

Deutsche Bank A.Ş.



# Annual Report 2020

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# Deutsche Bank A.Ş.

03 Message from the Chairman and the CEO

## Message from the Chairman and the CEO

Dear Shareholders,

We look back on a turbulent year that was so very different from anything one could have imagined at its start. The COVID-19 pandemic has brought hardships to many. At the same time, it also unleashed positive forces for change that one barely knew existed; forces that encouraged societies as well as the public and private sector to find solutions to previously unfamiliar problems in a very short time and to establish new ways of collaboration. Overall, global economic growth reversed in H1 as a result of comprehensive national and international measures in response to the sanitary crisis. Relevant negative dynamics in economic activity impacted high-, upper-middle, lower-middle and low-income countries, albeit to a varying degree. All major economies saw a noticeable decline in economic output in 2020. In fact, in most economies the decline was the largest since the 2007/08 global financial crisis. Yet, equity markets and most risk assets did not follow suit and recovered quickly from the initial price correction in late Q1. This has been largely the result of relevant central bank policies as well as monetary and fiscal support measures across the world. Many indices reached new record highs – mainly driven by technology sector. On the other hand, volatility has been the highest in many years, stabilizing somewhat later in the year, as uncertainties around Covid-19, Brexit and the US election eased.

Following a challenging 2018 and 2019, Turkey was similarly impacted by the worldwide pandemic. This said, Turkey most likely avoided a full-year economic recession, on the back of high credit growth in Q2 and Q3. Real GDP growth rates are forecast to be just shy of 1.0% - similar to 2019 (0.9%). However, and despite a surprisingly resilient economy, the year was marked by high FX volatility, seeing the lira trading at extremes, continued FX deposit accumulation by residents, reshuffling of key positions in the government, the administration and relevant institutions as well as assertive tightening of monetary policy on the back of rising underlying price pressure.

In what was a challenging year for Turkish markets, Deutsche Bank A.S. operated profitably once more and recorded a Net Income of TRY 85million. This result was achieved notwithstanding a sharp increase in EUR/TRY exchange rate and interest rates. At current capital levels, our bank remains well positioned for further growth in our financing as well as risk and capital market intermediation activities for public and private sector corporate and institutional clients.

Throughout 2020, we continued to remain committed to our social responsibilities. In order to strengthen the fabric of the society, help enhance the environment in which we operate, and to mitigate the negative impacts of Covid-19 on our society, our employees participated and the Bank in various activities organized or initiated by our Corporate Social Responsibility volunteers.

Going into 2021, growth dynamics should remain being in light of the recent pandemic trajectory, as well as tightening credit conditions on the back of more hawkish monetary policy. However, despite revising Q1 lower on the back of ongoing second wave infections, we have turned more constructive on the outlook (~5.0%) for the full year. Turkey should benefit from a structural shift in the economic growth model; potential monetary policy easing as of Q2; a pickup in tourism as of late Q2; higher Foreign Direct Investment and stronger domestic credit growth in H2. In our view, a vaccine rollout in the latter half of 2021 would benefit the Turkish economy significantly, especially given the importance of the tourism sector. This said, uncertainty around the pace of the recovery remains high, for obvious reasons. Recent global pandemic developments and the re-introduction of lockdowns across major economies poses major risks to the growth outlook.

Inflationary pressures should remain elevated on the back of the FX weakness in Q3 and early Q4. In fact, headline CPI surprised to the upside in recent months and we expect a further increase in Q1 to above 15% on the back of the minimum wage increase, high food prices and durable goods. This said, we forecast a gradual deceleration after Q1, as the impact from the FX pass-through fades out. Nonetheless, core inflation is likely to remain high and in double digits until year-end, as a recovery in domestic activity adds to inflationary pressures in H2-21.

Monetary Policy in Turkey has been rather eventful in 2020. After ~1700bp of interest rate easing since July-19 with the average funding rate reaching levels close to 7.50%, the CBT started a tightening cycle in August-20. This seemed much needed, as onshore real rates had reached the lowest levels among Emerging Markets and residents started to once again accumulate FX deposits and gold. While the liquidity tightening of 750bp to almost 15.0% in just four months was remarkable, the complicated framework and the implementation of the tightening mostly via indirect measures, caused confusion among market participants and did not lead to the desired FX stabilization. Following a change at the helm of the central bank, the situation improved.

The new governor Mr Naci Agbal simplified the framework and moved all funding back to the official rate – the one-week repo rate. He also increased rates by another 200bp to 17.0% and sent a hawkish message to markets that interest rates should remain tight as long as inflation is elevated. The return to an orthodox approach was appreciated as a first step and onshore real rates are now back in positive territory. This said, considering the high (and rising) near-term inflation pressure, the need for tight liquidity well into H1 seems warranted. In fact, another 100bp rate hikes over the next three months seems conceivable. However, with falling inflation as from Q2, there may be room for a gradual, but cautious easing cycle with rates reaching levels close to 13.5% by end-2021.

A critical topic for Turkish local markets in 2021 will be the return of foreign investments. After years of outflows and with exposures of foreign investors at record lows, recent data show first signs of non-resident investors re-entering the Turkish market. This may just be the beginning and more inflows may follow. In fact, Turkey may be at the international Emerging Market forefront of attracting investment inflows in 2021. However, this shall require the continuation of transparent and credible monetary and fiscal policies in combination with limited geopolitical tension.


Our bank and our staff will continue to focus on sustainable growth, innovation and the ongoing development of our service and product offering to clients. As employer, corporate citizen and member of the Deutsche bank Group, we shall maintain highest standards in terms of governance and continue to deliver value to our stakeholders

Istanbul, 3 March, 2021

With our best regards,



Frank Helmut Krings  
Chairman of the Board of  
Directors



A. Orhan Özalp  
CEO, Board Member

# 1

## Introduction

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## History of Deutsche Bank A.Ş.

- Established as Türk Merchant Bank A.Ş. in 1987.
- Renamed as Bankers Trust A.Ş. in 1997.
- Continued operations as Deutsche Bank A.Ş. as of 2000 following Deutsche Bank's acquisition of Bankers Trust.
- Having provided corporate banking services under an investment banking license until 2004, Deutsche Bank A.Ş. applied to the Banking Regulation and Supervision Agency (BRSA) for permission to accept deposits in an attempt to expand its product range.
- Obtained permission to accept deposits in October 2004.
- Added corporate cash management and custody and settlement services to its product portfolio in 2005.
- The Bank acquired Securities Services portfolio of T. Garanti Bankası A.Ş. in 2007
- Deutsche Bank A.Ş. Securities Services holds 41 pct of the non resident investors portfolio as of 2020 in the Turkish market.
- Received factoring and forfeiting licenses in February 2012, in accordance with the decision taken by the Banking Regulation and Supervision Agency.
- Upon the application made to the Capital Markets Board in accordance with the newly introduced capital markets legislation, the Bank was granted license to provide dealing on own account, limited custody and general custody services on 5.11.2015.
- The Bank has no branches other than Head Office.
- The Trade Registry Number of the Bank is 244378.
- The Central Registration System Number (MERSIS) of the Bank is: 0-8760-0487-2200015
- Bank's web address: [www.db.com.tr](http://www.db.com.tr)
- Bank's E-mail address: [muhaberat.ist@list.db.com](mailto:muhaberat.ist@list.db.com)
- Bank's Head Office address: Esentepe Mahallesi Büyükdere Caddesi Tekfen Tower
- No: 209 K: 17-18 Şişli 34394 Istanbul/Turkey
- Tel: +90 212 317 0100
- Fax: +90 212 317 0105
- Electronic Notification Address (National Electronic Notification System) is 25999-32177-21566
- Bank's Registered Electronic Mail (KEP) is [db.iletisim@db.hs03.kep.tr](mailto:db.iletisim@db.hs03.kep.tr)



## Financial Highlights

December 31, 2020

### Summary Financial Highlights

(TL 000)	2020
Cash and Cash Equivalents	1.635.014
Financial Assets at Fair Value Through Other Comprehensive Income	92.168
Loans (Net)	2.364.122
Total Assets	4.406.582
Deposits	1.685.818
Funds Borrowed	1.739.364
Shareholders' Equity	817.507
Interest Income	228.392
Net Operating Profit	108.674

### Financial Ratios

(%)	2020
Capital Adequacy Ratio	29,95
Shareholders' Equity/Assets	18,55

### Off-Balance Sheet Items

(TL 000)	2020
Guarantees and Warranties	513.535
Commitments	262.409
Derivative Financial Instruments	3.276.663
Items Held in Custody	22.248.634

## Amendments to the Articles of Association

No amendments were made to the Articles of Association of Deutsche Bank A.Ş. during 2020.

## Extraordinary General Assembly Meeting in 2020

No Extraordinary General Assembly Meetings were held during 2020. Ordinary General Assembly Meeting of Deutsche Bank A.Ş. was held on March 31, 2020.

## Shareholder Structure, Changes during the Year, Qualified Shares and Management Shares

All shareholders of Deutsche Bank A.Ş. are Deutsche Bank Group companies. The Bank holds no privileged shares.

The most recent shareholder structure is presented in the table below.

Chairman and Members of the Board of Directors, Members of the Audit Committee, CEO and Assistant General Managers do not own any shares in the Bank.

The Bank did not acquire its own shares.

Shareholder	Number of Shares	Shares Capital (TL)	Share (%)
Deutsche Bank AG	1,349,999,730	134,999,973	99.99
Süddeutsche Vermögensverwaltung GmbH	68	6.8	<1
DB Industrial Holdings GmbH	68	6.8	<1
Deutsche Holdings (Luxembourg) S. á r. l.	67	6.7	<1
DB Capital Markets (Deutschland) GmbH	67	6.7	<1
<b>Total</b>	<b>1,350,000,000</b>	<b>135,000,000</b>	<b>100</b>

## Equity Investments

The Bank does not have any equity investments, either directly or indirectly.

## Deutsche Bank A.Ş. within the Banking Industry

Operating in Turkey since 1987, leveraging the strong global banking network of its parent company Deutsche Bank AG, Deutsche Bank A.Ş. is primarily focused on investment banking and corporate banking. Offering its investment and corporate banking services with a workforce of 111 employees, Deutsche Bank A.Ş. is the Istanbul based subsidiary of Deutsche Bank Group, which has approximately 84,659 employees and EUR 1.325 billion in total assets (as of 31st December 2020) throughout the world. Deutsche Bank A.Ş. does not have any branches in Turkey other than Head Office. Deutsche Bank A.Ş. targets the highest levels of quality in all product and service segments in which it is active, and strives to be one of the prime relationship banks of each client.

In 2020, the Bank continued to take an active part in the bonds and foreign currency vs. Turkish lira transactions. Having started to provide custody services as of 2005, Deutsche Bank A.Ş. has become an extremely reputable bank, preferred by foreign investors for its custody services. The bank has a 41% market share among all the custodian banks that keep custody of securities portfolios of foreign institutional investors in accordance with Central Bank's and Central Securities Depository of Turkey, MKK's records.

The bank mediates cash management circulation in domestic and international trade and provides services and consultancy to clients in Turkey in the fields of short and medium term trade financing and risk management via its specialist teams. Besides conventional foreign trade products, the bank has become a reliable partner in its clients' banking transactions by providing customized solutions in terms of trade financing products and corporate cash management.

The bank continues to work actively in preparation of major foreign company acquisition financing packages of Turkish groups.

Deutsche Bank A.Ş. aims to provide services in line with the priorities and requirements of its local and multinational customer segment, so as to develop strategic and longstanding relations with its prominent customers. In doing so, it takes advantage of Deutsche Bank's global know-how and maximizes the coordination within different product groups, thus providing the most effective solutions through exclusively designed financing techniques and banking services for its clients.

Bank's target for 2021 will be to reinforce its reputation as a reliable and permanent business partner by establishing longstanding relations with its clients.

## Research and Development

After many years of providing corporate banking services in Turkey under an investment banking license, Deutsche Bank A.Ş. began offering commercial banking services in October 2004 after having been granted a deposit taking license. Deutsche Bank A.Ş. continuously seeks to enhance the quality and diversity of the services it provides. The Bank has been developing systems and products to ensure the highest level of quality and diversity of its products in line with its expanding businesses. Having started as an extension of its main business line in 2006, Custody Services were structured to ensure compliance with the new capital markets legislation. The Bank was granted the license to provide Dealing on Own Account, Limited Custody and General Custody services on 5.11.2015.

Combining its local experience with its main shareholder Deutsche Bank AG's global network, expertise and know-how in the areas of public offerings, block sales and derivative products, Deutsche Bank A.Ş. continues to provide capital markets and treasury solutions. In 2020, the Bank focused on capital markets instruments (in lieu of risk controlling) service management and capacity expansion, and gained successful results.

The Bank, in line with its strategies, will continue delivering against digitalization instead of derivative products, stock exchange products and capacity optimization in 2021.

## Operations in 2020

Deutsche Bank A.Ş. Management believes that Turkey, which has long stood out among emerging economies, offers tremendous potential for growth and investment in the years ahead. Corresponding to this perspective, the Bank is continuing its expansion into Turkey with a primary focus on investment banking and corporate banking.

The organization of Deutsche Bank A.Ş. is composed of Investment Banking, Corporate Banking Support Functions and Internal Systems.

### Investment Banking

#### Fixed Income and Currencies

This unit conducts the structuring and sales transactions of debt and money market instruments. It executes trading of debt securities such as government bonds and treasury bills, as well as foreign exchange spot and derivatives. Moreover, it assists in pricing of spot and derivative currency transactions of financial institutions, insurance companies and corporations. It provides support to related divisions regarding foreign exchange and interest rate risk management solutions offered to the clients in line with their risk management policies.

#### Structured Treasury and Lending Solutions

Structured Treasury and Financing Solutions offers clients, Deutsche Bank's market-leading expertise in Capital Markets and Emerging Markets.

- The Unit provides financial solutions in coordination with global and local Treasury, Capital Markets and Corporate Banking teams of Deutsche Bank.
- The Unit offers Turkish companies, operating both in Turkey and abroad, access to Deutsche Bank's global platform.
- The Unit provides local knowledge and access of Deutsche Bank in Turkey to global clients thus contributes to development of Turkish capital markets.
- The Unit also develops solutions based on market opportunities and needs in all financial products including currency, fixed income securities, long-term funding and structured products.

## Corporate Banking

The Corporate Banking consists of five units providing services to corporate and financial institutions; which are Securities Services, Trade Finance, Cash Management and Trade Finance Financial Institutions, Corporate Cash Management and Corporate Coverage.

**Securities Services:** With its Securities Services Unit, established by a highly competent and experienced team in 2005, Deutsche Bank A.Ş. has become an extremely reputable bank, preferred by foreign investors for its custody services. As of 2020, the Bank has a 41% market share among all the custodian banks that keep custody of securities portfolios of foreign institutional investors.

In 2020, Deutsche Bank A.Ş. continued to provide qualified and specialist services to its current customers. Having received the general license for custody in accordance with the Capital Markets Law in 2015, the Bank has maintained its successful custody and intermediary services by providing the best solutions for its non-resident clients even during the most volatile times of the markets.

Deutsche Bank A.Ş. Securities Services confirmed their 'TOP RATED' status, first granted in 2009, by receiving positive remarks from their clients and repeatedly scoring high points in the annual customer poll conducted by the Global Custodian magazine in 2020, as in previous years. In this way, it has asserted its first class quality of client services.

In 2021, Deutsche Bank A.Ş. plans to maintain its market share and maintain and develop its position in the market for clearing and custody activities through new products to be included in its already wide product range.

**Trade Finance:** Trade Finance unit intermediates domestic and international trade. The team, expert in trade services and finance, has been serving its clients for short and medium term trade financing and risk management. Deutsche Bank A.Ş. offers value added solutions based on 150 years experience in 42 countries of Deutsche Bank AG, its main shareholder, to its clients. In addition to traditional trade services and products, the Bank has become a reliable partner in providing tailor made solutions to meet its clients' trade finance needs.

In Corporate Banking, enhancing the efficiency of resources, managing liquidity and risks, and, for this purpose, setting the necessary targets and attaining them gain more and more importance with each passing day. As Deutsche Bank A.Ş., the Bank contribute to efficient management of our clients' working capital and the Bank pay its best efforts to meet their demands with innovative solutions.

Although the competition is becoming fiercer, particularly in corporate banking as a result of rising interest to Turkey, as Deutsche Bank A.Ş. Trade Finance we develop suitable products which meet the needs of changing conditions and business models for more productive activities, as a result of which, we have gradually strengthened our market share.

**Financial Institutions Cash Management and Trade Finance:** As one of the leading global banks in the field of Cash Management, Deutsche Bank continues to provide services as one of the solution partners and main correspondents for Turkish banks. Enjoying this position to provide cash management solutions to banks, the unit performs US Dollar money transfers through Deutsche Bank Trust Company Americas, New York; Euro transfers through Deutsche Bank AG, Frankfurt Branch and Sterling transfers through Deutsche Bank AG, London Branch. Services provided by the unit include Dollar and Euro based commercial and treasury money transfers, liquidity management

and sales and support services for related products. While supporting clients with local, regional and global cash management solutions, the unit aims to provide the most efficient and the best services through its extensive global branch network.

Having been providing its clients with foreign trade services in 42 countries and 79 locations Deutsche Bank AG offers solutions for foreign trade products and trade financing through its experience, knowledge and wide variety of products in order to maximize the level of its clients' efficiency in foreign trade transactions. By taking an active role in the guarantee transactions and in confirmation, financing and discounting of letters of credit from Turkish financial institutions to those abroad, the unit performs the management of similar products used in the financing of global trade.

Through difficult times in financial markets and the global economy, the Bank has maintained uninterrupted and consistent support for Financial Institutions. Thus, it aims to always be the most reliable and preferred business partner of Turkish banks by continuing to share its Cash Management and Foreign Trade products with clients, as well as by providing innovative solutions and global experience.

