance and changes in exchange account under other liabilities.

Amounting to TL 19,206 decrease (31 December 2020: TL 20,303 decrease) under “Net cash flow from investment activities” consists of mainly purchase of intangible assets.

As of 31 December 2021, the effect of changes in the foreign currency rates on the cash and cash equivalents has been determined by the sum of exchange rate differences of translation into TL of cash and cash equivalents denominated in foreign currency in the beginning and the end of the period quarterly and as approximately TL 4,779,970 (31 December 2020: TL 1,090,199).

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Notes to the Consolidated Financial Statements As of and for the Year Ended 31 December 2021

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

(Convenience translation of the consolidated financial statements and related disclosures and footnotes originally issued in Turkish, See Note 1.b of section three)

VII. Explanations and notes related to risk group of the Parent Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances

1.1. Current period

Risk group of the Group	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Parent Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Beginning of the period	-	-	3,714	944,813	8,949	358,190
End of the period	-	-	187	1,082,968	395	428,782
Interest and commission income	-	-	40	3,199	-	524

1.2. Prior period

Risk group of the Group	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Parent Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Beginning of the period	-	-	120	569,874	39	201,879
End of the period	-	-	3,714	944,813	8,949	358,190
Interest and commission income	-	-	41	2,788	-	421

1.3. Information on deposit balances of the risk group of the Group

Risk group of the Group	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Parent Bank		Other entities included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Deposit						
Beginning of the period	-	-	49,817	102,613	67,237	29,018
End of the period	-	-	1,974	49,817	57,551	67,237
Interest expense on deposits	-	-	376	355	3,684	2,361

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

VII. Explanations and notes related to risk group of the Parent Bank (continued)

1.4. Information on forward and option agreements and other similar agreements entered into with the risk group of the Group

Risk group of the Group	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Parent Bank		Other entities included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Transactions at fair value through profit and loss						
Beginning of the period	-	-	12,046,297	23,135,735	-	27,994
End of the period	-	-	19,803,771	12,046,297	-	-
Total profit/loss	-	-	(4,287)	(37,591)	13,063	45,053
Transactions with hedging purposes						
Beginning of the period	-	-	1,002,441	2,005,290	-	-
End of the period	-	-	-	1,002,441	-	-
Total profit/loss	-	-	(2,002)	(36,269)	-	-

1.5. Information on placements made with the risk group of the Group

Risk group of the Group	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Parent Bank		Other entities included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Banks						
Beginning of the period	-	-	273,041	93,206	15,623	8,121
End of the period	-	-	348,687	273,041	36,239	15,623
Interest income received	-	-	20	130	1	28

1.6. Information on loans borrowed from the risk group of the Group

Risk group of the Group	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Parent Bank		Other entities included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Loans						
Beginning of the period	-	-	8,208,721	9,411,987	19,104	3,901
End of the period	-	-	7,784,256	8,208,721	19,903	19,104
Interest and commission paid	-	-	205,253	122,244	908	362

The Group has no subordinated loan from its shareholder ING Bank NV as of 31 December 2021 (31 December 2020: TL 4,019,844).

1.7 Information regarding benefits provided to the Group's top management:

Benefits paid to key management personnel for the period ended as of 31 December 2021 is amounting to TL 36,595 (31 December 2020: TL 29,229).

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

VIII. Explanations and notes related to the domestic, foreign, off-shore branches and foreign representatives of the Parent Bank

	Number	Number of employees
Domestic branches	167	3,151

			Country
Foreign representative offices	-	-	-

			Total assets	Capital
Foreign branches	-	-	-	-
Off-shore banking region branches	-	-	-	-

Section six

Other Explanations

I. Other explanations on the Parent Bank's operations

None.

II. Explanations and notes related to subsequent events

Wouter Meijs has been appointed as Technology Executive Vice President per the Board of Directors resolution No. 96/2 and dated 30 November 2021, starting from 1 January 2022.

Operations Executive Vice President and ExCo Member, Yücel Ölçer, has been appointed COO for Retail Banking at ING Group effective of 1 January 2022. N. Yücel Ölçer will continue to hold this position by proxy until a new assignment is made regarding the role of Executive Vice President for Operations.

The Parent Bank applied to the BRSA on 27 December 2021 for the liquidation of ING Factoring. With the decision of the BRSA Board numbered 10043 and dated 13 January 2022, the cancellation of the operating license of ING Factoring was approved.