**Corporate Cash Management:** Corporates operating globally have to cope with economic complexity, shifting regulatory landscapes, as well as unfamiliar markets and currencies. To thrive, the treasury of tomorrow needs to have greater transparency over cash flows and payments, digital capabilities and the ability to marry flexibility with control.

Our cash management corporate experts provide a wide range of world-class solutions that can help clients improve liquidity and cash flow and optimize their treasury and payment businesses.

We also offer a complete range of services to handle the complexities of global, regional and domestic cash management, including global payments, collections, liquidity management, and information and reporting services.

### Global Corporate Coverage

**Global Corporate Coverage:** The builds strategic and longstanding relationships with corporate clients that are incorporated in Turkey but operate with a global outreach to provide services in line with their requirements and priorities In doing so, Global Corporate Coverage takes advantage of Deutsche Bank's global know-how and maximizes the coordination within different product groups, thus providing the most effective solutions through exclusively designed financing techniques and banking services for its clients. Global Corporate Coverage works in coordination with its partners in Financial Solutions Group, Risk Management and Financial Institutions Cash Management and Trade Finance.

**Local Corporate Coverage:** Thanks to the synergy created by Deutsche Bank AG's network and global footprint, our unit serves global companies operating in Turkey with the highest international banking experience, provides consultancy for Cash Management, Treasury Management and Trade Financing and offers solutions. Our goal here is to contribute to our clients' working capital management. With the local expertise and experience of Deutsche Bank AG and our global branch network, we bring unique solutions to our corporate clients. Our goal is to maintain being a reliable partner in the banking processes of our customers by providing custom solutions as well as traditional products.

## Support Functions and Internal Systems

Finance, Treasury, Legal and Data Protection, Human Resources, Credit Allocation, Technology, Operations and Chief Information Security Office are included under Support Functions; whereas, Compliance and Anti-Financial Crimes, Internal Control, Internal Audit and Risk Management are included under Internal Systems.

### Support Functions

**Finance:** The Finance Unit examines the Bank's financial position through its daily and monthly reports and informs the management on the results. In order to adequately assess the performance of profit centers, the unit prepares the financial statements for these units on a daily and monthly basis. The unit is in charge of providing the information flow for the Bank's audit by the independent auditor and regulatory bodies. The Finance Unit generates new projects for Executive Management reporting and internal control systems and supports other related projects, prepares the Bank's financial statements and related disclosures in the required format and submits them to entities such as the Banking Regulation and Supervision Agency, Central Bank of Turkey, Undersecretariat of Treasury, Capital Markets Board and The Banks Association of Turkey.

**Treasury:** Treasury unit is mainly responsible for managing asset and liability, capital, liquidity and publishing transfer pricing of the Bank in accordance with strategy and risk appetite of bank while complying with internal and regulatory requirements.

Treasury's key responsibilities are to make sure that there is enough liquidity in the bank at any given point in time, that there is capital available when needed and that funds can be raised as and when necessary, all at a reasonable cost whilst balancing the needs of business growth and regulatory demands. Treasury's role extends to business steering through the effective transfer pricing of these liquidity and capital resources to the businesses. Treasury's fiduciary mandate, which encompasses the Bank's funding pools, asset and liability management (ALM) and fiduciary buffer management, supports businesses in delivering on their strategic targets.

**Legal and Data Protection:** The Unit provides legal consultancy services to the business and support service divisions of Deutsche Bank A.Ş. sets the legal framework regarding protection of personal data in order to ensure that personal data protection activities are executed in accordance with the applicable laws and performs Corporate Secretariat functions. It reviews the compliance of contracts to which the Bank is a party, as well as transactions and texts prepared by other divisions of the Bank with the applicable laws, and expresses its opinions with respect to legal implications to the divisions. The Unit is responsible for examining the Bank's new projects and recently developed products from a legal point of view, and where necessary, for offering legally compliance alternatives. The Unit also serves as the secretariat to General Assembly, Board of Directors, Audit Committee, Credit Committee, Assets and Liabilities Committee, Executive Council and Operating Council meetings. The Unit represents the Bank in lawsuits to which the Bank is a party or appoints 3rd party law firms for this purpose.

In 2021, the Unit aims to continue providing legal consultancy services related to the finance sector and issues concerning the Bank, to provide legal support for potential projects, and to conduct the necessary studies in order for the Bank to be in compliance with the amended legislation.

**Human Resources:** Human Resources Unit acts in accordance with the principle that its employees are Bank's most valuable assets, draws its strength from the employees, and provides equal opportunities with innovative human resources applications supporting and improving the employees. In addition to a fair wage structure, which aims to increase loyalty of the employees towards the Bank and to meet their needs under challenging conditions of competition, HR also provides conditions that will enable the employees to establish their work-life balance. In order to keep the organizational structure dynamic, the unit provides an efficient communication and motivation environment where the employees are able to use their creativity and to express their opinions, and adopts a transparent management policy that accommodates and embraces different opinions and knowledge. Human Resources Unit supports professional and personal development of the employees, reinforces their connection with the Bank and therefore plays a strategic role in attaining the Bank's targets with ease. The unit manages the relevant structures and processes in accordance with the policies and procedures stipulated in the Laws and regulations. Possible impacts of legislation amendments to current practices are discussed at the Executive Council and the Operating Council. Furthermore, issues that concern the Bank as a whole, personnel policies and social organizations, etc. are, discussed in Executive Council where necessary and put into effect by Chief Executive Officer, Chief Operating Officer and Human Resources. Promotion proposals up to the level of Managing Director, based on Executive Council's review are approved by the Board of Directors, and announced to the employees.

**Credit Allocation:** Credit Allocation Unit is responsible for reviewing loan applications received from business units for the existing or new credit clients, assessment of their financial statements, accurate and proper reflection of the financial analyses to the credit packages and, subsequent to finalization of these processes, presentation of the credit packages to the appropriate credit authority (CEO, Credit Committee or Board of Directors) in co-operation with the business units. The Unit will, if deemed necessary, be further responsible from paying visits to clients, conducting reviews to see whether there are any excesses in the credit limits assigned, evaluation of possible NPLs with Legal and Data Protection and Risk Management units and, if applicable, presentation of these credits to the appropriate authorities.

**Operations Unit:** Process all the transactions required by banking activities in accordance with the requirements of the legislation, the standards of the Bank and accepted high quality control and work flow practices. Establishes simple, easy-to-understand, and transparent business processes. Operations follows new technologies, regulatory and standard changes with together market practices, and works one-to-one with the relevant teams in line with the needs.

In addition to its daily operational activities, Operations also carries out activities in projects aimed at compliance with legislation, risk management and offering different products to customers.

**Technology Unit:** Employing the applicable legislation and standards established by both the main partner and the Bank, knowledge, risk approach and innovation culture; the Technology Unit establishes, develops and operates technological structure of the Bank. The unit is responsible from governance and executing the procedural structure to ensure the integrity, safety and performance of the environment, where the data and processes of the Bank, which are vital for the operation of the Bank, are processed and retained. In order to provide continuity of the technological structure, both data centers and subsequent user areas have been structured to operate with real time synchronization.



**Chief Information Security Office:** Chief Information Security Office is part of the Group Chief Security Office, the unit responsible for the Bank's security matters CSO implements technology and physical security protection measures in accordance with the Group's Security Strategy and Risk Appetite. CISO develops and drives the global implementation and operationalization of our group-wide information security strategy and ensures that the Bank's people and assets are appropriately protected.

To protect the Bank's information and systems, a multi-layered, defense-in-depth approach is taken to build information security controls into multi-layer technology, including data, devices, and applications. End-to-end protection is delivered while providing concrete security to detect, prevent, respond, and recover from cyber threats. This approach is a key tool of the Bank's technology infrastructure and DB Group Information Security Strategy to increase security and stability of the technology platforms.

In addition to prevention methods and controls like threat intelligence, data leakage prevention, vulnerability management, business continuity management and continuous staff awareness programs, prioritizing detection, backed up by a robust response process is an important facet of DB Group Information Security Strategy. Cyber Intelligence and Response Centers in Singapore, Germany and the U.S. are set up to provide 24/7 coverage across different time zones ("follow the sun" model), thus improves the Bank's capability to detect threats and respond to incidents worldwide.

## Internal Systems

**Compliance and Anti-Financial Crimes (AFC) Unit:** Compliance and AFC is responsible for advising the business on and overseeing adherence of the business to applicable laws and regulations mainly the Banking Law No: 5411 Capital Markets Law No: 6362 Law No: 5549 on Prevention of Laundering Proceeds of Crime, Law No. 6415 on the Prevention of the Financing of Terrorism and Law no. 7262 on Prevention of Financing of Proliferation of Mass Destruction Weapons rules, regulations, and ethical standards and also assessing the appropriateness and effectiveness of the control environment. Compliance Unit acts as a coordinator within the Bank to avoid gaps in the Bank's internal control landscape to counteract risks that may result from failure to comply with material rules and regulations.

The unit provides recommendations about maintaining the necessary compliance and cooperation in relations with the supervisory and regulatory institutions determined by laws and regulations. The unit also undertakes the responsibility to assess and advise on the Compliance related risks to the Board of Directors, Executive Management and business units, in compliance with the related legislation.

AFC is responsible for ensuring compliance with obligations on prevention of laundering proceeds of crime and terrorism financing, as set out in Law No 5549, Law No 6415 and Law No 7262, setting strategies, internal controls and measures, functioning rules and responsibilities to reduce risk by evaluation of clients, processes and services on a risk-based approach, and increasing employee awareness on these topics. Responsibilities include conducting the required monitoring and research as well as preparing necessary reports regarding Bank's businesses and transactions of Bank's clients.

**Internal Control:** Responsible for execution of internal control activities, in order to provide reasonable assurance on effectiveness, adequacy and compliance of internal control systems, especially the financial and operational systems established within Deutsche Bank A.Ş. The Unit performs the activities in accordance with the policy approved by the Board of Directors. The Bank established the control points based on segregation of duties principle. Through this structure, it is assured that the second level control activities within internal control system are performed independently and objectively from functional units with the principle of the segregation of duties. The internal control activities are designed according to risk types and levels that emerge based on the characteristics and content of the Bank's activities.

**Internal Audit:** The Internal Audit Unit monitors the internal control structure at all Deutsche Bank A.Ş. units regularly and independently on behalf of the Board of Directors. Internal Audit evaluates the units' transactions and practices on the basis of targets, their compliance with internal/external regulations and their performance within the framework of risk analysis, and focuses on assisting the Board of Directors regarding the effectiveness of the corporate management.

Internal Audit checks that the Bank's ethical standards have been fully implemented by the business units. In addition to monitoring the compliance with internal and external regulations, Internal Audit also conducts dynamic and effective monitoring of the working environment at all business and support units through a risk-based approach.

**Risk Management:** The Risk Management Unit is responsible for Bank-wide implementation of the standards "regarding the risk-return structure of the Bank's cash flows and monitoring, controlling and, when necessary, modifying the nature and level of the operations" that were devised and put into effect by the Board of Directors within the framework of the BRSA regulations. On the other hand, coordinating and assessment of the ICAAP Process, reporting and presenting its results are among the significant responsibilities of the Risk Management Unit.

The Risk Management Unit is responsible from understanding risks and conducting sufficient evaluations before entering a transaction, setting risk management policies and practice methods based on risk management strategies, ensuring the application and adaptation of risk management policies and practice methods. Maintaining quantified risks within limits and reporting the risk measurements and risk monitoring results to the Board of Directors or to the Audit Committee and senior management, on a regular and timely basis are also included among the responsibilities of the Unit.

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## Management and Corporate Governance

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## Board of Directors

### Frank Helmut Krings

**Chairman of the Board of Directors (Since 2019), Member of the Audit Committee, Chairman of the Compensation Committee**

Frank Krings is Deutsche Bank Group's Chief Executive Officer for Western Europe and the President and General Manager of Deutsche Bank in France. He also serves on the Board of the Association Française des Banques (AFB). In the Swiss Confederation, he is a Member of the Board of Directors, the Audit Committee and the Credit Committee of Deutsche Bank (Switzerland) SA. In the Grand Duchy of Luxembourg, he is a Member of the Supervisory Board and the Risk Committee of Deutsche Bank Luxembourg S.A. and a Member of the Supervisory Board of DWS Investment S.A.; he is also an elected member of the plenary assembly of the Luxembourg Chamber of Commerce and a Member of its Audit Committee.

### Claire Coustar

**Member of the Board of Directors, Deputy Chairperson**

Claire Coustar is Managing Director, Global Head of ESG for FIC and Head of CEEMEA Client Coverage. Claire joined Deutsche Bank in 2003, and during her tenor she has held various positions across structuring, sales, and trading; including Head of Emerging Market Structuring and co-head of the CEEMEA Structured Credit Trading. Prior to Deutsche Bank Claire held various positions in London office of a foreign bank, including Commodity Derivative, European Securitization and Latin America Structured Products groups. Coustar was appointed as a member of the Board of Directors of Deutsche Bank A.Ş. in February 2018. Claire holds a Bachelor of Science degree from Babson College with major in Finance, Economics and International Business and a Non-Executive Director Diploma from the Financial Times. Claire sits on the Fixed Income & Currencies Executive Committee of Deutsche Bank.

### Jorge Andrés Otero Letelier

**Member of the Board of Directors, Deputy Chairperson**

Born in 1969, Jorge Andrés Otero Letelier holds a Bachelor's Degree in Finance from the University of Santiago, Chile and a Master in Business Administration from New York University. Mr. Otero has more than 20 years of experience in banking, including 12 years where he held managerial positions with Deutsche Bank in New York, London and Singapore covering Emerging Markets. He is currently the Head of Credit for APAC, EEMEA and Latin America. Mr. Otero is also a member of the Supervisory Board of OOO Deutsche Bank in Moscow and previously served on the Management Board of Deutsche Bank Mexico S.A.

### A. Orhan Özalp

**Member of the Board of Directors, Chief Executive Officer, Chairman of the Credit Committee**

Born in 1982, Orhan Ozalp graduated from Koç University with double major in Economics and Business Management. Joining Deutsche Bank in February 2006, Özalp held various coverage and management positions in Financial Institutions Coverage, Structured Product Origination and Sales, FIC and Equity Derivatives Sales in Deutsche Bank A.Ş. After working as Director and Managing Director in Institutional Treasury Coverage Group from 2013 to 2017, Özalp was appointed as Assistant General Manager responsible from Institutional Treasury Coverage Group in April 2018 and as CEO of Deutsche Bank A.Ş. in January 2019. As of 2020 September, Ozalp became Head of CEE region including Central Europe and the Balkans.

### Mark Michael Bailham

**Member of the Board of Directors, Member of the Audit Committee, Member of the Compensation Committee**

Born in 1963, Mark Michael Bailham holds a Bachelor's Degree in BSc Economics from University College London. Mr. Bailham is the Head of EMEA AFC and Compliance, Global Head of Central Compliance and Global Head of AFC and Compliance Risk Assessments, Deutsche Bank, London. He has 30 years of experience in Compliance and AFC matters, including country, regional as well as global issues, all products both retail, commercial and investment banking for global retail and commercial banks, investment banks and asset management companies. Mr. Bailham joined Deutsche Bank AG in 2014 and has been involved in. He has been working as a Member of Board of Directors at Deutsche Bank A.Ş. since August 2020.

#### **Simon Deutsch**

**Member of the Board of Directors, Member of the Audit Committee, Member of the Compensation Committee (until August 2020)**

Born in 1972, Simon Deutsch holds a Bachelor's Degree in Urban Estate Management from the University of Westminster. Mr. Deutsch is the Head of Compliance and AFC for CRG. He has 23 years of experience in leading positions in the banking industry. Mr. Deutsch joined Deutsche Bank AG in 2001 and has been serving in multiple countries such as United Kingdom, Netherlands, Japan, China, Dubai in the area of Compliance & Anti-Financial Crime. He has been working as a Member of Board of Directors at Deutsche Bank A.Ş. since May 2019. Deutsch worked as a Member of Board of Directors, a Member of the Audit Committee and a Member of the Compensation Committee at Deutsche Bank A.Ş. during May 2019 – August 2020.

#### **Michael Christoph Maria Dietz** **Member of the Board of Directors**

Michael Dietz is Deutsche Bank's Global Head of Trade Finance Flow business and Regional Head Trade Finance EMEA. Over the time of his career at Deutsche Bank Michael covered various senior positions in Corporate Coverage functions across Germany, Switzerland as well as the United States of America. Prior to joining the current role, Michael has developed the EMEA Coverage for Commodity Traders as well as Swiss Corporates for Deutsche Bank in Zurich. Michael has a degree in Mechanical Engineering and Economics at Darmstadt University, Germany. He is a certified Dodd-Frank Securities Trader. He was appointed as a member of the Board of Directors of Deutsche Bank A.Ş. in February 2019.

#### **Hamit Sedat Eratarlar**

**Member of the Board of Directors, Chairman of the Audit Committee, Member of the Compensation Committee, Member of the Credit Committee**

Born in 1952, Mr. Eratarlar is a graduate of Ankara University, Department of Economics and Public Finance. He worked as a partner at Arthur Andersen between 1981 and 2001. Serving as a founding partner at Eratarlar Management Consulting since 2001, Mr. Eratarlar has been working as a Member of Board of Directors at Deutsche Bank A.Ş. since August 2001 and worked as a Board Member responsible from Internal Systems between 2006 - 2019. Eratarlar assumed the role of Chairman of the Audit Committee in May, 2019.

#### **Salah Mohd I Al-Jaidah**

**Member of the Board of Directors**

Salah Jaidah joined Deutsche Bank in 2011 as Chief Country Officer for Qatar and Chairman of DB MENA. Prior to joining Deutsche Bank, he held the positions of General Manager and Chief Executive Officer of various banks in Qatar. Jaidah has a Bachelor of Business from Texas Christian University and has completed an Advanced Management Programme at Oxford Business School.