Section seven

Independent auditors' report

I. Explanations on the independent auditors' report

The consolidated financial statements of the Parent Bank and its financial subsidiaries as of 31 December 2021, have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditors' report dated 11 February 2022 is presented at the beginning of this report.

II. Explanations and notes prepared by independent auditors

There are no other significant footnotes and explanations related to the operations of the Group that is not mentioned above.

CONTACT INFO

Branch Name	Province	Address	Telephone
4. Levent	İSTANBUL	Sanayi Mahallesi Silahtaroğlu Sokak 11 Eş Bina No: 29/A 4. Levent - Kağıthane/İstanbul	+90 (212) 325 35 55
Acıbadem	İSTANBUL	Bulgurlu Mah. Acıbadem Cad. No: 156 34660 Üsküdar/İstanbul	+90 (216) 545 27 55
Adana Tüzel Bankacılık	ADANA	Çınarlı Mahallesi Fatih Terim Sokak Bulvar İş Merkezi No: 17/801 Seyhan/Adana	+90 (322) 363 20 17
Adapazarı	SAKARYA	Tığcılar Mah. Atatürk Bulvarı No: 73 Adapazarı/Sakarya	+90 (264) 279 89 10
Merkez	AFYONKARAHİSAR	Dumlupınar Mh. S. Gönçer Cd. Diler İş Merkezi No: 31/B Merkez/Afyonkarahisar	+90 (272) 214 03 52
Akhisar	MANİSA	Paşa Mah. 19. Cad. No: 78/A Akhisar/Manisa	+90 (236) 413 59 55
Alaçatı	İZMİR	Alaçatı Mah. Kemalpaşa Cad. No: 45 A Çeşme/İzmir	+90 (232) 716 65 12
Alanya	ANTALYA	Atatürk Caddesi No: 80/A - B Alanya/Antalya	+90 (242) 513 90 91
Aliağa	İZMİR	Kültür Mahallesi Demokrasi Meydanı No: 2/1 (A - B) 35800 Aliağa/İzmir	+90 (232) 616 35 77
Anadolu Yakası Kurumsal	İSTANBUL	Reşitpaşa Mah. Eski Büyükdere Cad. No: 8 34467 Sarıyer/İstanbul	+90 (216) 468 19 00
Ankara Kurumsal	ANKARA	Gaziosmapaşa Mahallesi İran Caddesi No: 29/1,29/2 Çankaya/Ankara	+90 (312) 458 18 00
Ankara Optimum	ANKARA	Optimum Outlet Center No: 93 Zemin Kat 11/D Eryaman Ayaş Yolu Etimesgut/Ankara	+90 (312) 281 30 66
Ankara Özel Bankacılık Merkez	ANKARA	Gaziosmapaşa Mahallesi İran Caddesi No: 29/1,29/2 Çankaya/Ankara	+90 (312) 442 67 01
Ankara Tüzel Bankacılık	ANKARA	Demirhendek Caddesi No: 62 06310 Siteler Altındağ/Ankara	+90 (312) 447 33 00
Antakya	HATAY	Yavuz Selim Caddesi No: 19 31050 Antakya/Hatay	+90 (326) 225 32 04
Antalya	ANTALYA	Adnan Menderes Bulv. No: 11 07040 Merkez/Antalya	+90 (242) 246 53 00
Antalya Özel Bankacılık Merkez	ANTALYA	Şirinyalı Mahallesi İsmet Gökşen Caddesi No: 66/101 Muratpaşa/Antalya	+90 (242) 324 86 26
Antalya Tüzel Bankacılık	ANTALYA	Şirinyalı Mahallesi İsmet Gökşen Caddesi No: 66/Z1 Muratpaşa/Antalya	+90 (242) 322 96 34
Ataşehir	İSTANBUL	Ataşehir, Sedef Cad. 36. Ada Revaklı Çarşı Ata 2/5 Bl. No: 6-7-8 34750 Kadıköy/İstanbul	+90 (216) 456 77 50
Avcılar Çarşı	İSTANBUL	Merkez Mahallesi Reşitpaşa Caddesi No: 52/B Avcılar/İstanbul	+90 (212) 662 31 21
Aydın	AYDIN	Cumhuriyet Mahallesi Adnan Menderes Bulvarı No: 8 Efeler/Aydın	+90 (256) 225 16 15
Bağcılar	İSTANBUL	Çınar Mahallesi İstanbul Caddesi 6. Sokağı No: 27-29 A-B (34200) Bağcılar/İstanbul	+90 (212) 634 50 01

CONTACT INFO

Branch Name	Province	Address	Telephone
Bağdat Caddesi Özel Bankacılık Merkez	İSTANBUL	Caddebostan Mahallesi Bağdat Caddesi No: 302/1 Kat: 2 B.B. No: 8-9 Kadıköy/İstanbul	+90 (216) 362 82 02
Bahçelievler Ankara	ANKARA	Yukarı Bahçelievler Mahallesi Aşkabat Caddesi No: 54 A Çankaya/Ankara	+90 (312) 212 08 45
Bahçeşehir	İSTANBUL	Bahçeşehir 1. Kısım, Kemal Sunal Caddesi Defne 03 Villa 6 Başakşehir/İstanbul	+90 (212) 669 89 23
Bakırköy	İSTANBUL	Cevizlik Mah. İstanbul Cad. No: 47/A Bakırköy/İstanbul	+90 (212) 414 38 00
Balıkesir	BALIKESİR	Dumlupınar Mah. Anafartalar Cad. No: 34/E Karesi/Balıkesir	+90 (266) 245 96 11
Bandırma	BALIKESİR	Haydar Çavuş Mahallesi İsmet İnönü Caddesi No: 68 Bandırma/Balıkesir	+90 (266) 714 36 20
Bayrampaşa Bireysel	İSTANBUL	Yenidoğan Mahallesi Abdi İpekçi Caddesi No: 14-16/A Bayrampaşa/İstanbul	+90 (212) 674 78 50
Bebek Özel Bankacılık Merkez	İSTANBUL	Cevdetpaşa Caddesi No: 43/E Bebek 34342 Beşiktaş/İstanbul	+90 (212) 287 73 77
Özlüce	BURSA	Ertuğrul Mah. Uğur Mumcu Bulvarı Biaport Sitesi D Blok No: 21 D/K	+90 (224) 441 87 23
Beşiktaş	İSTANBUL	Sinanpaşa Mah. Şehit Asım Cad. No: 23/1 34340 Beşiktaş/İstanbul	+90 (212) 259 88 03
Beylikdüzü	İSTANBUL	Beylikdüzü OSB Mah. Açelya Cad. No: 1 İç Kapı No: 4 Beylikdüzü/İstanbul	+90 (212) 879 03 55
Beylikdüzü Tüzel Bankacılık	İSTANBUL	Yakuplu Mahallesi Haramidere Caddesi Dış Kapı No: 8 A İç Kapı No: 6 Beylikdüzü/İstanbul	+90 (212) 590 39 29
Bodrum	MUĞLA	Cumhuriyet Mah. Kıbrıs Şehitleri Cad. L Apartmanı No: 218 Bodrum/Muğla	+90 (252) 317 04 33
Bolu	BOLU	Aktaş Mah. İzzet Baysal Cad. No: 118 D: 47 Merkez/Bolu	+90 (374) 215 94 94
Bornova	İZMİR	Ergene Mahallesi Mustafa Kemal Cd. No: 38/1 Bornova İzmir	+90 (232) 397 40 00
Bostanlı	İZMİR	1807/1 Sok. Bostanlı Meydanı No: 4/A 35540 Karşıyaka/İzmir	+90 (232) 362 40 05
Bursa	BURSA	Fevzi Çakmak Cd. No: 69/3 16050 Merkez/Bursa	+90 (224) 275 48 00
Bursa Tüzel Bankacılık	BURSA	Minareliçavuşosb Mah. Atatürk Bulvarı No: 2/2-3 Nilüfer/Bursa	+90 (224) 999 11 85
Büyük Çekmece	İSTANBUL	19 Mayıs Mah. Saydağ Sok. A1 Blok No: 3/3 B-C Bağımsız Bölüm: 24-25 Büyükçekmece/İstanbul	+90 (212) 881 68 55
Caddebostan	İSTANBUL	Bağdat Caddesi Hulusi Bey Apt. No: 253/A 34730 Kadıköy/İstanbul	+90 (216) 368 24 92
Cebeci	ANKARA	Fakülteler Mahallesi Cemal Gürsel Caddesi No: 73/B Çankaya/Ankara	+90 (312) 319 48 40