#### **Özge Kutay**

**Member of the Board of Directors, CFO and COO, Member of the Credit Committee**

Born in 1970, Ms. Kutay is a graduate of the Faculty of Business Administration at Istanbul University. Starting her career at an independent audit firm in 1993 and worked at financial control unit of a local bank, Ms. Kutay has 27 years of experience in banking and business administration. Having been employed by Deutsche Bank A.Ş. since 1998, she served as an Assistant General Manager between 2001 and 2012 before being appointed as a member of the Board of Directors in October 2012.

#### **Arzu Orhon**

**Member of the Board of Directors, Member of the Audit Committee, Alternate Member of the Credit Committee (until March 2020)**

Born in 1969, Arzu Orhon holds BA Economics Degree from Bosphorus University Dept of Economics and MBA in Banking from Exeter University. Ms Orhon has 19 years of working experience in Banks and Financial Institutions. She started her career in an independent audit firm as an auditor, she worked at foreign banks operating in Turkey. She joined Deutsche Bank in 2000 and has led the Global Banking/ Global Transaction Business team till 2009 when she left the Bank. Orhon, rejoined the Bank and she was appointed as Board Member and Audit Committee Member in September 2017. Ms Arzu Orhon has got relevant banking experience, both in the market and also in the centric organisation of DB Group, she's also got deep knowledge of local regulations. Ms. Arzu Orhon worked as a Member of the Board of Directors, a Member of the Audit Committee and an Alternate Member of the Credit Committee at Deutsche Bank A.Ş. from September 2017 to March 2020.

None of the members of the Board of Directors is involved in transactions with the Bank either in their own capacity or on behalf of third persons or engaged in operations considered under the prohibition of competition.

## Senior Management

### **A. Orhan Özalp, Member of the Board of Directors, CEO**

Born in 1982, Orhan Ozalp graduated from Koç University with double major in Economics and Business Management. Joining Deutsche Bank in February 2006, Özalp held various coverage and management positions in Financial Institutions Coverage, Structured Product Origination and Sales, FIC and Equity Derivatives Sales in Deutsche Bank A.Ş. After working as Director and Managing Director in Institutional Treasury Coverage Group from 2013 to 2017, Özalp was appointed as Assistant General Manager responsible from Institutional Treasury Coverage Group in April 2018 and as CEO of Deutsche Bank A.Ş. in January 2019. As of 2020 September, Ozalp became Head of CEE region including Central Europe and the Balkans.

### **Özge Kutay, Member of the Board of Directors responsible from Financial Reporting, Chief Operating Officer**

Born in 1970, Ms. Kutay is a graduate of the Faculty of Business Administration at Istanbul University. Starting her career at an independent audit firm in 1993 and worked at financial control unit of a local bank, Ms. Kutay has 27 years of experience in banking and business administration. Having been employed by Deutsche Bank A.Ş. since 1998, she served as an Assistant General Manager between 2001 and 2012 before being appointed as a member of the Board of Directors in October 2012.

### **Hakan Ulutaş, Assistant General Manager - Corporate Banking**

Born in 1965, Mr. Ulutaş is a graduate of Istanbul University, Department of Business Administration and holds a master's degree in Business Administration from Marmara University as well as a master's degree in Management from North Carolina State University. Mr. Ulutaş spent 28 years of his 30 year professional career in the banking sector. Hakan Ulutaş has been with Deutsche Bank A.Ş. since 2004. Ulutaş was appointed as the Assistant General Manager in October 2012.

### **Feyza Aktaş, Director- Corporate Banking, Local Corporate Coverage & Corporate Cash Management**

Born in 1972, Ms. Aktaş graduated from the Marmara University with a degree from the Department of International Relations. Serving in the corporate banking sector since 1995, Ms. Aktaş joined Deutsche Bank A.Ş. in 2007. In addition to the management of our Global Subsidiaries Coverage Unit since 2012, she has also been assigned as the manager of Local Corporate Coverage Unit in 2019.

### **Nesrin Akyüz, Director, Finance**

Born in 1975, Nesrin Akyüz graduated from the Middle East Technical University with a degree from the Department of Business Administration. Starting her career in an independent audit firm and having gained auditing experience in various banks since 1997, Akyüz joined Deutsche Bank A.Ş. in 2006.

### **Senem Ertuncay Kuzu, Director, Corporate Banking, Global Corporate Coverage;**

Born in 1976, Ertuncay Kuzu has a Bachelor's Degree in Economics from Middle East Technical University. Have been working in the banking sector since 1998, Ertuncay Kuzu has joined Deutsche Bank A.Ş. in 2007. Ertuncay Kuzu is Head of Corporate Banking Coverage division since 2016. Within 2020 Local Corporate Coverage relationship management has been added under her responsibility.

### **Sevla Gonca, Director, Investment Banking – Structured Lending Solutions**

Born in 1984, Sevla Gonca holds an undergraduate degree in Finance and International Business from The George Washington University and a MBA from the Said Business School of Oxford University. She has held various Global Markets Sales positions at international banks since 2005. In 2018 she has joined Deutsche Bank A.Ş. Investment Banking team.

### **Kaan Kantarcioğlu, Director, Compliance and Anti Financial Crime**

Born in 1970, Kaan Kantarcioğlu graduated from Boğaziçi University, Department of Political Science and International Relations. Since 1993, Kantarcioğlu worked in various roles within banking and Turkish capital markets sectors and joined Deutsche Bank Group in 2004. Kantarcioğlu was appointed as Head of Compliance and Anti Financial Crime and Compliance Officer of Deutsche Bank A.Ş. on March 15, 2017. At the same time, VP responsible from Internal Control, appointed to perform internal control activities of the Bank, administratively reports to Kantarcioğlu.

**Esra Özakdağ, Director, Corporate Banking, Financial Institutions, Cash Management and Trade Finance**  
Born in 1983, Mrs. Özakdağ has a Bachelor's Degree in Economics and International Relations from Connecticut College and an Executive MBA degree from Bogazici University. Having served in the banking sector since 2006, Esra Özakdağ joined Deutsche Bank in 2012. Özakdağ works as a manager in Corporate Banking, Cash Management and Trade Finance, FI.

**Umit Yılmazcan, Director, Investment Banking, Fixed Income and Currencies**  
Born in 1978, Umit Yılmazcan received a Bachelor's Degree of Science in Mechanical Engineering from Bogazici University, and a MBA from Koc University. Joining DB in 2004, Mr. Yılmazcan held different positions in equity derivatives and initiated many key projects within bank and Turkish Capital Markets. Mr. Yılmazcan is serving as a Director in Fixed Income and Currencies Department since 2020.

**Nazım Aslan, Vice President, Treasury**  
Born in 1980, Aslan holds an undergraduate degree in Economics from Boğaziçi University and a master's degree in Money, Capital Markets and Financial Institution from İstanbul University. Aslan started his professional career in 2005 and has been working in Treasury field of the banking sector since 2008. Aslan joined Deutsche Bank A.Ş. in 2017.

**Nihat Erhan Aykut, Vice President, Investment Banking, Fixed Income and Currencies**  
Born in 1985, Nihat Erhan Aykut graduated from Robert College and received a Bachelor's Degree of Economics from Yıldız Technical University and he has attended to master degree of Business Administration in Yıldız Technical University. Mr. Aykut joined Deutsche Bank A.Ş. in 2020, serving as a Vice President in Fixed Income and Currencies Department. Prior to joining Deutsche Bank A.Ş., Mr. Aykut held different positions in Investment Banking in various international banks.

**Esra Kumru Besim, Vice President, Risk Management**  
Born in 1973, Kumru Besim graduated from Sankt Georg Austrian College and Istanbul University, Faculty of Business Administration (English). After completing a certificate program in University of California, Berkeley, Besim started her banking career in 1998 in Financial Control and Planning departments of various banks and joined Deutsche Bank A.Ş.'s Financial Control Unit in 2006. After establishing Internal Control under the Compliance and Internal Control Unit in 2011, she was appointed as the Vice President responsible from Risk Management in April 2015.

**Mehmet Çağlayan, Vice President, Technology**  
Born in 1977, Mehmet Çağlayan holds a Bachelor's Degree from Yıldız Technical University, Mathematical Engineering and a Graduate Degree from Marmara University, Institute of Banking and Insurance. Çağlayan started his career in 1997 in Retail Banking Product Development Unit of Information Technologies Department. Having joined Deutsche Bank A.Ş. in 2001, Mehmet Çağlayan is a senior manager responsible for Information Systems including the system development and technical infrastructure of investment banking and corporate banking products.

**Ali Berge Dikmen, Vice President, Investment Banking, Structured Treasury Solutions**  
Born in 1987, Berge Dikmen graduated from Robert College and Galatasaray University with a degree in Economics. He holds a Masters in Management degree from Fuqua Business School of Duke University. He has started working for Deutsche Bank A.Ş. in 2012 upon graduating from Duke, and has held various positions in Global Markets Sales desk. He has been serving as a Vice President in Investment Bank Public side since 2018.

**M. Nihat Fırat, Vice President, Human Resources**  
Mehmet Nihat Fırat, born in 1971, holds a master's degree from Bahcesehir University. 11 years, out of Fırat's total experience since 1998 in various companies, is in Banking sector. He manages the Human Resources Unit at Deutsche Bank Turkey since July 2019.

**Can Göğüş, Vice President, Credit Allocation**

Born in 1971, Göğüş holds a Bachelor's Degree of Science degree in Mechanical Engineering from Tennessee Technological University and an MBA from Carnegie Mellon University. Göğüş started his professional career in 1996 and has been working in corporate client coverage & credit fields of the banking sector since 2002. Göğüş joined Deutsche Bank A.Ş. in 2017.

**Abdullah Kaçmaz, Vice President, Internal Audit**

Born in 1980, Kaçmaz graduated from Istanbul University, Department of Economics. Kaçmaz started his banking career in 2002 and joined Deutsche Bank A.Ş. in 2011. Kaçmaz holds CIA (Certified Internal Auditor), CISA (Certified Information Systems Auditor), CRMA (Certification in Risk Management Assurance) and CRISC (Certified in Risk and Information Systems Control) certificates. Kaçmaz was appointed as Head of Internal Audit of Deutsche Bank A.Ş. on November 17, 2014.

**Özge Sanioğlu, Vice President, Legal and Data Protection**

Born in 1980, Mrs. Sanioğlu graduated from Istanbul University, Faculty of Law. Sanioğlu has 17 years of professional experience, 13 of which were in the banking sector. Mrs. Sanioğlu has been with Deutsche Bank A.Ş. since July 2012.

**Merdan Yılmaz, Vice President, Operations**

Born in 1968, Merdan Yılmaz graduated from Istanbul University, Faculty of Political Sciences, and Department of Public Administration. Yılmaz started banking career in 1995 and he joined Deutsche Bank A.Ş. in 2005 as the Operations Manager

**Sitare D. Tulumbacı, Assistant Vice President, Trade Finance**

Born in 1974, Tulumbacı has a Bachelor's degree from Istanbul Technical University, Department of Environmental Engineering. Started her career as Environmental Engineer in 1996, Tulumbacı started to work in the banking sector in Trade Finance Operations and Advisory units in 2000 and joined Deutsche Bank A.Ş. as Head of Trade Finance Operations in 2012. Having total 20 years' of experience in banking, Tulumbacı is working as the Head of Trade Finance Advisory & Services Unit as of September 2019 and as Head of Trade Flow Unit as of September 2020.

**Filiz Yalçın, Assistant Vice President, Internal Control**

Born in 1980, Filiz Yalçın has undergraduate degree in Bilkent Üniversitesi, Department of Economics and masters degree in Bournemouth University, Department of Information Systems Management. She has started her business career in 2002. Yalçın has started working in audit and control areas in 2006 and she has certification on Risk Management (CRMA) and COBIT 5. Yalçın has been working as Internal Control responsible in Deutsche Bank A.Ş. since October, 2017.

**Barbaros Utku Yıldız, Assistant Vice President, Chief Security Office**

Born in 1979, Barbaros Utku Yıldız received a Bachelor's degree from Kocaeli University Industrial Engineering and a Master's degree in Business Administration (MBA) from University of North Alabama. Starting his career as an engineer, Mr. Yıldız assumed managerial roles in Internal Audit, Internal Control and Compliance units in mainly banking and finance industries starting from 2005. Mr. Yıldız holds CIA (Certified Internal Auditor), COSO Internal Control and ISO 27001 Lead Auditor certificates, and participated in various projects about personal data protection and information security management system implementation throughout his professional career. Mr. Yıldız has been working as Chief Information Security Officer (CISO) since September 2020.



## Independent Auditor

During the Ordinary General Assembly of the Bank held on March 31, 2020, it was resolved with unanimous vote to select Güney ağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the Independent Auditor for a period of 1 year.

## Committees and Councils

### Audit Committee

H. Sedat Eratalar, Chairman  
Frank H. Krings, Member  
Mark Michael Bialham, Member

The Audit Committee was established on October 31, 2006, pursuant to the Board of Directors Resolution no. 48/6. The Audit Committee convened 16 times during the 2020 fiscal year.

### Credit Committee

A. Orhan Özalp, Chairman  
H. Sedat Eratalar, Member  
Özge Kutay, Member

The Credit Committee was established to allocate credits under the authority delegated to the committee by the Board of Directors' decision no. 84 dated December 13, 2010. The Committee takes loan decisions within the limits determined for itself, and by determining the allocation conditions. The Credit Committee convenes twice a week or when deemed necessary.

### Executive Council (EXCO)

A. Orhan Özalp, Chairman  
Özge Kutay, Vice Chairman, Member  
Hakan Ulutaş, Member  
Nesrin Akyüz, Member  
Feyza Aktaş, Member  
Esra Özakdağ, Member  
Senem Ertuncay, Member  
Sitare Tulumbacı, Member

The Executive Council meets once a month for a number of purposes including Deutsche Bank's global strategies to be followed in Turkey, generating ideas for the mutual development of coordination and new business ideas among the executive units established in Turkey, in addition to exploring cross-selling opportunities, coordination with the infrastructure units and assessing any risks regarding the reputation of Deutsche Bank's franchise.

#### **Operating Council (OPCO)**

Özge Kutay, Chairman  
Nesrin Akyüz Vice Chairman, Member  
Kaan Kantarcıoğlu, Member  
M. Nihat Fırat, Member  
Özge Sanioğlu, Member  
E. Kumru Besim, Member  
Utku Yıldız , Member  
Merdan Yılmaz, Member  
Mehmet Çağlayan, Member  
Ümit Rüstem Tok, Member

The Operating Council convenes once in every month. The Council is a platform where all Operations, Support and Control Units discuss the developments, changes and problems regarding the operations of the Bank, produce solutions and organize the effective utilization and allocation of resources.

#### **Assets and Liabilities Committee (ALCO)**

A. Orhan Özalp, Chairman  
Nazım Aslan, Vice-chairperson, Member  
Özge Kutay, Member  
Hakan Ulutaş, Member  
Joachim Bartsch, Member  
Nesrin Akyüz, Member  
E. Kumru Besim, Member  
Can Göğüş, Member  
Hakan Birinci, Member

The ALCO is responsible from analyzing the Bank's future capital requirements by overseeing the structure of the Bank's assets and liabilities, and evaluating risk-bearing assets, liquidity and market risk. The ALCO convenes quarterly under the presidency of the Bank's CEO.

#### **Compensation Committee**

Frank Helmut Krings, Chairman  
H. Sedat Eratarar, Member  
Mark Michael Bailham, Member

Deutsche Bank A.Ş. Board of Directors is, in addition to the application fields of Global Compensation Policy - Deutsche Bank Group, also required to approve, regularly review and apply appropriate Policies regarding Compensation of Senior Managers of the Internal Systems Units, Variable Compensation and its Principles, as stipulated in the Guideline on Good Remuneration Practices in Banks (Guideline), publicly announced by the Banking Regulation and Supervision Agency (BRSA). Board of Directors of Deutsche Bank A.Ş. performs the responsibilities indicated by means of a Compensation Committee to be made up of at least three members.

Compensation Committee convenes at least twice annually and reviews compliance of the Compensation Policy with the local legislation and global applications and issues a report to the Board of Directors. This review also includes whether or not compensation processes and applications of Deutsche Bank A.Ş. are compatible with the risk appetite, strategy and long-term goals of the Bank and whether or not they are in contradiction with the provisions of the BRSA's Guideline. Head of Human Resources Unit of Deutsche Bank A.Ş. attends Compensation Committee meetings to provide the necessary explanations on performance or compensation and to share his/her opinions. Minutes of the Compensation Committee are kept by the Head of Human Resources at the Human Resources Office.

#### **Participation of Board Members and Committee Members in Meetings**

The Board of Directors meets at least twice a month in accordance with the Bank's Articles of Association and governing legislation to oversee matters related to the Bank and to make decisions (within the scope of its duties and responsibilities). When deemed necessary, the Chairman of the Board of Directors may also call for meetings. During 2020, members participated in Board meetings regularly, conforming to the criteria for a quorum to convene and to make decisions.

The Audit Committee meets at least once a month. During 2020, members participated in Audit Committee meetings regularly, conforming to the criteria for a quorum to convene and make decisions.

#### **Transactions conducted by Members of the Board of Directors with the Bank**

Pursuant to the permission granted by the Bank's General Assembly, none of the members of the Board of Directors is involved in transactions with the Bank either in their own capacity or on behalf of third parties or engaged in operations considered under the prohibition of competition.

#### **Financial Benefits provided to Senior Executives**

Total benefits provided to senior executives such as Chairman of the Board of Directors, members of the Board, the CEO, the Assistant General Managers and supervisors of the units amounted to TL 21.896 thousands. Furthermore, expenses such as transportation and accommodation of senior executives amounted to TL 60 thousands.

## Information on Dividend Distribution Policy

The Bank has adopted as its dividend distribution policy to distribute all of its profit available for distribution to its shareholders by receiving the necessary BRSA approval, provided that there are no unfavorable conditions prevalent in the national and/or global economic conditions and the Bank's total equity adequacy ratio is at the target level. The allocation and the distribution of the net profit are decided at the Deutsche Bank A.Ş. shareholders' Annual General Assembly.