Branch Name	Province	Address	Telephone
Avrupa Tüzel Bankacılık	İSTANBUL	Reşitpaşa Mah. Eski Büyükdere Cad. No: 8 34467 Sarıyer/İstanbul	+90 (212) 234 55 93
Çamdibi	İZMİR	Mersinli Mahallesi Fatih Caddesi No: 104 A Konak/İzmir	+90 (232) 462 30 81
Çanakkale	ÇANAKKALE	Kemalpaşa Mahallesi Çarşı Caddesi No: 79 Merkez/Çanakkale	+90 (286) 213 90 51
Çekmeköy	İSTANBUL	Mehmet Akif Mahallesi Şahinbey Caddesi No: 3 Çekmeköy/İstanbul	+90 (216) 642 31 22
Çerkezköy	TEKİRDAĞ	Gazi Mustafa Kemal Paşa Mah. Atatürk Cad. No: 44/B Çerkezköy/Tekirdağ	+90 (282) 726 73 07
Çeşme	İZMİR	16 Eylül Mah. Cumhuriyet Meydanı No: 7 Çeşme/İzmir	+90 (232) 712 66 29
Çetin Emeç	ANKARA	Balgat Mahallesi Ceyhun Atıf Kansu Caddesi No: 94/13 06520 Çankaya/Ankara	+90 (312) 285 54 74
Çorlu	TEKİRDAĞ	Cemaliye Mah. Saray Cad. No: 8/A Çorlu/Tekirdağ	+90 (282) 653 39 66
Çorum	ÇORUM	Çepni Mah. İnönü Cad. No: 33 Merkez/Çorum	+90 (364) 225 36 25
Denizli	DENİZLİ	Saraylar Mahallesi, Saltak Caddesi, 4/A Denizli	+90 (258) 265 64 99
Diclekent	DİYARBAKIR	Peyas Mahallesi Urfa Caddesi No: 126/A Kayapınar/Diyarbakır	+90 (412) 251 59 59
Dikmen	ANKARA	İlkadım Mah. Dikmen Cad. No: 251/E Çankaya/Ankara	+90 (312) 483 34 00
Diyarbakır	DİYARBAKIR	Kooperatifler Mahallesi Yaşar Kemal Caddesi No: 35 B Yenişehir/Diyarbakır	+90 (412) 224 86 91
Edirne	EDİRNE	Sabuni Mahallesi Darüleytam Sokak No: 10 Merkez/Edirne	+90 (284) 212 32 37
Elazığ	ELAZIĞ	İzzetpaşa Mahallesi Gazi Caddesi No: 8/C Elazığ	+90 (424) 238 70 50
Erzurum	ERZURUM	Lala Paşa Mahallesi Orhan Şerifsoy Caddesi No: 25 A Yakutiye/Erzurum	+90 (442) 233 57 58
Esenyurt	İSTANBUL	İnönü Mah. Doğan Araslı Bulvarı No: 94/B Esenyurt/İstanbul	+90 (212) 999 29 95
Eskişehir	ESKİŞEHİR	Cumhuriye Mahallesi Sakarya-1 Caddesi No: 7/B Tepebaşı/Eskişehir	+90 (222) 211 53 00
Fatih	İSTANBUL	Fevzi Paşa Cadddesi No: 66 34260 Fatih/İstanbul	+90 (212) 453 19 00
Fethiye	MUĞLA	Cumhuriyet Mahallesi Çarşı Caddesi No: 29 Fethiye/Muğla	+90 (252) 612 34 80
Florya	İSTANBUL	Florya Asfaltı No: 70/2 34810 Florya/İstanbul	+90 (212) 662 13 64
Gaziantep	GAZİANTEP	İncilipınar Mh. Muammer Aksoy Blv. Osmanlı İş Merkezi No: 30/G - H 27100 Şehitkamil/Gaziantep	+90 (342) 215 43 50