Banking Regulation and Supervision Agency's (BRSA) permission is sought for dividend distribution. BRSA, with a letter sent to the Banks' Association of Turkey on January 29th, 2021, stated that taking into account that negative impact of Covid-19 pandemic that is ongoing in the World as well as in Turkey on the real economy and therefore on financial markets may continue in 2021, the prudent policy maintained so far to ensure that shareholders' equity structure of banks is robust should be pursued further; In this respect, it will be beneficial if the profit to be earned in 2020 and the profit and reserves that were despite earned before 2020 were not distributed but kept in the shareholders' equity will not be distributed in a way that will require cash outflow but retained as reserves; however, possible requests to distribute dividends that will not exceed 10% of the net profit of 2020 will be assessed considering the prudent policy and conditions unique to banks such as capital adequacy ratio.

Dividend distribution shown below will be presented to the approval of the General Assembly of the Bank according to the permission which was received from BRSA.

### Dividend Distribution Table for 2020 (TL Thousands)

2020 Dividend Distribution	TL 000
Net Profit of the Period	84.979
Deferred Tax Income	2.466
Net Profit of the Period after the Deferred Tax Income	82.513
1st Legal Reserves based on Article 519 of the Turkish Commercial Code	-
1st Dividend to Shareholders	6.750
2nd Dividend to Shareholders	1.501
2nd Legal Reserves over paid and distributed amounts	150
Amounts allocated to Extraordinary Reserves	76.578

### Dividend Ratio Table

Group	Total Distributed Dividend		Total Distributed Dividend / Net Distributable Dividend	Dividend Amount Corresponding to Share With a Nominal Value of TL 0.1	
	Cash (TL)	Bonus (TL)	Ratio of the Period (%)	Amount (TL)	Ratio (%)
GROSS -	8.251.313	-	10,00%	0.00611	6,11208
NET -	7.838.747	-	9,50%	0.00581	5,80648

During the Annual General Assembly of the Bank to be held on March 31, 2021, it will be presented to the approval of the shareholders that out of the net profit for the period that ended on December 31, 2020 in the amount of TL 84.979 thousands, TL 8.251 thousands will be distributed as dividend, TL 150 thousands will be set aside as legal reserves; whereas, TL 76.578 thousands will be allocated to Extraordinary Reserves.

## Human Resources Policy

**Recruitment:** Employing the right persons with the right qualifications, who will apply Bank's strategy, adopt and appropriate Deutsche Bank's corporate culture, at the right positions is the basic principle underlying the recruitment policy. Managers, who are responsible from execution of their unit's activities in line with the applicable legislation, should have sufficient expertise in their unit's area of activity and employees of each unit should have the qualifications their duties, authorities and responsibilities require. It is essential that recruitment processes and applications be based on objective criteria and executed in accordance with the principle of equal opportunity.

Open positions are published at Deutsche Bank's career portal and intra-group requests and group employee references are primarily assessed; however, direct applications to the Bank are also taken into account. Contractual career portals and, when deemed necessary, human resources consultancy firms are engaged during the recruitment process. Recruitment process is executed via interviews held by Human Resources upon participation of heads of relevant units. During the interviews, candidates are assessed in terms of their suitability to the organization and conformity to the qualifications sought by the relevant position. These interviews enable recruitment of potential candidates in appropriate positions within the organization. Job offers are made to candidates whose processes are successfully completed; those candidates who cannot be recruited within the Bank as a result of their interviews are notified to this effect.

**Career Management:** The Bank provides various internal career development opportunities to its employees including internal recruitment, appointment, promotion, rotation and international assignments in accordance with DB Group's strategy and business requirements. International assignments are important for the Bank because of the experience they bring to the employees. Employees are given the chance to have access to global opportunities related to the unit in which they are currently employed and to apply to positions suitable for themselves. In the short and long-term assignments, it is aimed to ensure that employees are employed in the right place, at the right time and that human resource is used efficiently. Professional knowledge, skills and sense of responsibility of employees, who exceed the expectations with their high performance, make them candidates for higher positions.

**Promotions:** Managers of candidates for higher positions up to Managing Director level brief the EXCO on the performance of the employee. EXCO, based on the job definitions and performance criteria determined by the senior management, reviews the request and sends it to the Board of Directors for further approval, delays it for further assessment on a future date or vetos the request. Human Resources briefs also Compensation Committee about the promotions.

In case of promotion of Head of Human Resources or an Executive Council member, Board of Directors will assess the promotion and provide the approval.

**Appointments:** Human Resources communicates the criteria sought for senior management appointments in Internal Systems in position basis by giving details such as experience, competence, license, certificates, etc. Appointment resolutions are adopted by the Board of Directors. Audit Committee may give recommendations to the Board of Directors about promotions related with Internal Systems.

**Performance Management:** Targets are assigned to each employee based on their duties and responsibilities, Bank's strategies, aims and values. It is essential that performance criteria be established so as not to give rise to any conflicts of interest. After the targets are communicated with the employees, their strengths as well as weaknesses are observed during the assessment process. After the assessment of the employee by the manager, performance management continues with feedback and approval from the employee. Results of performance assessment provide data for career planning and a basis to determine training and development needs and remuneration. Performance of internal systems personnel are assessed independent from the performance of executive units they control.

In line with Bank's continuous learning and development strategy, career management and planning are made in order to increase skills and competencies of employees, to ensure that they realize their potentials by means of custom-made investments and to enrich career opportunities.

Furthermore, supervisors of personnel employed in units engaged in different dimensions of operational risk such as Compliance and Anti-Financial Crimes, Human Resources, Information Technologies and Operations and Finance, which assume responsibility for factors that have direct and/or indirect impact on general operational risk level of the banks or those units that bear responsibility in areas that indirectly cause the risk are, whilst liable from management of the operational risk in their own area of activity, on the other side, assess, where appropriate or necessary, provision of information and support to other units regarding the types, level and management of operational risk to which they are exposed within the scope of Performance Management.

**Remuneration and Benefits:** Remuneration and benefits policy of the Bank is based on establishing a working environment in accordance with the general applications of the Bank and principles that foresee fair and balanced remuneration based on work and performance, in parallel to the remuneration data unique to the sector, which has the ability to compete in the labour market; rewards high performance; encourages success and is compatible with globally-acknowledged values. Payments made to employees are associated not only with the short-term performance of the Bank such as profit or revenue, but also determined so as to have a positive impact on the corporate values and be in harmony with objective criteria. Premium payments exceeding a certain limit are deferred. It is ensured that remunerations paid to employees are in harmony with the ethical values, interior balance and strategic targets of the Bank. Salaries of Internal Systems personnel are determined based on their performance regarding their own functions. Salaries are reviewed based on criteria such as market dynamics, medium and long term requirements, performance of the Bank and its employees, and revised when deemed fit. Board delegated Compensation Committee is responsible from review of Compensation Policies, ensuring their compliance with long-term strategies of the Bank and application.

Benefits provided to employees other than annual salary payments are Private Health Insurance, Life Insurance, Transportation (Personnel Shuttles) Benefit and Lunch Ticket. CEO, COO and Human Resources are authorized in managing and executing all kinds of benefits and benefits related procedure and policies.

**Training and Development:** As of the first day of their employment, Bank employees are expected to complete training sessions on Bank's corporate culture, general compliance rules and compliance and risk rules unique to the Bank within 1 month.

It must be ensured that personnel with the same seniority and for the purpose of engagement in similar activities are employed with similar levels of experience and knowledge and it is essential that these personnel are trained in similar topics with equal durations. It is confirmed before employment whether the personnel who will be employed in positions with licensing requirements are duly licensed. Employees who may be employed in positions with licensing requirements are encouraged to attend licensing examinations and to receive the required licenses.

Training requirements of the employees are determined in accordance with performance assessments, changing legislation and needs, in cooperation with their managers. Deutsche Bank employees, in addition to the locally executed training programs, also make use of the international opportunities and experience provided by Deutsche Bank Group. The Bank considers development of its employees in the international arena important; therefore, training sessions contributing to personal development of the employees are also provided. With a central internet based training management system, all training-related applications are consolidated and all employees have been provided with access with personal passwords.

As of December 31, 2020, Deutsche Bank A.Ş. had 111 employees and Personnel Turnover Rate during 2020 was 7,69%. 72.9% of our employees are university graduates, 25.2% hold Masters and/or PhD degrees and 1.9% are high school graduates.

As of December 31, 2020, 43.9% of our employees are male and 56.1% are female. As of 31 December 2020, the average age of employees is 38.6, and their average working time at the Bank 7.7 years. In total throughout 2020, 279 hours of legislative training and 126 hours of internal training were provided.

## Outsourced Services

The business lines and names of the entities that we have outsourced services in 2020 are listed below pursuant to Regulation on Bank's outsourced Services.

<b>Service Provider</b>	<b>Unit that outsourced service</b>	<b>Service Details</b>
Orange Business Turkey Bilişim Anonim Şirketi	Technology	Provision of building to the secondary data center
Dataassist Bilgi Teknolojileri A.Ş.	Human Resources	Payroll services
Manpower İnsan Kaynakları Ltd. Şti.	Human Resources	Human Resources services
BİS Çözüm Bilgisayar ve Entegrasyon Hiz. ve Tic. A.Ş.	Technology	Licensing and maintenance of the main banking system
Deutsche Bank AG	AFC Compliance	Maintenance of the suspicious activity detection system, support in scenario writing
Deutsche Bank AG	Information Security	Identification, content and user management
Deutsche Bank AG	Technology	Network maintenance services
Deutsche Bank AG	Technology	Maintenance and support service for Network
Deutsche Bank AG	Operations	Operational support services for Hotscan (embargo filtering) application
Deutsche Bank AG	Operations	Maintenance and support services for (Message Broker) interface application
Deutsche Bank AG	Operations	Support services for receiving and sending SWIFT messages
Deutsche Bank AG	Operations	Operational support services used for reconciliation
CBRE Emlak Danışmanlık Limited Şirketi	Corporate Services	Provision of correspondence services and management of card access system in the Bank

<b>Service Provider</b>	<b>Unit that outsourced service</b>	<b>Service Details</b>
Mapa Global Bilgisayar Yazılım Danışmanlık San. Ltd. Şti.	Technology	Developing application (interface) that ensures communication between the systems of the Central Bank and the Bank and maintenance of the same
Platin S.M.M.M. Ltd. Şti.	Finance	Accounting entries, issuance of tax returns printing ledgers, filing accounting entries
DBOI	Operations	Client Information Services
HCL	Technology	Incident Management, Problem Management End User Services, Remote Connection Services and Remote Helpdesk Services
Iron Mountain Arşivleme Hizmetleri Anonim Şirketi	Corporate Services	Procuring archiving, destruction and document classification services
Risk Yazılım Teknolojileri Dan. Eğt. Tic. ve Ltd. Şti.	Risk Management	Systemic support service for Market Risk and ICAAP calculations
Seri Bilgi Teknolojileri Destek Hizmetleri ve Ticaret Limited Şti.	Technology	End user hardware and application support
Deutsche Bank AG	Information Security	ID Admin Management
Turkkep Kayıtlı Elektronik Hizmetleri Sanayi ve Ticaret Anonim Şirketi	Corporate Services	Registered e-mail Sending Services



## Related - Party Transactions

Within the scope of its activities, the Bank enters into various transactions with Group companies. These transactions are conducted at market prices and for fully commercial purposes. The resulting profit/loss is reflected in the income statement.

The related party transactions of Deutsche Bank A.Ş. are reported in detail in the notes to the financial statements included in this annual report.

The Bank did not take part in any legal transactions with the controlling Company or with any party related to the controlling Company and/or with the direction of the controlling Company for the benefit of the controlling Company or its related parties. Since banking regulations and market conditions are taken into account as far as the relations with the Group companies are concerned, measures are neither taken nor specifically avoided to be taken for the benefit of the controlling Company or its related parties in the past fiscal year.

## Corporate Social Responsibility

Deutsche Bank A.Ş. considers corporate social responsibility to be an area of importance and priority. The Bank takes a highly sensitive approach to the production of social responsibility projects and the support of existing projects. Deutsche Bank A.Ş. is aware of the fact that social responsibility is as important as providing customer satisfaction, employee motivation and a healthy, efficient and high-quality working environment.

Deutsche Bank A.Ş. pays prioritized attention to ensure that its employees are individuals who are socially and environmentally conscious, sensitive and prepared to take responsibility. Therefore, employees are encouraged to take responsibility individually and to carry out their own projects. With the “Plus You” projects designed and implemented by the main partner Deutsche Bank AG in all Deutsche Bank offices all around the world, employees who actively design and develop individual projects on education, sustainability, arts and social issues are supported, it is ensured that they build up their own teams for the implementation and completion of their projects and they are given 2 work days of paid leave as well as monetary contribution. With social responsibility projects they develop on different areas and themes within the scope of “plus you” concept, Deutsche Bank employees both contribute to their own personal development and feel the satisfaction of being able to cater to the well-being of their society.

### **We continue to support education:**

- A scholarship was provided within the scope of the Anatolian Scholars Project with Koç University.

### **We continue to make contributions to non-profit organizations:**

- With the bank’s and employees’ contribution, we provided food assistance packages to 1,000 less privileged families through our distribution partner, Turkish Red Crescent
- We donated TL 306,000 to the “We are self-sufficient, Turkey” Covid-19 National Solidarity Campaign of Republic of Turkey, Ministry of Family, Labour and Social Services, which was initiated by Presidency of the Republic of Turkey.

# 3

## Operating and Financial Review and Risk Management

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## Report of the Audit Committee

The Audit Committee did not observe any adverse occurrences regarding the Bank's compliance and anti-financial crimes, internal control, internal audit and risk management systems during the 2020 fiscal year. The Committee regularly corresponded with the Bank's internal systems department managers, closely monitored the Bank's risk and operations and ensured that all measures were taken for timely identification and elimination of any risk. Regarding the compliance of the Bank's accounting practices with the Banking Law No. 5411 and other applicable legislation, the Committee reviewed the assessment of the independent auditors and did not encounter any discrepancies.

**Our observations and opinions on the Bank's risk management and internal control activities are as follows:**

**Supervision by the Board of Directors and Executive Management:** The Board of Directors consists of experienced members who work actively in the banking sector, are specialized in various fields of the banking profession and possess sufficient knowledge on different types of assumed risks, how these risks occur and how they can be managed.

The Executive Management works in close contact with the Board of Directors, is knowledgeable and experienced on risk and is capable of utilizing the know-how and experience of the parent bank, Deutsche Bank AG, in these areas.

Responsibilities regarding continuous risk reporting associated with developments in the financial markets, risk management practices and the Bank's operations have been identified. Risk reporting is performed on a daily basis.

The Board of Directors and the Executive Management monitor the reliability and functioning of accounting and reporting systems through specialists who are not users of these systems.

The Board of Directors, Executive Management and the parent company, Deutsche Bank AG, continuously review risk acceptance limits and implement the necessary preventive measures in response to changing market conditions.

The Board of Directors, Executive Management and the parent company, Deutsche Bank AG, act conscientiously to ensure that the Bank's business units and business lines employ personnel who possess the necessary knowledge, experience and expertise regarding the nature and scope of the tasks being performed.

In addition, employees are offered the opportunity to benefit from the Deutsche Bank AG specialists, their knowledge and experience.

Through “the Code of Conduct for Deutsche Bank Group” document notified to the Deutsche Bank employees during the recruitment process against signature, the Board of Directors, Executive Management and the main partner, Deutsche Bank AG, have determined the general rules in order to form the human resources team to conduct the Bank’s activities in a safe and reliable way. Thus, the necessary measures have been taken to carry out the Bank’s operations in a safe and reliable manner and to ensure that employees are honest and ethical and that they behave consistently with the Bank’s prudent management philosophy and conduct.

The Board of Directors and Executive Management, monitor all operations of the Bank adequately through various internal audit and control systems.

Before the Bank embarks on a new line of business or launches a new product, the Board of Directors, Executive Management and the parent company, Deutsche Bank AG, require the implementation of New Product Approval and New Business Approval procedures to assess all potential risk which may arise from such business or products, and provide the necessary infrastructure and internal controls for the management of such risk.

The New Product Approval and New Business Approval procedures intend to overview the adequacy of the Bank’s infrastructure necessary for identifying, monitoring and controlling the potential risk before embarking on a new operation or launching a new product.

These policies, implementation methods and limits are consistent with the level of experience, goals and objectives and financial strength of Deutsche Bank A.Ş. as well as of the parent bank, Deutsche Bank AG.

Hierarchical structure of the authorities and responsibilities in the Bank’s operations are set out in the organization chart.

On behalf of the Audit Committee  
H. Sedat Eratalar, Audit Committee Chairman

## Management Declaration

As a result of the assessment made by the Board of Directors of Deutsche Bank A.Ş. ("Bank") pursuant to Regulation on Bank Information Systems and Banking Processes Audit to be Performed by External Audit Institutions, which became effective on December 31, 2009 and publicly announced at the Official Gazette on January 13, 2010 with issue no. 27461, by the Banking Regulation and Supervision Agency and the Circular Letter dated June 30, 2010 with no. B.02.1. BDK.0.77.00.00.010.06.02/3 on "Management Declaration", Board of Directors has approved that the internal controls on information systems and banking processes are effective, adequate and compliant with the applicable legislation for the audit period of January 1, 2020- December 31, 2020.

## Audits

During the accounting period, Independent Auditor of the Bank performed interim quarterly reviews and an annual review.

The Bank did not undergo private or public audit during the accounting period.

## Other Information Regarding Activities

No legal action was lodged against the Bank that would affect the Bank's fiscal position and actions.

No administrative or legal sanction was applied against the Bank's Board of Directors.

## Operating and Financial Review

As of December 31, 2020 the Bank's total assets amounted to TL 4.406.582 thousands, increased by %61 compared to the previous year.

At the end of 2019, loans amounted to TL 1.041.585 thousands; whereas, on December 31, 2020, they increased by 127 % and amounted to TL 2.366.326 thousands. TL 1,860,407 thousands of the all loans are short-term.

Whilst at the end of 2019, total deposits amounted to TL 1,532,869 thousands, they increased by 10% and amounted to TL 1,685,818 thousands on December 31, 2020. Most of the time deposits are overnight.

While the amount of Loans Received was TL 379,084 thousands at the end of 2019, it became TL 1,739,364 thousands on 31 December 2020.

While off-balance sheet liabilities were TL 1,951,890 thousands on December 31, 2019, it increased to TL 4,052,607 thousands on December 31, 2020 due to the increase in derivative transactions.

By the end of 2020, the Bank's net profit after taxes was TL 84,979 thousands. 2019 net profit of the Bank was TL 145,542 thousands.

On and off-balance sheet foreign currency balances are managed concurrently. While loans and cash and balances with the Central Bank comprise the majority of the Bank's assets, the majority of its liabilities are deposits and equity. The Bank's liquidity and interest risk are managed diligently by taking into account its capital and the funding limit set by Deutsche Bank AG. The Bank's parent company, Deutsche Bank AG, undertakes that it will fulfill the contracted responsibilities of Deutsche Bank A.Ş. based on its declaration which was approved at the General Assembly and published in its annual report.

## Financial Targets Review

The annual budget is set by the Bank's Board of Directors in line with the targets and monitoring activities and checked to see whether or not operational results are in line with the budget. Profit/loss, balance sheet and risk weighted assets, established in accordance with the internal assessment process, are approved by the Board of Directors of the Bank. Bank's total net profit is marginally lower than the budgeted amount. Profit of Corporate Cash Management and Security Services are well above the budgeted profit, due to fluctuations in the market, profit of Trade Finance is below the budgeted amount. Bank's total net profit is lower than the budgeted amount due to the negative effects of Covid-19 pandemic to the economy and financial markets.

Decisions taken by General Assembly are fulfilled by the Board of Directors without exception.

## Risk Management Policies

### General Policies

Deutsche Bank A.Ş. maintains Turkish Lira within the limits set denominated Treasury Bills and Government Bonds portfolio for trading purposes but is not engaged in equity/stock trading. The bank applies different limits for cash loans for letters of guarantee and credit and syndication loans. Deutsche Bank A.Ş. also has country and sector concentration limits. The bank does not engage in interbank money market transactions with a maturity exceeding three months.

Foreign currency transactions with banks and the other corporations are conducted on "delivery versus payment" basis; banks and corporations with a settlement limit are exceptions to this rule. The bank has an approval procedure for the new products and business lines. Insurance transactions regarding operational risk are coordinated with Deukona. Matters regarding reputational risk are discussed and resolved in the Executive Council. Business Continuity and Disaster Recovery Plan is regularly reviewed and tested.

Compliance with the relevant policies and limits are checked daily. All kinds of breaches are reported to the senior management, relevant units and to the Board.

## Risk Management

Risk Management is working as an independent unit responsible from operation and credit risk types. It applies the policies defining the precautions regarding monitoring, managing and administering and reporting the risks determined under the Regulation on the Internal Systems and ICAAP of the Banks. Function of the Risk Management Unit is to ensure that all risks that the Bank is exposed to are defined, measured, monitored, controlled and reported in a consolidated and unconsolidated manner by means of the policies, procedures and limits specified to monitor, supervise and control, and if necessary, change the risk return structure contained by the future cash flows of the Bank, and accordingly the characteristics and level of the operations of the Bank. The basic risks that should be preliminarily assessed by our Bank are defined herein below:

### Market Risk

Market risk is the possibility to incur a loss arising from Bank's general market risk, exchange rate risk (potential losses that may be incurred by the Bank as a result of changes in exchange rates due to all of its foreign currency assets and liabilities), interest rate risk (potential losses that may be incurred by the Bank as a result of the movements in interest rates due to its positions regarding financial instruments), swap risk (potential losses that may be incurred by the Bank due to price fluctuations of securities, foreign exchanges or merchandise subject to transactions as a result of failure to realize a swap transaction on its due date in case of transactions which cover delivery of securities, foreign exchanges or merchandise on the basis of prices on a certain due date and foresee that both parties meet their obligations on such due dates) and counterparty credit risk in trading accounts. Market Risk Management also includes liquidity risk (the risk of Bank's failing to fulfil its responsibilities on time due to the fact that it does not have cash stock or flow that is sufficient to meet the cash outflow totally or on time as a result of an imbalance in the cash flow) management.

Board of Directors is the ultimate owner of managing market risk within DB A.Ş. Liquidity risk and interest rate risk arising from banking accounts are managed by the Treasury Unit; whereas interest rate risk arising from trading accounts is managed by Fixed Income and Currencies Unit.

### Credit Risk

Credit risk is defined as the condition our Bank is in and the potential loss it may incur if and when a customer of our Bank or a counterparty that our Bank is in a business relationship fails to partially or totally fulfil its obligations arising from a contract it signed with the Bank on time. All processes pertaining to credit allocation by the Bank in favour of real persons or legal entities directly or indirectly, utilization, monitoring and operation of the said credit are regarded under the credit risk management. The principal amount of credit risk is the sum of the credit risk amounts regarding on-balance sheet assets, non-cash credits, liabilities and derivative financial instruments. It further includes Credit Risk, Counterparty credit risk management, Concentration risk management and Country risk management.

Before accepting credit risk, fundamental principle underlying the credit risk management is examining the client. Choosing clients in a prudent manner in accordance with the principle of "Know Your Client" is achieved through co-operation with business units working as the first line of defence of the Bank. New risk acceptance always requires approved plans for finalization of the risk position taken in accordance with the applicable rules. In spite of the fact that collaterals or other risk mitigating tools serve as alternative sources for repayment, they may not be used as substitutes to

high quality credit approval standards or assessment of counterparty's ability to repay their debts in a comprehensive manner. Main aim of the Bank is to avoid excessive concentration, to establish a diversified and marketable credit portfolio in an attempt to minimize large scale risks and thus to protect Bank's capital under all market conditions. To achieve this, concentrations are assessed and managed taking Bank's risk appetite into account.

### Operational Risk

Operational risk is the possibility to incur a loss arising from insufficient or ineffective internal processes, failures related to employees and systems or external sources, and it includes legal risk. Aim of the Operational Risk Management is to early detect/foresee the possible operational risks that the Bank may be exposed to and to protect the Bank from any possible losses that it may incur as a result of operational risks, to establish and ensure operation of the necessary mechanisms needed for efficient management of operational risks that may pose a delay or obstacle to achieving Deutsche Bank A.Ş.'s aims, and to decrease the possibility of being exposed to operational risk and, thereby, to participate into creation of a stronger capital base.

In order to manage operational risk in a transparent manner, responsibilities and duties related to operational risk management are clearly defined. Problems related to operational risk are escalated to the relevant authorities on time. Units are responsible from undertaking the financial impact associated with the operational risk incidents and costs arising from management, mitigation, transferring and acceptance of the same.

Risks breaching the applicable legislation or regulations are not accepted; these risks must always be mitigated once they are detected.

## Credit Ratings

Deutsche Bank A.Ş. is not rated by rating agencies.

As of December 31, 2020, international rating agencies had attached the following ratings to the Bank's parent company, Deutsche Bank AG:

	Short-term Rating	Long-term Rating	Outlook	Individual Rating
Moody's Investors Service	P - 2	A3	Stable	ba1
Standard & Poor's	A - 2	BBB+	Negative	bbb
Fitch Ratings	F2	BBB+	Negative	bbb



## Summary of Five - Year Financial Highlights

Assets (TL 000)	2020	2019	2018	2017	2016
Cash and Balances with the Central Bank (Net)	819,000	570,547	332,283	510,718	346,325
Financial Assets at Fair Value Through Profit/Loss	1	881	362,073	409,591	1,146,777
Derivative Financial Assets	29,646	2,732	38,727	30,915	25,827
Banks	106,103	727,306	684,316	331,881	392,363
Receivables from Money Markets	709,911	49,988	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	92,168	242,293	-	-	-
Loans (Net)	2,364,122	1,041,363	1,138,888	1,715,824	1,398,853
Equity Investments	-	-	-	-	-
Tangible Assets (Net)	33,909	24,510	4,805	2,462	1,929
Intangible Assets (Net)	4,178	4,707	3,976	3,016	6,773
Tax Assets	5,784	3,098	3,960	2,076	4,659
Other Assets	241,760	74,339	93,304	35,411	47,533
<b>Total Assets</b>	<b>4,406,582</b>	<b>2,741,764</b>	<b>2,662,332</b>	<b>3,041,894</b>	<b>3,371,039</b>
Liabilities (TL 000)	2020	2019	2018	2017	2016
Deposits	1,685,818	1,532,869	965,156	935,327	914,052
Derivative Financial Liabilities	40,210	3,024	45,176	31,976	26,572
Money Market Funds	-	-	-	-	945,000
Loans Received	1,739,364	379,084	1,004,274	1,492,184	923,179
Securities Issued (Net)	-	-	-	-	-
Funds	-	-	-	-	-
Other Liabilities	33,621	15,151	8,965	25,566	5,237
Factoring Liabilities	-	-	-	-	-
Lease Liabilities	18,761	21,329	-	-	-
Provisions and Tax Liability	71,301	49,682	50,027	48,114	41,668
Subordinated Debt Instruments	-	-	-	-	-
Shareholders' Equity	817,507	740,625	588,734	508,727	515,331
<b>Total Equity and Liabilities</b>	<b>4,406,582</b>	<b>2,741,764</b>	<b>2,662,332</b>	<b>3,041,894</b>	<b>3,371,039</b>
Statement of Profit or Loss (TL 000)	2020	2019	2018	2017	2016
Interest Income	228,392	351,429	431,808	248,564	205,329
Interest Expense	76,297	76,487	28,584	54,522	70,734
Net Interest Income/(Expense)	152,095	274,942	403,224	194,042	134,595
Net Fees and Commissions Income/(Expense)	60,086	52,588	47,479	43,712	36,058
Trading Profit/Loss (Net)	28,140	-24,161	-183,492	-61,602	-2,867
Other Operating Income	22,756	16,793	18,571	9,502	20,597
Gross Profit From Operating Activities	263,077	320,162	285,782	185,654	188,383
Allowances for Expected Credit Losses (-)	2,690	1,630	862	53	5,240
Other Operating Expenses (-)	151,713	132,125	128,358	115,707	98,705
Net Operating Profit/(Loss)	108,674	186,407	156,562	69,894	84,438
Net Monetary Position Gain/(Loss)	-	-	-	-	-
Profit/(Loss) Before Taxes From Continuing Operations	108,674	186,407	156,562	69,894	84,438
Provision for Taxes on Income From Continuing Operations (-)	23,695	40,865	34,072	13,851	15,203
Net Profit/(Loss) From Continuing Operations	84,979	145,542	122,490	56,043	69,235
Net Profit/(Loss) From Discontinued Operations	-	-	-	-	-
<b>Net Profit/(Loss)</b>	<b>84,979</b>	<b>145,542</b>	<b>122,490</b>	<b>56,043</b>	<b>69,235</b>
Debt/Equity Ratio (%)	430.31	263.49	343.72	488.48	546.06

(Convenience translation of a report originally issued in Turkish)

## INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders of Deutsche Bank A.Ş.

### 1) Opinion

We have audited the annual report of Deutsche Bank A.Ş. ("the Bank") for the period of 1 January 2020-31 December 2020.

In our opinion, the unconsolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Bank are presented fairly and consistent, in all material respects, with the audited full set unconsolidated financial statements and the information we obtained during the audit.

### 2) 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 published by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Bank in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3) Our Auditor's Opinion on the Full Set Unconsolidated Financial Statements

We have expressed unqualified opinion in our auditor's report dated March 11, 2021 on the full set unconsolidated financial statements of the Bank for the period of 1 January 2020-31 December 2020.

### 4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and communique on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks', the management of the Bank is responsible for the following items:

a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.

b) Preparation and fair presentation of the annual report; reflecting the operations of the Bank for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the unconsolidated financial statements. The development of the Bank and the potential risks to be encountered are also noted in the report. The evaluation of the Board of Directors is also included in this report.

c) The annual report also includes the matters below:

- Subsequent events occurred after the end of the fiscal year which have significance,
- The research and development activities of the Bank,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

- Other matters prescribed in the communique on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks' published in official gazette no.26333 dated November 1, 2006.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

#### 5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communique on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks' published in official gazette no.26333 dated November 1, 2006 , "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (BRSA), circulars, interpretations published by BRSA and "BRSA Accounting and Financial Reporting Legislation" which includes the provisions of Turkish Financial Reporting Standards (TFRS) for the matters which are not regulated by these regulations, on whether the unconsolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Bank's audited unconsolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and BRSA Independent Audit Regulation. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the unconsolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the unconsolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Emre Çelik.

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



Emre Çelik, SMMM  
Partner

March 29, 2021  
İstanbul, Türkiye

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## Independent Auditors' Report, Financial Statements and Disclosures

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**Building a better  
working world**

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

## INDEPENDENT AUDITOR'S REPORT

**To the General Assembly of Deutsche Bank Anonim Şirketi:**

A) *Audit of Unconsolidated Financial Statements*

1) *Opinion*

We have audited the accompanying unconsolidated financial statements of Deutsche Bank A.Ş (the "Bank") which comprise the statement of financial position as at December 31, 2020, and the unconsolidated statement of income, unconsolidated statement of income and other comprehensive income, unconsolidated statement of changes in shareholders' equity and unconsolidated statement of cash flows for the year then ended and notes to the unconsolidated financial statements and a summary of 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 the Bank as at December 31, 2020 and unconsolidated financial performance and unconsolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standards ("TAS") for those matters not regulated by the aforementioned regulations.

2) *Basis for Opinion*

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

3) *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit 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.



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Key Audit Matter	How the Key Audit Matter is addressed in our audit
<p><i>Financial impact of TFRS 9 “Financial Instruments” standard and recognition of impairment on financial assets and related important disclosures</i></p>	
<p>As disclosed in footnote VIII of Section 3; the Bank measured expected credit losses for financial assets by TFRS 9 “Financial Instruments Standards” in financial statements. The rationale reasons for selecting TFRS 9 implementation and impairment of financial assets as key audit subject are as follows;</p> <ul style="list-style-type: none"> <li>▪ Financial assets within balance-sheet and off-balance-sheet subject to TFRS 9 expected credit losses measurement have significant balance in the financial statements</li> <li>▪ The applications TFRS 9 are complex and comprehensive</li> <li>▪ The classification of financial instruments based on the Bank’s business models and the characteristics of contractual cash flows in line with TFRS 9 and requirement of important judgments to determine this business model and the characteristics of contractual cash flows</li> <li>▪ Risks related to the policies established by the management with the compliance and requirements of the legislation and other applications for the calculation of expected credit losses</li> <li>▪ The complexity and intensity of the control environment in the processes designed or reorganized for TFRS 9</li> <li>▪ Estimations and assumptions used in expected credit losses are new, important and complex</li> <li>▪ Complex and comprehensive disclosure requirements of TFRS 9.</li> </ul>	<p>Our audit procedures in addition to our current audit procedures:</p> <ul style="list-style-type: none"> <li>▪ Evaluation of the compliance of the accounting policies adopted with regard to TFRS 9, the Bank’s past performance, and local and global practices</li> <li>▪ Analysis and testing of processes, systems, and controls originated or re-designed in order to calculate expected credit losses by the Information Systems and Process Audit specialists</li> <li>▪ Evaluating the impact of Covid-19 outbreak on staging of loans and macroeconomic parameters used in expected credit losses calculation together with forward-looking estimates and significant assumptions.</li> <li>▪ Evaluation of the key judgments, assumptions, methods used for calculation of expected credit loss determined by the management, and whether the data source is reasonable or not, and their compliance and standard requirements in light of industry and global practices</li> <li>▪ Testing criteria used for determining the contractual cash flows including interest payments with regard to solely principal and principal balance of financial assets on a sample basis and evaluation of Bank’s business model</li> <li>▪ Evaluation of significant increase in credit risk, definition of default, definition of restructuring, probability of default, loss given default, exposure at default and macro-economic variables, and related basic and significant estimates and assumptions determined for calculation process of expected credit loss and whether these assumptions determined by financial risk management are in line with the Bank’s historical performance, legislation, and reasonableness of the estimation process regarding future performance and investigation of credit risk portfolio on a sample basis</li> <li>▪ Evaluation of the accuracy and completeness of attributes of the data used for the calculation process of expected credit losses</li> <li>▪ Detailed testing of mathematical verification of expected credit losses’ calculation on a sample basis</li> <li>▪ Evaluation of the assumptions and estimations used for the individually assessed financial assets based on expert judgment</li> <li>▪ Evaluating the necessity and accuracy of the updates made or required updates after the modeling process</li> <li>▪ Auditing of disclosures related to TFRS 9.</li> </ul>



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#### *4) Other Matter*

The unconsolidated financial statements of the Bank as at 31 December 2019 were audited by another audit firm, which expressed an unqualified opinion in their report issued on 10 March 2020.