CONTACT INFO

Branch Name	Province	Address	Telephone
Gaziantep Tüzel Bankacılık	GAZİANTEP	İncilipınar Mh. Muammer Aksoy Blv. Osmanlı İş Merkezi No: 30/G - H 27100 Şehitkamil/Gaziantep	+90 (342) 999 11 49
Gaziosmanpaşa	İSTANBUL	Merkez Mahallesi Cumhuriyet Meydanı No: 27/B Gaziosmanpaşa/İstanbul	+90 (212) 417 61 20
Gebze	KOCAELİ	Hacıhalil Mah. Atatürk Cad. Marmara Apt. No: 36/B Gebze/Kocaeli	+90 (262) 676 74 00
Gebze Tüzel Bankacılık	KOCAELİ	GOSB Meydan Binası 1600. Sokak No: 1601/613 Çayırova/Kocaeli	+90 (262) 427 28 68
Göktürk	İSTANBUL	Göktürk Merkez Mah. İstanbul Cad. Arcadium Life-2 Çarşı No: 26/J Eyüpsultan/İstanbul	+90 (212) 322 27 10
Gölcük	KOCAELİ	Merkez Mah. Amiral Sağlam Cad. No: 4 B Gölcük/Kocaeli	+90 (262) 414 83 50
Göztepe/İstanbul	İSTANBUL	Merdivenköy Mahallesi Fahrettin Kerim Gökay Caddesi No: 227/B Göztepe-Kadıköy/İstanbul	+90 (216) 363 49 39
Güneşli	İSTANBUL	Bağlar Mahallesi Atatürk Caddesi No: 10/B Bağcılar/İstanbul	+90 (212) 655 72 10
Hatay/İzmir	İZMİR	İnönü Caddesi No: 338/B 35360 Konak/İzmir	+90 (232) 243 55 55
Isparta	ISPARTA	Pirimehmet Mah. 101. Cad. No: 77 Merkez/Isparta	+90 (246) 232 50 16
İmes Tüzel Bankacılık	İSTANBUL	Dudullu Mah. İmes Sanayi Sitesi C Blok No: 7 34775 Ümraniye/İstanbul	+90 (216) 365 78 60
İskenderun	HATAY	Savaş Mahallesi Şehit Pamir Caddesi No: 6 İskenderun/Hatay	+90 (326) 629 20 00
Kozyatağı Tüzel Bankacılık	İSTANBUL	19 Mayıs Mah. İnönü Cad. No: 94 D: 11 Kadıköy/İstanbul	+90 (216) 474 11 87
İstanbul Atatürk Havalimanı Serbest Bölge	İSTANBUL	Yeşilköy Sb Mah. Havalimanı Cd. No: 1 A Blok Sokak No: 1/54-55 Bakırköy/İstanbul	+90 (212) 465 03 19
İzmir	İZMİR	Cumhuriyet Bulvarı No: 67 Pasaport 35210 Konak/İzmir	+90 (232) 455 69 00
İzmir Özel Bankacılık Merkez	İZMİR	Cumhuriyet Bulvarı No: 67 Pasaport 35210 Konak/İzmir	+90 (232) 464 42 60
İzmir Tüzel Bankacılık	İZMİR	Cumhuriyet Bulvarı No: 67 Kat: 6 Pasaport Konak/İzmir	+90 (232) 457 14 41
İzmit	KOCAELİ	Karabaş Mah. Cumhuriyet Cad. No: 158/4 İzmit/Kocaeli	+90 (262) 317 16 00
İzmit Tüzel Bankacılık	KOCAELİ	Karabaş Mah. Ankara Karayolu Cad. No: 65 D: 2 İzmit/Kocaeli	+90 (262) 323 52 20
Kadıköy Altıyol	İSTANBUL	Osmanağa Mahallesi Nal Sokak No: 11,11 A Kadıköy/İstanbul	+90 (216) 347 32 00
Kahramanmaraş	KAHRAMANMARAŞ	Trabzon Caddesi No: 35/A, B 46060 Merkez/Kahramanmaraş	+90 (344) 225 71 82