#### *5) Responsibilities of Management and Directors for the Unconsolidated Financial Statements*

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

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

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

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

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

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

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

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

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities and financial statements for the period January 1 – December 31, 2020 are not in compliance with the TCC and provisions of the Bank's articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner who supervised and concluded this independent auditor's report is Emre Çelik.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of Ernst & Young Global Limited



Emre Çelik, SMMM  
Partner

March 11, 2021  
İstanbul, Türkiye



**THE UNCONSOLIDATED FINANCIAL REPORT OF  
DEUTSCHE BANK A.Ş. AS OF 31 DECEMBER 2020**

Bank's Head Office Address : Esentepe Mahallesi, Büyükdere Cad. Tekfen Tower No: 209  
Kat: 17-18 Şişli 34394 - ISTANBUL

Bank's Telephone and Fax Numbers : (0212) 317 01 00  
: (0212) 317 01 05

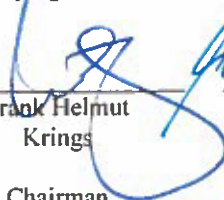
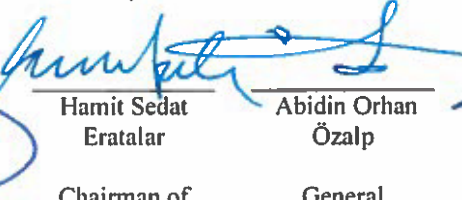


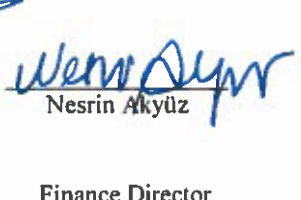
Bank's Web Address : [www.db.com.tr](http://www.db.com.tr)

E-mail address : [tr.muhaberat@db.com](mailto:tr.muhaberat@db.com)

The Deutsche Bank A.Ş.'s financial report prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections.

1. GENERAL INFORMATION ABOUT THE BANK
2. UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
3. EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
4. INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
5. EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
6. OTHER EXPLANATIONS AND NOTES
7. INDEPENDENT AUDITORS' REPORT

The unconsolidated year end financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidances and in compliance with the financial records of our Bank. Unless stated otherwise the accompanying financial statements are presented in thousands of Turkish Lira (TL).

 Frank Helmut Krings	 Hamit Sedat Eratalar	 Abidin Orhan Özalp	 Özge Kulay	 Nesrin Akyüz
Chairman of Board of Directors and Member of Audit Committee	Chairman of Audit Committee	General Manager	Board Member Responsible from Financial Reporting	Finance Director

Information related with the personnel authorised to answer the questions regarding this financial report

Name-Surname/ Title: Salih Görgülü / Finance Manager

Tel No/ Fax No: (0212) 317 01 84 / (0212) 317 01 05

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE BANK**

**I. History of the Bank including its incorporation date, initial legal status, amendments to legal status**

Deutsche Bank Anonim Şirketi (“the Bank”) was established with Council of Ministers Permit No. 87/12432, dated 16 December 1987. This permit was published in the Official Gazette dated 26 December 1987 and it was registered on 4 April 1988. The “Articles of Association” of the Bank were published in the Trade Registry Gazette on 7 April 1988. The commercial title of the Bank upon its establishment was “Türk Merchant Bank A.Ş.” which was changed to “Bankers Trust A.Ş.” on 17 April 1997. After the global merger of Bankers Trust and Deutsche Bank, the Bank’s commercial title has been changed to “Deutsche Bank Anonim Şirketi” at 1 March 2000. The Bank obtained the permission to accept deposits with the article numbered 1381 and dated 8 September 2004 of Banking Regulatory and Supervisory Agency (“BRSA”). This permission became valid after it was published in Official Gazette No. 25614 dated 15 October 2004. The Bank’s head office is located in Istanbul and has no branches.

Based on the decision taken at General Assembly Meeting of the Deutsche Bank Anonim Şirketi held on 28 March 2013, the Articles of Association has been amended in compliance with the Turkish Commercial Code (“TCC”) No. 6102. Accordingly, the “Articles of Association” of the Bank was updated and simplified in accordance with TCC no. 6102. The updated Articles of Association came into effect after being published in Trade Registry Gazette No. 8304 dated 19 April 2013.

**II. 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**

As of 31 December 2020 and 31 December 2019, the Bank’s paid-in capital is comprised of 1.350.000.000 shares whose historical nominal unit values are TL 0,1. The Bank is one of the group companies of Deutsche Bank Group and 99,99% of the Bank’s capital is owned by Deutsche Bank AG.

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020**

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

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

**III. Information on the Bank’s board of directors’ chairman and members, audit committee members, general manager, assistant general managers, change in top management and their shareholdings in the Bank**

Title	Name Surname	Responsibilities	Appointment Date	Education	Experience in Banking and Business Administration
Chairman and Member of Audit Committee	Frank Helmut Krings		28 March 2019	Undergraduate: Braunschweig Technical University Electrical Engineering	24 years
Board Member and General Manager	Abidin Orhan Özalp		14 January 2019	Undergraduate: Koc University Faculty of Economics and Administrative Sciences, Economy and Business double major	14 years
Vice President of Board	Jorge Andres Otero Leteher		15 March 2017	Undergraduate: Chile Santiago University Bachelor of Arts-Finance Master: MBA-Newyork University	27 years
	Claire Coustar		23 February 2018	Undergraduate: Babson College-Business Administration	26 years
Board Members	Özge Kutay	Financial Reporting and Support Functions	18 October 2012	Undergraduate: İstanbul University Faculty of Economics and Administrative Sciences	27 years
	Michael Christoph Maria Dietz		28 February 2019	Undergraduate: Darmstadt University Machine Engineering and Economics	29 years
	Salah Mohd I Al-Jaidah		14 May 2019	Undergraduate: Texas Christian University Faculty of Economics. Business Administration	33 years
Member of Board and Audit Committee	H. Sedat Eratalar		2 August 2001	Undergraduate: Ankara University Faculty of Economics and Finance	40 years
	Mark Michael Bailham (**)		13 August 2020	Undergraduate: University College London Economics	36 years
Assistant General Managers	Hakan Ulutaş	Corporate Banking	18 October 2012	Undergraduate: İstanbul University Management Faculty Master: Marmara University Science Research and Application Center, Contemporary Business Education Directorate	28 years

The top management listed above holds no shares of the Bank.

Changes occurred for the period ended 31 December 2020:

Title	Outgoing within the period	Assignments during the period
Member of Board and Audit Committee <sup>(*)</sup>	Arzu Orhon	
Assistant General Managers <sup>(*)</sup>	Ali Doğrusöz	
Member of Board and Audit Committee <sup>(**)</sup>	Simon Deutsch	Mark Michael Bailham

<sup>(\*)</sup> As of 31 March, 2020, Arzu Orhon, member of the Board of Directors and the Audit Committee, and Assistant General Manager Ali Doğrusöz left their positions.

<sup>(\*\*)</sup> At the Board of Directors meeting held on 13 August 2020, the resignation of Simon Deutsch, who served as a Member of the Board of Directors and the Audit Committee, was accepted and Mark Michael Bailham was appointed as a Member of the Board of Directors and Audit Committee.

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020**

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

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

**IV. Information on the Bank’s qualified shareholders**

The Bank’s qualified shareholder, which has direct or indirect control power, due to the definition of qualified portion on Banking Act No. 5411 and regarding to Article 13<sup>th</sup> of Communiqué on Transactions Subject to Bank’s Permission and Indirect Portion Ownership, is shown below:

<b>Name Surname Commercial Title</b>	<b>Share Amounts</b>	<b>Share Ratios</b>	<b>Paid Shares</b>	<b>Unpaid Shares</b>
Deutsche Bank AG	134,999	99.99	134,999	-
Other	1	0.01	1	-
<b>Total</b>	<b>135,000</b>	<b>100</b>	<b>135,000</b>	<b>-</b>

**V. Summary information on the Bank’s activities and services**

Activities of the Bank as stated in its articles of association are as follows:

- All banking operations;
- Jointly establishing enterprises with the corporations or individuals, joint ventures, investing to the existing or newly established commercial and industrial institutions, banks and financial institutions and transferring the shares of those enterprises;
- Providing commercial and insurance activities on behalf of the Bank or the domestic and foreign institutions, acting as agencies, and providing commitments to public and non-public entities in compliance and not restricted with the regulations set by the Banking Law and the related legislations;
- Purchasing and selling marketable securities on behalf of the Bank or third parties, issuing debt securities by taking the necessary permissions in accordance with the related legislation, establishing and managing investment funds and performing other capital market transactions, which are allowed by the Banking Law and operating in stock exchange;
- Performing factoring and forfaiting;
- Performing any transactions in foreign currency markets including derivative transactions on behalf of the Bank or its’ customers;
- Performing equipment leasing and real estate financing by way of leasing the extent permitted by legislation;
- Acquiring intangible assets related with the Bank’s operations and making savings on them;

The Bank, which has been providing investment banking services since its establishment date, has obtained the permission to accept deposits from BRSA Decision No. 1381 dated 8 September 2004, as a result of the Bank’s growth and investment policies in Turkey. This permission became into force after it was published in Official Gazette No. 25614 dated 15 October 2004.

Under the Capital Markets Board Authorization Certificate, the Bank was allowed to perform the following activities and services as of 5 November 2015:

- Brokerage services
- Limited Custody Service
- General Custody Service

The main operations of the Bank are, Interbank Money Market transactions, purchasing and selling marketable securities, foreign currency transactions, corporate cash loan, providing collateralised non-cash loans related with commercial activities and custody services. After obtaining commercial banking licence, in addition to the Bank’s current operations like commercial banking and money market transactions, the Bank became structured to meet all of the needs of its’ customers by providing services such as accepting deposits, opening individual accounts and selling cash management products and services, accordingly.

As of 31 December 2020, the number of employees of the Bank is 111 (31 December 2019: 106).

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS AT 31 DECEMBER 2020**

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

**I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**

ASSETS	Note (5 - I)	Audited Current period			Audited Prior period		
		31 December 2020			31 December 2019		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>998,324</b>	<b>758,505</b>	<b>1,756,829</b>	<b>1,029,770</b>	<b>563,977</b>	<b>1,593,747</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>906,155</b>	<b>728,859</b>	<b>1,635,014</b>	<b>786,596</b>	<b>561,245</b>	<b>1,347,841</b>
1.1.1 Cash and Balances with Central Bank	(1)	95,253	724,203	819,456	24,725	546,131	570,856
1.1.2 Banks	(3)	101,152	5,059	106,211	712,701	15,114	727,815
1.1.3 Money Market Placements		710,306	-	710,306	50,015	-	50,015
1.1.4 Expected Credit Losses (-)		556	403	959	845	-	845
<b>1.2 Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)</b>	<b>(2)</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>881</b>	<b>-</b>	<b>881</b>
1.2.1 Government Securities		1	-	1	881	-	881
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	-	-	-	-	-
<b>1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)</b>	<b>(4)</b>	<b>92,168</b>	<b>-</b>	<b>92,168</b>	<b>242,293</b>	<b>-</b>	<b>242,293</b>
1.3.1 Government Securities		92,168	-	92,168	242,293	-	242,293
1.3.2 Equity Securities		-	-	-	-	-	-
1.3.3 Other Financial Assets		-	-	-	-	-	-
<b>1.4 Derivative Financial Assets</b>	<b>(2)</b>	<b>-</b>	<b>29,646</b>	<b>29,646</b>	<b>-</b>	<b>2,732</b>	<b>2,732</b>
1.4.1 Derivative Financial Assets Measured at FVTPL		-	29,646	29,646	-	2,732	2,732
1.4.2 Derivative Financial Assets Measured at FVOCI		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST</b>	<b>(5)</b>	<b>1,370,437</b>	<b>993,685</b>	<b>2,364,122</b>	<b>355,819</b>	<b>685,544</b>	<b>1,041,363</b>
<b>2.1 Loans</b>		<b>1,370,644</b>	<b>995,682</b>	<b>2,366,326</b>	<b>356,041</b>	<b>685,544</b>	<b>1,041,585</b>
<b>2.2 Lease Receivables</b>	<b>(10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.3 Factoring Receivables</b>	<b>(6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.4 Other Financial Assets Measured at Amortised Cost</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2.4.1 Government Securities		-	-	-	-	-	-
2.4.2 Other Financial Assets		-	-	-	-	-	-
<b>2.5 Expected Credit Losses (-)</b>		<b>207</b>	<b>1,997</b>	<b>2,204</b>	<b>222</b>	<b>-</b>	<b>222</b>
<b>III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3.1 Asset Held for Resale		-	-	-	-	-	-
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4.1 Associates (Net)</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
<b>4.2 Subsidiaries (Net)</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.2.1 Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
<b>4.3 Joint Ventures (Net)</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>	<b>(12)</b>	<b>33,909</b>	<b>-</b>	<b>33,909</b>	<b>24,510</b>	<b>-</b>	<b>24,510</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	<b>(13)</b>	<b>4,178</b>	<b>-</b>	<b>4,178</b>	<b>4,707</b>	<b>-</b>	<b>4,707</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Others		4,178	-	4,178	4,707	-	4,707
<b>VII. INVESTMENT PROPERTY (Net)</b>	<b>(14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>	<b>(15)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. DEFERRED TAX ASSET</b>	<b>(15)</b>	<b>5,784</b>	<b>-</b>	<b>5,784</b>	<b>3,098</b>	<b>-</b>	<b>3,098</b>
<b>X. OTHER ASSETS (Net)</b>	<b>(17)</b>	<b>43,820</b>	<b>197,940</b>	<b>241,760</b>	<b>6,486</b>	<b>67,853</b>	<b>74,339</b>
<b>TOTAL ASSETS</b>		<b>2,456,452</b>	<b>1,950,130</b>	<b>4,406,582</b>	<b>1,424,390</b>	<b>1,317,374</b>	<b>2,741,764</b>

The notes between pages 12 and 111 are an integral part of these unconsolidated financial statements

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS AT 31 DECEMBER 2020**

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

**I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) (continued)**

LIABILITIES	Note (5 - II)	Audited Current period			Audited Prior period		
		31 December 2020			31 December 2019		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>(1)</b>	<b>1,051,146</b>	<b>634,672</b>	<b>1,685,818</b>	<b>774,451</b>	<b>758,418</b>	<b>1,532,869</b>
<b>II. FUNDS BORROWED</b>	<b>(3)</b>	<b>200,083</b>	<b>1,539,281</b>	<b>1,739,364</b>	-	<b>379,084</b>	<b>379,084</b>
<b>III. MONEY MARKET FUNDS</b>		-	-	-	-	-	-
<b>IV. SECURITIES ISSUED (NET)</b>		-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
<b>V. FUNDS</b>		-	-	-	-	-	-
5.1 Borrowers' Funds		-	-	-	-	-	-
5.2 Others		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES MEASURED AT FVTPL</b>		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(2)</b>	-	<b>40,210</b>	<b>40,210</b>	-	<b>3,024</b>	<b>3,024</b>
7.1 Derivative Financial Liabilities Measured at FVTPL		-	40,210	40,210	-	3,024	3,024
7.2 Derivative Financial Liabilities Measured at FVOCI		-	-	-	-	-	-
<b>VIII. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>IX. LEASE PAYABLES</b>	<b>(5)</b>	<b>18,629</b>	<b>132</b>	<b>18,761</b>	<b>4,565</b>	<b>16,764</b>	<b>21,329</b>
<b>X. PROVISIONS</b>	<b>(7)</b>	<b>15,983</b>	<b>35,399</b>	<b>51,382</b>	<b>12,967</b>	<b>24,643</b>	<b>37,610</b>
10.1 Restructuring Reserves		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		14,770	6,962	21,732	10,218	5,907	16,125
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1,213	28,437	29,650	2,749	18,736	21,485
<b>XI. CURRENT TAX LIABILITY</b>	<b>(8)</b>	<b>19,919</b>	-	<b>19,919</b>	<b>12,072</b>	-	<b>12,072</b>
<b>XII. DEFERRED TAX LIABILITY</b>	<b>(8)</b>	-	-	-	-	-	-
<b>LIABILITIES FOR ASSETS HELD FOR SALE AND</b>		-	-	-	-	-	-
<b>XIII. ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	<b>(9)</b>	-	-	-	-	-	-
13.1 Asset Held for Sale		-	-	-	-	-	-
13.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBTS</b>	<b>(10)</b>	-	-	-	-	-	-
14.1 Borrowings		-	-	-	-	-	-
14.2 Other Debt Instruments		-	-	-	-	-	-
<b>XV. OTHER LIABILITIES</b>		<b>8,246</b>	<b>25,375</b>	<b>33,621</b>	<b>3,337</b>	<b>11,814</b>	<b>15,151</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(11)</b>	<b>817,507</b>	-	<b>817,507</b>	<b>740,625</b>	-	<b>740,625</b>
16.1 Paid-in Capital	(11)	135,000	-	135,000	135,000	-	135,000
16.2 Capital Reserves		31,866	-	31,866	31,866	-	31,866
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		31,866	-	31,866	31,866	-	31,866
Other Comprehensive Income/Expense Items not to be Recycled to		-	-	-	-	-	-
16.3 Profit or Loss		(883)	-	(883)	(806)	-	(806)
Other Comprehensive Income/Expense Items to be Recycled to		-	-	-	-	-	-
16.4 Profit or Loss		(1,429)	-	(1,429)	6,591	-	6,591
16.5 Profit Reserves		567,974	-	567,974	414,213	-	414,213
16.5.1 Legal Reserves		84,802	-	84,802	84,802	-	84,802
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		483,172	-	483,172	329,411	-	329,411
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit/Loss		84,979	-	84,979	153,761	-	153,761
16.6.1 Prior Periods' Profit/Loss		-	-	-	8,219	-	8,219
16.6.2 Current Period's Net Profit/Loss		84,979	-	84,979	145,542	-	145,542
16.7 Minority Shareholders		-	-	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,131,513</b>	<b>2,275,069</b>	<b>4,406,582</b>	<b>1,548,017</b>	<b>1,193,747</b>	<b>2,741,764</b>

The notes between pages 12 and 111 are an integral part of these unconsolidated financial statements.

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**OFF-BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS AT 31 DECEMBER 2020**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

**II. OFF-BALANCE SHEET COMMITMENTS**

OFF-BALANCE SHEET	Note (5 - III)	Audited Current period			Audited Prior period		
		31 December 2020			31 December 2019		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>1,502,040</b>	<b>2,550,567</b>	<b>4,052,607</b>	<b>1,325,568</b>	<b>626,322</b>	<b>1,951,890</b>
<b>I. GUARANTIES AND WARRANTIES</b>	<b>(1)</b>	<b>124,139</b>	<b>389,396</b>	<b>513,535</b>	<b>78,892</b>	<b>175,226</b>	<b>254,118</b>
1.1 Letters of guarantee		124,139	380,328	504,467	78,892	173,736	252,628
1.1.1 Guarantees subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees given for foreign trade operations		-	-	-	-	-	-
1.1.3 Other letters of guarantee		124,139	380,328	504,467	78,892	173,736	252,628
1.2 Bank acceptances		-	-	-	-	-	-
1.2.1 Import letter of acceptance		-	-	-	-	-	-
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		-	9,068	9,068	-	1,490	1,490
1.3.1 Documentary letters of credit		-	9,068	9,068	-	1,490	1,490
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed prefinancings		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Underwriting commitments		-	-	-	-	-	-
1.7 Factoring related guarantees		-	-	-	-	-	-
1.8 Other guarantees		-	-	-	-	-	-
1.9 Other sureties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	<b>(1)</b>	<b>153,337</b>	<b>109,072</b>	<b>262,409</b>	<b>914,630</b>	<b>-</b>	<b>914,630</b>
2.1 Irrevocable commitments		153,337	109,072	262,409	914,630	-	914,630
2.1.1 Forward asset purchase and sales commitments		102,941	109,072	212,013	-	-	-
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		49,626	-	49,626	914,199	-	914,199
2.1.5 Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Commitments for cheque payments		-	-	-	-	-	-
2.1.8 Tax and fund obligations on export commitments		770	-	770	431	-	431
2.1.9 Commitments for credit card limits		-	-	-	-	-	-
2.1.10 Commitments for credit cards and banking services related promotions		-	-	-	-	-	-
2.1.11 Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12 Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		-	-	-	-	-	-
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>1,224,564</b>	<b>2,052,099</b>	<b>3,276,663</b>	<b>332,046</b>	<b>451,096</b>	<b>783,142</b>
3.1 Derivative financial instruments held for risk management		-	-	-	-	-	-
3.1.1 Fair value hedges		-	-	-	-	-	-
3.1.2 Cash flow hedges		-	-	-	-	-	-
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2 Trading derivatives		1,224,564	2,052,099	3,276,663	332,046	451,096	783,142
3.2.1 Forward foreign currency purchases/sales		582,294	564,751	1,147,045	110,086	184,038	294,124
3.2.1.1 Forward foreign currency purchases		404,328	189,021	593,349	69,912	77,181	147,093
3.2.1.2 Forward foreign currency sales		177,966	375,730	553,696	40,174	106,857	147,031
3.2.2 Currency and interest rate swaps		642,270	1,487,348	2,129,618	221,960	267,058	489,018
3.2.2.1 Currency swaps-purchases		-	1,034,538	1,034,538	160,000	84,449	244,449
3.2.2.2 Currency swaps-sales		642,270	452,810	1,095,080	61,960	182,609	244,569
3.2.2.3 Interest rate swaps-purchases		-	-	-	-	-	-
3.2.2.4 Interest rate swaps-sales		-	-	-	-	-	-
3.2.3 Foreign currency, interest rate and security options		-	-	-	-	-	-
3.2.3.1 Foreign currency call options		-	-	-	-	-	-
3.2.3.2 Foreign currency put options		-	-	-	-	-	-
3.2.3.3 Interest rate call options		-	-	-	-	-	-
3.2.3.4 Interest rate put options		-	-	-	-	-	-
3.2.3.5 Security call options		-	-	-	-	-	-
3.2.3.6 Security put options		-	-	-	-	-	-
3.2.4 Foreign currency futures		-	-	-	-	-	-
3.2.4.1 Foreign currency futures-purchases		-	-	-	-	-	-
3.2.4.2 Foreign currency futures-sales		-	-	-	-	-	-
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sales		-	-	-	-	-	-
3.2.6 Others		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>22,175,229</b>	<b>3,676,565</b>	<b>25,851,794</b>	<b>50,620,785</b>	<b>59,402</b>	<b>50,680,187</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>22,175,229</b>	<b>3,676,565</b>	<b>25,851,794</b>	<b>50,620,785</b>	<b>59,402</b>	<b>50,680,187</b>
4.1 Customers' securities held		14,602,571	3,603,160	18,205,731	42,182,523	-	42,182,523
4.2 Investment securities held in custody		7,347,066	-	7,347,066	8,344,043	-	8,344,043
4.3 Checks received for collection		225,592	-	225,592	94,219	-	94,219
4.4 Commercial notes received for collection		-	-	-	-	-	-
4.5 Other assets received for collection		-	-	-	-	-	-
4.6 Assets received through public offering		-	-	-	-	-	-
4.7 Other items under custody		-	73,405	73,405	-	59,402	59,402
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.1 Marketable securities		-	-	-	-	-	-
5.2 Guarantee notes		-	-	-	-	-	-
5.3 Commodities		-	-	-	-	-	-
5.4 Warranties		-	-	-	-	-	-
5.5 Real estates		-	-	-	-	-	-
5.6 Other pledged items		-	-	-	-	-	-
5.7 Pledged items-depository		-	-	-	-	-	-
<b>VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b>		<b>23,677,269</b>	<b>6,227,132</b>	<b>29,904,401</b>	<b>51,946,353</b>	<b>685,724</b>	<b>52,632,077</b>

The notes between pages 12 and 111 are an integral part of these unconsolidated financial statements.

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**III. STATEMENT OF PROFIT OR LOSS**

INCOME AND EXPENSE ITEMS		Note (5 - IV)	Audited Current period	Audited Prior period
			1 January – 31 December 2020	1 January – 31 December 2019
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(1)</b>	<b>228,392</b>	<b>351,429</b>
1.1	Interest income on loans		88,470	154,810
1.2	Interest income on reserve deposits		-	379
1.3	Interest income on banks		104,335	127,051
1.4	Interest income on money market transactions		16,671	44,994
1.5	Interest income on securities portfolio		17,554	23,974
1.5.1	Financial assets measured at FVTPL		3,638	10,871
1.5.2	Financial assets measured at FVOCI		13,916	13,103
1.5.3	Financial assets measured at amortised cost		-	-
1.6	Financial lease income		-	-
1.7	Other interest income		1,362	221
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>(2)</b>	<b>76,297</b>	<b>76,487</b>
2.1	Interest on deposits		27,308	71,725
2.2	Interest on funds borrowed		46,574	2,314
2.3	Interest on money market transactions		10	82
2.4	Interest on securities issued		-	-
2.5	Lease interest expense		873	1,692
2.6	Other interest expenses		1,532	674
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>152,095</b>	<b>274,942</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSES</b>		<b>60,086</b>	<b>52,588</b>
4.1	Fees and commissions received		72,232	68,815
4.1.1	Non-cash loans		3,015	2,429
4.1.2	Others	(12)	69,217	66,386
4.2	Fees and commissions paid		12,146	16,227
4.2.1	Non-cash loans		-	-
4.2.2	Others	(12)	12,146	16,227
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(3)</b>	<b>-</b>	<b>-</b>
<b>VI.</b>	<b>NET TRADING INCOME/LOSSES (Net)</b>	<b>(4)</b>	<b>28,140</b>	<b>(24,161)</b>
7.1	Trading account income/losses		7,983	(481)
7.2	Income/losses from derivative financial instruments		(55,334)	(44,763)
7.3	Foreign exchange gains/losses		75,491	21,083
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>22,756</b>	<b>16,793</b>
<b>VIII.</b>	<b>TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>263,077</b>	<b>320,162</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSSES (-)</b>	<b>(6)</b>	<b>2,690</b>	<b>1,630</b>
<b>X.</b>	<b>OTHER PROVISIONS (-)</b>		<b>-</b>	<b>-</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>64,707</b>	<b>60,769</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(7)</b>	<b>87,006</b>	<b>71,356</b>
<b>XIII.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>108,674</b>	<b>186,407</b>
<b>XIV.</b>	<b>INCOME RESULTED FROM MERGERS</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		<b>-</b>	<b>-</b>
<b>XVI.</b>	<b>GAIN/LOSS ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XVII.</b>	<b>OPERATING PROFIT/LOSS BEFORE TAXES (XIII+...+XVI)</b>	<b>(8)</b>	<b>108,674</b>	<b>186,407</b>
<b>XVIII.</b>	<b>PROVISION FOR TAXES OF CONTINUED OPERATIONS (±)</b>	<b>(9)</b>	<b>23,695</b>	<b>40,865</b>
18.1	Current tax charge		26,161	40,224
18.2	Deferred tax charge (+)		-	641
18.3	Deferred tax credit (-)		(2,466)	-
<b>XIX.</b>	<b>NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)</b>	<b>(10)</b>	<b>84,979</b>	<b>145,542</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
20.1	Income from assets held for sale		-	-
20.2	Income from sale of associates, subsidiaries and joint-ventures		-	-
20.3	Others		-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
21.1	Expenses on assets held for sale		-	-
21.2	Expenses on sale of associates, subsidiaries and joint-ventures		-	-
21.3	Others		-	-
<b>XXII.</b>	<b>PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XX-XXI)</b>		<b>-</b>	<b>-</b>
<b>XXIII.</b>	<b>PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>
23.1	Current tax charge		-	-
23.2	Deferred tax charge (+)		-	-
23.3	Deferred tax credit (-)		-	-
<b>XXIV.</b>	<b>NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>-</b>	<b>-</b>
<b>XXV.</b>	<b>NET PROFIT/LOSS (XIX+XXIV)</b>	<b>(11)</b>	<b>84,979</b>	<b>145,542</b>
25.1	Group's profit		-	-
25.2	Minority shareholder's profit/loss		-	-
	Earnings Per Share (TL Full)		0,0629	0,1078

The notes between pages 12 and 111 are an integral part of these unconsolidated financial statements.



**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>Audited</b>	<b>Audited</b>
	<b>Current period</b>	<b>Prior period</b>
	<b>1 January –</b>	<b>1 January –</b>
	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>I. NET PERIOD PROFIT/LOSS</b>	<b>84,979</b>	<b>145,542</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>(8,097)</b>	<b>6,349</b>
<b>2.1 Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss</b>	<b>(77)</b>	<b>(242)</b>
2.1.1 Gains (Losses) on Revaluation of Property, Plant and Equipment	-	-
2.1.2 Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3 Gains (losses) on remeasurements of defined benefit plans	(97)	(302)
2.1.4 Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	-	-
2.1.5 Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	20	60
<b>2.2 Other Comprehensive Income That Will Be Reclassified to Profit or Loss</b>	<b>(8,020)</b>	<b>6,591</b>
2.2.1 Exchange Differences on Translation	-	-
2.2.2 Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	(10,291)	8,449
2.2.3 Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4 Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	-	-
2.2.6 Taxes Relating To Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss	2,271	(1,858)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>76,882</b>	<b>151,891</b>

The notes between pages 12 and 111 are an integral part of these unconsolidated financial statements.

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**V. STATEMENT OF CHANGES IN EQUITY**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY				Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit and Loss			Other Accumulated Comprehensive Income That Will Be Reclassified In Profit and Loss			Profit Reserves	Prior Period Net Income/(Loss)	Current Period Net Income/(Loss)	Total	
				1	2	3	4	5	6					
<b>PRIOR PERIOD</b>														
<b>1 January - 31 December 2019</b>														
<b>I.</b>	<b>Balance at the beginning of the period</b>	135,000	-	-	31,866	-	(564)	-	-	-	291,723	8,219	122,490	588,734
<b>II.</b>	<b>Adjustment in accordance with TMS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>New balance (I+II)</b>	135,000	-	-	31,866	-	(564)	-	-	-	291,723	8,219	122,490	588,734
<b>IV.</b>	<b>Total comprehensive income (loss)</b>	-	-	-	-	-	(242)	-	6,591	-	-	-	145,542	151,891
<b>V.</b>	<b>Capital increase in cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI.</b>	<b>Capital increase through internal reserves</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Issued capital inflation adjustment difference</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	<b>Convertible bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	<b>Subordinated debt</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>	<b>Increase/(decrease) through other changes, equity</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI.</b>	<b>Profit distribution</b>	-	-	-	-	-	-	-	-	-	122,490	-	(122,490)	-
11.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to legal reserves	-	-	-	-	-	-	-	-	-	122,490	-	(122,490)	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances (III+IV+.....+X+XI)</b>		<b>135,000</b>	<b>-</b>	<b>-</b>	<b>31,866</b>	<b>-</b>	<b>(806)</b>	<b>-</b>	<b>6,591</b>	<b>-</b>	<b>414,213</b>	<b>8,219</b>	<b>145,542</b>	<b>740,625</b>
<b>CURRENT PERIOD</b>														
<b>1 January – 31 December 2020</b>														
<b>I.</b>	<b>Balance at the beginning of the period</b>	135,000	-	-	31,866	-	(806)	-	6,591	-	414,213	8,219	145,542	740,625
<b>II.</b>	<b>Adjustment in accordance with TMS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>New balance (I+II)</b>	135,000	-	-	31,866	-	(806)	-	6,591	-	414,213	8,219	145,542	740,625
<b>IV.</b>	<b>Total comprehensive income (loss)</b>	-	-	-	-	-	(77)	-	(8,020)	-	-	-	84,979	76,882
<b>V.</b>	<b>Capital increase in cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI.</b>	<b>Capital increase through internal reserves</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Issued capital inflation adjustment difference</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	<b>Convertible bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	<b>Subordinated debt</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>	<b>Increase/(decrease) through other changes, equity</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI.</b>	<b>Profit distribution</b>	-	-	-	-	-	-	-	-	-	153,761	(8,219)	(145,542)	-
11.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to legal reserves	-	-	-	-	-	-	-	-	-	153,761	(8,219)	(145,542)	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances (III+IV+.....+X+XI)</b>		<b>135,000</b>	<b>-</b>	<b>-</b>	<b>31,866</b>	<b>-</b>	<b>(883)</b>	<b>-</b>	<b>(1,429)</b>	<b>-</b>	<b>567,974</b>	<b>-</b>	<b>84,979</b>	<b>817,507</b>

1 Tangible and Intangible Assets Revaluation Reserve

2 Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans

3 Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)

4 Exchange Differences on Translation

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

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

The notes between pages 12 and 111 are an integral part of these unconsolidated financial statements.

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**VI. STATEMENT OF CASH FLOWS**

		Audited	Audited
		Current period	Prior period
		1 January – 31 December 2020	1 January – 31 December 2019
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>		
		(5)	
<b>1.1</b>	<b>Operating profit before changes in operating assets and liabilities</b>	<b>219,524</b>	<b>35,005</b>
1.1.1	Interests received	225,948	331,582
1.1.2	Interests paid	(75,783)	(76,332)
1.1.3	Dividend received	-	-
1.1.4	Fees and commissions received	41,191	45,026
1.1.5	Other income	16,098	9,335
1.1.6	Collections from previously written-off receivables	-	-
1.1.7	Cash payments to personnel and service suppliers	(75,089)	(63,417)
1.1.8	Taxes paid	(55,585)	(73,292)
1.1.9	Others	142,744	(137,897)
		(5.VI.1)	
<b>1.2</b>	<b>Changes in operating assets and liabilities subject to banking operations</b>	<b>(302,335)</b>	<b>429,797</b>
1.2.1	Net (increase) decrease in financial assets measured at FVTPL	880	361,192
1.2.2	Net (increase) decrease in due from banks	(155,901)	(112,639)
1.2.3	Net (increase) decrease in loans	(1,101,115)	162,198
1.2.4	Net (increase) decrease in other assets	(100,225)	34,949
1.2.5	Net increase (decrease) in bank deposits	(205,529)	419,368
1.2.6	Net increase (decrease) in other deposits	153,139	204,444
1.2.7	Net (increase) decrease in financial liabilities measured at FVTPL	-	-
1.2.8	Net increase (decrease) in funds borrowed	1,092,725	(694,299)
1.2.9	Net increase (decrease) in matured payables	-	-
1.2.10	Net increase (decrease) in other liabilities	13,691	54,584
		(5.VI.1)	
<b>I.</b>	<b>Net cash used from banking operations</b>	<b>(82,811)</b>	<b>464,802</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II.</b>	<b>Net cash used in investing activities</b>	<b>150,176</b>	<b>(248,852)</b>
2.1	Cash paid for purchase of associates, subsidiaries and joint-ventures	-	-
2.2	Cash obtained from sale of associates, subsidiaries and joint-ventures	-	-
2.3	Purchases of tangible assets	(10,941)	(3,329)
2.4	Sales of tangible assets	-	-
2.5	Cash paid for purchase of financial assets measured at FVOCI	-	(242,293)
2.6	Cash obtained from sale of financial assets measured at FVOCI	163,898	-
2.7	Cash paid for purchase of financial assets measured at amortised cost	-	-
2.8	Cash obtained from sale of financial assets measured at amortised cost	-	-
2.9	Others	(2,781)	(3,230)
		(5.I.13)	
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III.</b>	<b>Net cash used in financing activities</b>	<b>(12,411)</b>	<b>(8,874)</b>
3.1	Cash obtained from funds borrowed and securities issued	-	-
3.2	Cash used for repayment of funds borrowed and securities issued	-	-
3.3	Equity instruments issued	-	-
3.4	Dividends paid	-	-
3.5	Payments for leases	(12,411)	(8,874)
3.6	Others	-	-
<b>IV.</b>	<b>Effect of change in foreign exchange rate on cash and cash equivalents</b>	<b>74,632</b>	<b>11,645</b>
		(5.VI.1)	
<b>V.</b>	<b>Net increase in cash and cash equivalents</b>	<b>129,586</b>	<b>218,721</b>
<b>VI.</b>	<b>Cash and cash equivalents at beginning of period</b>	<b>1,006,466</b>	<b>787,745</b>
		(5.VI.2)	
<b>VII.</b>	<b>Cash and cash equivalents at the end of period</b>	<b>1,136,052</b>	<b>1,006,466</b>
		(5.VI.3)	

The notes between pages 12 and 111 are an integral part of these unconsolidated financial statements.