Branch Name	Province	Address	Telephone
Karabağlar	İZMİR	İzmir Karabağlar ilçesi, Aşık Veysel Mahallesi, Yeşillik Caddesi, No: 431-435 C Karabağlar/İzmir	+90 (232) 237 28 28
Ege Tüzel Bankacılık	İZMİR	İzmir Karabağlar ilçesi, Aşık Veysel Mahallesi, Yeşillik Caddesi, No: 431-435 C Karabağlar/İzmir	+90 (232) 328 07 00
Karabük	KARABÜK	Bayır Mah. Menderes Cad. No: 2/I Merkez/Karabük	+90 (370) 412 45 45
Karadeniz Ereğli	ZONGULDAK	Orhanlar Mah. Yalı Cad. No: 40 Ereğli/Zonguldak	+90 (372) 323 92 97
Kars	KARS	Yusufpaşa Mahallesi Kazımpaşa Caddesi No: 130 Merkez/Kars	+90 (474) 223 27 81
Karşıyaka	İZMİR	1721 Sokak No: 12/A 35530 K. Yaka/İzmir	+90 (232) 368 38 98
Kartal	İSTANBUL	Kordonboyu Mahallesi Ankara Caddesi No: 98 34860 Kartal/İstanbul	+90 (216) 387 56 76
Kartal Tüzel Bankacılık	İSTANBUL	Yeşilbağlar Mah. Kaptan Sok. No: 19/9-10-11 Pendik/İstanbul	+90 (212) 271 68 88
Kastamonu	KASTAMONU	Aktekke Mahallesi Yalçın Caddesi No: 8-B Merkez/Kastamonu	+90 (366) 214 40 83
Kavacık	İSTANBUL	Kavacık Mah. Orhan Veli Kanık Cad. No: 114 Beykoz/İstanbul	+90 (216) 425 97 20
Kayseri	KAYSERİ	Nazmi Toker Caddesi No: 5/A 38040 Melikgazi/Kayseri	+90 (352) 222 39 63
Kayseri Tüzel Bankacılık	KAYSERİ	Kayseri OSB Mah. 6. Cad. No: 5/9 Melikgazi/Kayseri	+90 (352) 223 50 12
Keçiören	ANKARA	Şevkat Mahallesi Kızlarpınarı Caddesi No: 74/14-15 Keçiören/Ankara	+90 (312) 360 39 38
Kırklareli	KIRKLARELİ	Cumhuriyet Caddesi No: 16 39020 Merkez/Kırklareli	+90 (288) 212 74 55
Kırşehir	KIRŞEHİR	Kuşdili Mahallesi Terme Caddesi No: 30 Merkez/Kırşehir	+90 (386) 214 05 15
Kızılay	ANKARA	Ziya Gökalp Caddesi 17/A 06420 Kızılay - Çankaya/Ankara	+90 (312) 999 66 75
Kızılay Tüzel Bankacılık	ANKARA	Ziya Gökalp Caddesi 17/A Kat: 2 Kızılay-Çankaya/Ankara	+90 (312) 416 74 00
Konya	KONYA	Musalla Bağları Mahallesi Ahmet Hilmi Nalçacı Caddesi Erol Sitesi Kapı No: 90 İçkapı No: A Selçuklu/Konya	+90 (332) 237 22 47
Konya Tüzel Bankacılık	KONYA	Fevzi Çakmak Mahallesi Kosgeb Caddesi Kapı No: 3 İç Kapı No: B Karatay/Konya	+90 (332) 237 90 50
Konyaaltı	ANTALYA	Altınkum Mahallesi Atatürk Bulvarı Begüm Apartmanı No: 237/1 Merkez/Antalya	+90 (242) 229 58 89
Kuşadası	AYDIN	Türkmen Mahallesi Atatürk Bulvarı Belvü Sitesi No: 68/38 Kuşadası/Aydın	+90 (256) 612 44 34
Küçükyalı	İSTANBUL	Altıntepe Mah. Bağdat Cad. No: 93 B Maltepe/İstanbul	+90 (216) 417 44 15

CONTACT INFO

Branch Name	Province	Address	Telephone
Kütahya	KÜTAHYA	Cumhuriyet Caddesi No: 68 43100 Merkez/Kütahya	+90 (274) 224 97 06
Lara	ANTALYA	Şirinyalı Mahallesi İsmet Gökşen Caddesi No: 66/A Muratpaşa/Antalya	+90 (242) 316 25 45
Levent	İSTANBUL	Levent Mahallesi Çarşı Caddesi No: 18 Beşiktaş/İstanbul	+90 (212) 270 05 65
Lüleburgaz	KIRKLARELİ	Özerler Mahallesi Fatih Caddesi No: 9 Lüleburgaz/Kırklareli	+90 (288) 417 45 48
Malatya	MALATYA	Kavaklıbağ Mahallesi İnönü Caddesi No: 49/A Merkez/Malatya	+90 (422) 326 42 06
Maltepe	İSTANBUL	Bağlarbaşı Mahallesi Bağdat Caddesi Gedik İş Merkezi No: 414/A Maltepe - Kadıköy/İstanbul	+90 (216) 383 47 13
Manavgat	ANTALYA	Yukarı Hisar Mahallesi Antalya Caddesi No: 34 Manavgat/Antalya	+90 (242) 746 75 17
Manisa	MANİSA	Yarhasanlar Mah. Doğu Caddesi 8 Eylül İş Merkezi No: 14, 45020 Şehzadeler/Manisa	+90 (236) 231 57 81
Marmaris	MUĞLA	Kemeraltı Mah. Atatürk Cad. No: 10/C 48700 Marmaris/Muğla	+90 (252) 412 50 28
Maslak	İSTANBUL	Reşitpaşa Mah. Eski Büyükdere Cad. No: 8 34467 Sarıyer/İstanbul	+90 (212) 335 80 00
Maslak Özel Bankacılık Merkez	İSTANBUL	Reşitpaşa Mahallesi Eski Büyükdere Caddesi No: 8 34467 Sarıyer/İstanbul	+90 (212) 335 15 15
Maslak Tüzel Bankacılık	İSTANBUL	Reşitpaşa Mahallesi Eski Büyükdere Caddesi No: 8 Sarıyer/İstanbul	+90 (212) 693 77 33
Merkez	İSTANBUL	Reşitpaşa Mahallesi Eski Büyükdere Caddesi No: 8 Sarıyer/İstanbul	+90 (212) 335 80 50
Metropol	MERSİN	İhsaniye Mahallesi K. Milliye Caddesi 109/A Akdeniz/Mersin	+90 (324) 336 11 00
Mezitli	MERSİN	Menderes Mahallesi Gazi Mustafa Kemal Bulvarı No: 727 C Mezitli/Mersin	+90 (324) 359 89 34
Muğla	MUĞLA	Şeyh Mahallesi İsmet İnönü Cad. No: 26/A1 Menteşe/Muğla	+90 (252) 214 10 68
Nazilli	AYDIN	Altıntaş Mahallesi İstasyon Bulvarı No: 21 09800 Nazilli/Aydın	+90 (256) 313 20 00
Nevşehir	NEVŞEHİR	Atatürk Bulvarı No: 36 50200 Merkez/Nevşehir	+90 (384) 213 14 68
Nilüfer	BURSA	İhsaniye Mahallesi Fatih Sultan Mehmet Bulvarı No: 54 Nilüfer/Bursa	+90 (224) 249 37 89
Nişantaşı	İSTANBUL	Vali Konağı Cad. Uğur Apt. No: 14/1 34367 Nişantaşı - Şişli/İstanbul	+90 (212) 296 10 23
Ordu	ORDU	Düz Mahallesi Hükümet Caddesi No: 8 Merkez/Ordu	+90 (452) 223 16 92

Branch Name	Province	Address	Telephone
Ostim Tüzel Bankacılık	ANKARA	Ostim OSB Mahallesi 100. Yıl Bulvarı No: 99 İç Kapı No: 91	+90 (312) 385 39 14
Ostim Bulvarı	ANKARA	Ostim OSB Mahallesi 1228. Cadde No: 1 A-1 B Yenimahalle/Ankara	+90 (312) 999 16 79
Özel Hizmetler	İSTANBUL	Reşitpaşa Mahallesi Eski Büyükdere Caddesi No: 8	+90 (212) 367 74 24
Pendik	İSTANBUL	Doğu mahallesi Mesnevihan Sokak No: 3/A Pendik/İstanbul	+90 (216) 491 87 04
Polatlı	ANKARA	Cumhuriyet Mahallesi, Eti Caddesi, No: 19/A Polatlı/Ankara	+90 (312) 623 49 54
Samsun	SAMSUN	Kale Mahallesi Kazımpaşa Caddesi No: 40 İlkadım/Samsun	+90 (362) 431 51 96
Sancaktepe	İSTANBUL	Meclis Mahallesi Ankara Caddesi No: 32 A 34785 Sancaktepe/İstanbul	+90 (216) 266 36 60
Sefaköy	İSTANBUL	Ahmet Kocabıyık Sokak No: 25/3 - 4 - 5 34295 Küçükçekmece/İstanbul	+90 (212) 426 49 39
Seyhan	ADANA	Cemalpaşa Mah. Atatürk Cad. Sapmaz İş Merkezi No: 48/C Seyhan/Adana	+90 (322) 999 17 18
Siirt	SİİRT	Bahçelievler Mah. Hz. Fakirullah Cad. No: 41 A Merkez/Siirt	+90 (484) 224 11 71
Sincan	ANKARA	Gökyem mevkii Atatürk Mah. Onur Sokak No: 13/A Sincan – Ankara	+90 (312) 276 61 66
Sivas	SİVAS	Sularbaşı Mahallesi Belediye Sokak No: 6 Merkez/Sivas	+90 (346) 221 40 13
Suburcu	GAZİANTEP	Karagöz Mahallesi Suburcu Caddesi No: 8 Şahinbey/Gaziantep	+90 (342) 220 02 07
Sultanbeyli	İSTANBUL	Abdurrahman Gazi Mah. Bosna Bulvarı No: 16 A Sultanbeyli/İstanbul	+90 (216) 419 12 22
Şanlıurfa	ŞANLIURFA	Atatürk Mahallesi Atatürk Bulvarı No: 64/B Merkez Şanlıurfa	+90 (414) 315 65 86
Şirinyer	İZMİR	Kızılçulu Mahallesi Menderes Caddesi No: 274/B 35140 Şirinyer, Buca/İzmir	+90 (232) 448 68 58
Şişli	İSTANBUL	Merkez Mahallesi Büyükdere Cad. C Blok Apt. No: 7/C Şişli/İstanbul	+90 (212) 373 10 00
Tarsus	MERSİN	Caminur Mah. Mersin Cad. No: 21/B Tarsus/Mersin	+90 (324) 614 08 30
Tekirdağ	TEKİRDAĞ	Aydoğdu Mahallesi Hükümet Caddesi No: 120 Süleymanpaşa/Tekirdağ	+90 (282) 263 89 89
Tokat	TOKAT	Kabe-i Mescid Mahallesi Gazi Osman Paşa Bulvarı No: 174/A Tokat	+90 (356) 214 99 07
Topkapı Tüzel Bankacılık	İSTANBUL	Keresteciler Sitesi Fatih Cad. Aksoy İş Merkezi No: 11/B Merter 34010 Güngören/İstanbul	+90 (212) 506 45 46

CONTACT INFO

Branch Name	Province	Address	Telephone
Torbalı	İZMİR	Tepeköy Mahallesi Ağalar Caddesi No: 6/A Torbalı/İzmir	+90 (232) 252 10 97
Trabzon	TRABZON	Kemerkaya Mah. Kahramanmaraş Cad. No: 17 61030 Merkez/Trabzon	+90 (462) 326 55 78
Tunalı Hilmi	ANKARA	Remzi Oğuz Arık Mah. Tunalı Hilmi Cad. No: 78 A Çankaya/Ankara	+90 (312) 419 28 15
Turan Güneş	ANKARA	Sancak Mahallesi Turan Güneş Bulvarı 64/B Yıldız- Çankaya/Ankara	+90 (312) 440 99 27
Turgut Özal Bulvarı	ADANA	Karalarbucağı Mah. T. Özal Bul. No: 105 Seyhan/Adana	+90 (322) 232 99 49
Ulus	ANKARA	Anafartalar Mahallesi Şehit Teğmen Kalmaz Caddesi No: 16 B Altındağ/Ankara	+90 (312) 310 62 00
Urla	İZMİR	Hacı İsa Mahallesi 75. Yıl Cumhuriyet Caddesi No: 1/B Urla/İzmir	+90 (232) 754 16 40
Uşak	UŞAK	Kurtuluş Mahallesi İsmet Paşa Caddesi No: 70/A Merkez/Uşak	+90 (276) 223 39 40
Üçkuyular	İZMİR	Mithatpaşa Caddesi No: 1177/B 35350 Üçkuyular/İzmir	+90 (232) 279 00 49
Ümitköy	ANKARA	Osmanağa Konakları 8. Cad. 43519 - 43520 Adalararası Sok. No: 9 06800 Ümitköy, Yenimahalle/Ankara	+90 (312) 235 02 97
Ümraniye	İSTANBUL	İstiklal Mahallesi Alemdağ Caddesi No: 158 A Ümraniye/İstanbul	+90 (216) 521 20 60
Üsküdar	İSTANBUL	Hakimiyeti Milliye Caddesi No: 58/B Kadri Vedat Kançal İşhanı 34660 Üsküdar/İstanbul	+90 (216) 334 10 68
Yalova	YALOVA	Süleymanbey Mahallesi, Yalı Caddesi No: 39 Merkez/Yalova	+90 (226) 811 61 15
Yenibosna Tüzel Bankacılık	İSTANBUL	15 Temmuz Mah. Bahar Cad. No: 37 İç Kapı No: 71 Bağcılar/İstanbul	+90 (212) 474 88 66
Yenimahalle	ANKARA	Ragıp Tüzün Mah. Akın Cad. No: 28/A Yenimahalle/Ankara	+90 (312) 343 36 00
Zeytinburnu	İSTANBUL	Gökalp Mah. 58. Bulvar Cad. No: 15/1 34760 Zeytinburnu/İstanbul	+90 (212) 679 26 60
Merkez	ZONGULDAK	Gazipaşa Cd. No: 17 67100 Merkez/Zonguldak	+90 (372) 251 75 78

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