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**VII. STATEMENT OF PROFIT DISTRIBUTION**

	Current period <sup>(*)</sup>	Prior period <sup>(**)</sup>
	31 December 2020	31 December 2019
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	108,674	186,407
1.2 TAXES AND DUTIES PAYABLE	(23,695)	(40,865)
1.2.1 Corporate tax (Income tax)	(26,161)	(40,224)
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties <sup>(**)</sup>	2,466	(641)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>84,979</b>	<b>145,542</b>
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]</b>	<b>84,979</b>	<b>145,542</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (pre-emptive rights)	-	-
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 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (pre-emptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 GENERAL RESERVES	-	145,542
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (pre-emptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0.0629	0.1078
3.2 TO OWNERS OF ORDINARY SHARES (%)	6.29	10.78
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(\*) As of the date of this report the decision of profit distribution in the current year has not been made since the General Assembly meeting has not conducted yet.

(\*\*) Current and previous period amounts include deferred tax income and expenses.

(\*\*\*) The profit distribution table for the previous period became definite with the decision of the Ordinary General Assembly dated March 31, 2020 after the publication of the independently audited financial statements dated December 31, 2019 and rearranged in this direction.

The notes between pages 12 and 111 are an integral part of these unconsolidated financial statements. .

**SECTION THREE**

**EXPLANATIONS ON ACCOUNTING POLICIES**

**I. Basis of presentation**

**1.a Disclosures on the preparation of financial statements and its explanatory notes in accordance with the Turkish Accounting Standards and the Regulation on Accounting Applications for Banks and Safeguarding of Documents**

The Bank prepares its financial statements in accordance with the Banking Regulation and Supervision Authority (“BRSA”) Accounting and Reporting Regulation which includes the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards (“TFRS”) published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) for the matters not regulated by the aforementioned legislations.

The financial statements have been prepared in TL, under the historical cost basis as modified in accordance with inflation adjustments until 31 December 2004, except for the financial assets and liabilities which are carried at fair value.

The preparation of financial statements in accordance with the Banking Regulation and Supervision Authority (“BRSA”) Accounting and Reporting Regulation requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. The assumptions and estimations that used is presented below related notes.

**1.b Accounting policies and measurement**

The accounting policies and valuation adopted in the preparation of the financial statements, the Regulation published by the (“BDDK”) on accounting and financial reporting principles is determined and applied in accordance with the principles of TAS/TFRS (all “BRSA Accounting and Financial Reporting Legislation”), which is put into force by the Public Oversight Authority (“POA”) on the disclosures and circulars and the matters not regulated by the Communiqué and is consistent with the accounting policies applied in the financial statements prepared in the previous year. These accounting policies and valuation principles are explained in Notes II and XXVI.

**1.c Significant estimates and judgments used in the preparation of financial statements**

The COVID-19 epidemic that has recently emerged in China, has spread to various countries around the world, causing potentially fatal respiratory infections, causes disruptions in operations, especially in countries that are heavily exposed to the epidemic, as well as negatively affecting economic conditions both regionally and globally. As a result of the spread of COVID-19 around the world, various measures have been taken in our country as well as in the world in order to prevent the transmission of the virus and are still being taken. In addition to these measures, economic measures are also taken in order to minimize the economic effects of the virus epidemic on individuals and businesses in our country and around the world.

While the Bank was preparing its year-end financial statements as of December 31, 2020, the possible impact assessment of the COVID-19 outbreak is explained in the Section Three footnote VIII.

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020**

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (continued)**

**II. Basis of presentation of financial statements**

The accounting rules and the valuation principles used in the preparation of the financial statements are implemented as stated in the Reporting Standards.

The accounting policies taken as basis in the preparation of these financial statements are the same as those used in the most recent annual financial statements.

In addition, some other standard changes have come into force as of January 1, 2020. However, these changes have no impact on the financial statements of the Bank.

**III. Explanations on strategy of using financial instruments and foreign currency transactions**

The main operations of the Bank are, interbank money market transactions, purchasing and selling marketable securities, foreign currency transactions and providing collateralised cash, non-cash loans and custody services.

The Bank’s main funding sources are equity, deposit and borrowings from domestic and foreign financial institutions. Bank’s assets mainly consist of placements in banks, reverse repo transactions, corporate loans and financial assets at fair value through profit or loss.

The Bank’s off balance sheet exposures consist of forward foreign exchange purchase transactions, letter of credit and letter of guarantee.

Foreign currency risk, interest rate risk and liquidity risk are daily measured and monitored and the asset-liability management is performed within the internal risk limits and legal limits

The Bank has no foreign currency denominated capital market instruments at fair value through profit or loss.

The Bank has no investments in foreign associates.

As of 31 December 2020, foreign currency denominated balances are translated into TL using the exchange rates of TL 7.3405 for USD and TL 9.0079 for EURO.

**IV. Forwards, options and other derivative transactions**

The Bank’s derivative transactions mainly consist of foreign currency swaps, foreign currency options and forward foreign currency purchase/sale contracts.

Bank’s derivative transactions are classified under “Derivative financial assets at fair value through profit or loss” in accordance with TFRS 9.

Liabilities and receivables arising from the derivative instruments are recorded under the off-balance sheet accounts at their contractual values.

Derivative transactions are measured at fair value. The changes in their fair values are recorded on balance sheet under “derivative financial assets measured at fair value through profit/loss” or “derivative financial liabilities measured at fair value through profit/loss”, respectively depending on the fair values being positive or negative. Fair value changes for derivatives are recorded in the account of “income/losses from derivative transactions under statement of profit or loss. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Embedded derivatives are not separated from the host contract and accounted according with the host contract’s based standard. The Bank has no embedded derivative as of 31 December 2020 (31 December 2019: None).

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020**

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (continued)**

**V. Explanations on interest income and expenses**

Interest income and expenses are recognised in the income statement on an accrual basis by using the effective interest method (The net present value of the future cash flows of the financial asset or liability).

**VI. Explanations on fee and commission income and expense**

Commissions received for various banking services are recorded when they are collected and other income and expense items are recorded on an accrual basis. Fees and commissions paid or received loan fees and commission, expense/income considered as transaction cost and recognized according to effective interest rate methods. Income derived from agreements and asset purchases and custodian transactions made on behalf of third parties are recognised as income when they are realised.

**VII. Explanation on financial assets**

The Bank recognises its financial assets as “Fair Value through Profit or Loss”, “Fair Value through Other Comprehensive Income” or “Measured at Amortized Cost”. Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than “Financial Assets at Fair Value through Profit or Loss”, transaction costs are added to fair value or deducted from fair value.

The Bank recognizes a financial asset into financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, business model determined by Bank management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Bank’s management is changed, all affected financial assets are reclassified and this reclassification is applied prospectively. In such cases, no adjustments is made to earnings, losses or interest that were previously recorded in the financial statements.

**a. Financial assets at fair value through profit or loss**

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

The Bank has Financial assets measured at Fair Value through Profit or Loss amounting to TL 1 as of December 31, 2020 (December 31, 2019: TL 881).

**EXPLANATIONS ON ACCOUNTING POLICIES (continued)**

**VII. Explanation on financial assets (continued)**

**b. Financial assets at fair value through other comprehensive income**

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

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 income statement. “Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

As of 31 December 2020, the Bank has TL 92,168 Financial Assets at Fair Value through Other Comprehensive Income (31 December 2019: 242,293).

**c. 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 (Internal rate of return)”. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

**d. Derivative financial assets**

Derivative financial instruments of the Bank are classified under “Derivative Financial Assets Designated at Fair Value through Profit or Loss” in accordance with “IFRS 9 Financial Instruments” (“IFRS 9”).

Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values. Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as “Derivative Financial Assets at Fair Value through Profit or Loss” The fair value differences of derivative financial instruments are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transactions.

**e. Loans**

Loans are financial assets that have fixed or determinable payments terms and are 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 (internal rate of return) Method”.

As of the balance sheet, The Bank’s loans are recorded under the “Measured at Amortized Cost” account.



**EXPLANATIONS ON ACCOUNTING POLICIES (continued)**

**VIII. Explanations on expected credit losses**

Starting from 1 January 2018, the Bank recognises a loss allowance for expected credit losses on financial assets and loans 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/loss based on TFRS 9 and the regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with “Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans” effective from 1 January 2018. TFRS 9 impairment requirements are not applicable for equity instruments.

At each reporting date, the Bank shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Bank shall use the change in the risk of a default occurring for the financial instrument.

As of the reporting date, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Bank shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. However, if there is a significant increase in credit risk of a financial instrument since initial recognition, the Bank measures loss allowance regarding such instrument at an amount equal to lifetime expected credit losses.

The Bank allocates impairment for expected loss on financial assets measured at amortized cost and measured at fair value through other comprehensive income.

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

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.

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.

As mentioned in the important estimates and judgments used in the preparation of the financial statements note, the Bank evaluated the possible effects of the COVID-19 epidemic on the calculation of expected loss provisions as of 31 December 2020, with the best estimation method for the estimates and judgments used in calculating the expected loan losses. It was concluded that the said situation would not have a significant impact on the Bank’s financial position as the entire portfolio is included in Stage 1 and the entire portfolio is short-term.

**EXPLANATIONS ON ACCOUNTING POLICIES (continued)**

**VIII. Explanations on expected credit losses (continued)**

Classification of Loans and Provisions for reserves to be set aside from 17 March 2020 mainly due to the COVID-19 outbreak due to the decisions of BRSA numbered 8948 dated March 17, 2020 and numbered 8970 dated March 27, 2020. Within the scope of Articles 4 and 5 of the Regulation on Procedures and Principles regarding provisions to be allocated, the first 30 days delay period envisaged to be applied as 90 days until 31 December 2020 for the loans monitored in the first group and 90 days delay period envisaged for the period to be applied is 180 days until December 31, 2020 for the loans monitored in the second group. With the no 9312 decision of the Board dated December 8, 2020, the implementation period of the said regulation was extended until June 30, 2021. As of December 31, 2020, the Bank does not have any loans in this context.

Three scenarios are used in forward-looking expectations: base, negative and extremely negative. Final provisions are calculated by weighting on the probabilities given to the scenarios. Within the scope of the expected loss provision impacts of COVID-19, the weight of the base scenario from 3 scenarios was decreased and the weight of the negative and excessively negative scenario was increased. This approach, which is preferred in provision calculations, will be reviewed in the upcoming reporting periods by considering the impact of the pandemic, portfolio and future expectations.

**IX. Explanations on offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

**X. Explanations on sales and repurchase agreements and securities lending transactions**

Securities subject to repurchase agreements (“Repo”) are classified as “Financial assets at fair value through profit or loss”, “Financial assets at fair value through other comprehensive income.” and “Financial assets measured at amortized cost” according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under “Funds Provided under Repurchase Agreements” in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the effective interest method.

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**EXPLANATIONS ON ACCOUNTING POLICIES (continued)**

**X. Explanations on sales and repurchase agreements and securities lending transactions (continued)**

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

As of 31 December 2020, the Bank has no receivables/payables from reverse repo/repo (31 December 2019: None).

**XI. Explanations on assets held for resale and discontinued operations**

The Bank has no assets held for resale and discontinued operations as of 31 December 2020 and 31 December 2019.

**XII. Explanations on goodwill and other intangible assets**

There is no goodwill recognized in the financial statements as of 31 December 2020 and 31 December 2019.

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

Intangible assets are impaired when the book value exceeds the recoverable amount. Impairment indicates that losses may be realised. When the indicators are present the Bank makes estimation on the recoverable amount. If there are no indicators of impairment there is no need for the recoverable amount estimation.

Intangibles are amortised over their estimated useful lives using the straight-line method over 5-10 years. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilise the economic benefit of the asset.

**XIII. Explanations on tangible assets**

The property and equipment acquired before 31 December 2004 are recorded at restated historical costs in accordance with inflation accounting and subsequent additions to 31 December 2004 are recorded at their historical purchase costs.

The property and equipment are depreciated over their estimated useful lives on a straight-line basis.

If the recoverable amounts of the tangible assets are different than their restated net book values, the Bank records other income in the income statement or other expense or equity to be added to equity.

Expenditures for the repair and renewal of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalised on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset, or the quality of the product or to decrease the costs.

There are no restrictions such as pledges, mortgages or any other restrictions on the property and equipment as of 31 December 2020 and 31 December 2019. There are no changes in the accounting estimates that would have significant effects in the current period or in the following periods.

Depreciation rates and the estimated useful lives of tangible assets are as follows:

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Motor Vehicles	5 years
Office Machinery	3 - 5 years
Furnitures and fixtures	5 - 15 years

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**EXPLANATIONS ON ACCOUNTING POLICIES (continued)**

**XIV. Explanations on leasing transactions**

The Bank has adopted “IFRS 16: Leases” as of 1 January 2019.

The Bank, uses lease transactions for buildings, vehicles and equipments.

As a lessee, the Bank has previously included the right to lease assets and leasing liabilities for most of its leases in accordance with IFRS 16, although the Bank has previously been classified as operating or finance leases, based on the assessment of whether all leases and benefits arising from ownership of the asset have been transferred. In other words, these leases are presented in the statement of financial position. The Bank classifies its right to use assets in classes of property, plant and equipment and intangible assets that are of the same nature as their assets.

The Bank classify right-of-use assets that do not meet the definition of investment property in the same line item as it presents underlying assets of the same nature that it owns. The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The Bank applies TAS 36 Impairment of Assets to determine whether the real estates considered as right-of-use assets are impaired and to account for any impairment loss identified.

At the commencement date of the lease, the lease liability is measured at the present value of the lease payments not paid at that date. In the event that rent payments are easily determined by the implicit interest rate, this rate (10.60%-21.13% for TL contracts, 3.85% for US Dollars contracts and 0% for European Currency contracts), if it cannot be easily determined, it is discounted using the Bank's alternative borrowing interest rate. In general, the Bank used the alternative borrowing interest rate as a discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

**XV. Explanations on provisions and contingent commitments**

Provisions and contingent liabilities except for the specific and general provisions recognised for loans and other receivables are accounted in accordance with the “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets” (“TAS 37”).

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognised in the same period of occurrence in accordance with the “Matching principle”.

When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Bank, it is considered that a contingent liability exists and it is disclosed in the related notes to the financial statements. Where the amount cannot be reliably measured and there is no possibility of a source from the Bank to settle the obligation, and the amount of the obligation cannot be reliably measured, the liability is recognized as “Contingent Liability” and information is provided in the footnotes.

**XVI. Explanations on contingent assets**

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. If an inflow of economic benefits to the Bank has become probable, then the contingent asset is disclosed in the footnotes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

## **EXPLANATIONS ON ACCOUNTING POLICIES (continued)**

### **XVII. Explanations on obligations related to employee rights**

In accordance with the existing Turkish Labour Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct and this amount is limited by the termination indemnity upper limit.

Employee severance indemnities are not subject to legal funding requirements.

The provision has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans. Accordingly, assumptions on discount rate, expected rate of salary increase and employee turnover rate is used in the calculation of the total liability. These assumptions are reviewed on an annual basis.

Actuarial losses and gains are accounted under equity under Other Accumulated Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss.

### **XVIII Explanations on taxation**

#### ***Current tax***

Many clauses of Corporate Tax Law No. 5520 which are valid starting from 1 January 2006, came into effect after being published in Official Gazette No. 26205, dated 21 September 2006. Accordingly the corporate tax rate in Turkey is 20%. Corporate tax rate will be applied as 22% between the years 2018-2020, according to Law No: 7061 “The Law regarding amendments on Certain Tax Laws and their implications on Deferred Tax Calculations” published in the Official Gazette dated 5 December 2017. The corporate tax rate is applied to tax base which is calculated by adding certain non-deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and exclusion of deductions on accounting income. If there is no dividend distribution, no further tax charges are made.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

75% of earnings generated through sale of equity shares, founders’ shares, redeemed shares and preemption rights and 50% of earnings generated through sale of real estates held at least for two years by the institutions are exempt from the corporate tax with the conditions that such earnings shall be held in a special reserve account under equity until the end of five years following the year of sale and shall be collected as cash until the end of the following two fiscal years.

According to the Turkish tax regulations, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office and the accrued tax is paid until the evening of the 30th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the date of filing during which period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

**EXPLANATIONS ON ACCOUNTING POLICIES (continued)**

**XVIII. Explanations on taxation (continued)**

***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. The Law regarding amendments on Certain Tax Laws was approved in The Grand National Assembly of Turkey on 28 November 2017 and the Law was published in the Official Gazette on 5 December 2017. Accordingly, the corporate income tax rate will be increased from 20% to 22% for the years 2018, 2019 and 2020. Bank has used 20% tax rate while preparing the financial statements due to the completion of the temporary tax rate change on corporate tax at the rate of 22% as of 2020 with the "Law on Amendments to Certain Tax Laws and Some Other Laws" numbered 7061, for the temporary differences that are expected to occur or to be closed in 2021 and after.

If transactions and events are recorded in the income statement, then the related tax effects are also recognised in the income statement. However, if transactions and events are recorded directly in the shareholders’ equity, the related tax effects are also recognised directly in the shareholders’ equity.

The deferred tax assets and deferred tax liabilities calculated are offset against the financial statements.

***Transfer pricing***

The Article No. 13 of the Corporate Tax Law describes the issue of transfer pricing under the title of “disguised profit distribution” by way of transfer pricing. “The General Communiqué on Disguised Profit Distribution by Way of Transfer pricing” published at 18 November 2007, explains the application related issues on this topic.

According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm’s length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

**XIX. Explanations on borrowings**

Debt instruments such as borrowings from foreign banks and money market funds are major funding source of the Bank. Mentioned borrowings are carried initially at acquisition cost and subsequently recognized at the “discounted value” calculated by using the “Effective interest rate (“Internal rate of return”) method”.

**XX. Explanations on issuance of share certificates**

As of 31 December 2020, there is no share certificate issuance of the Bank (31 December 2019: None).

**XXI. Explanations on avalized drafts and acceptances**

As of 31 December 2020, there is no avalized drafts and acceptances of the Bank (31 December 2019: None).

**XXII. Explanations on government grants**

As of 31 December 2020, the Bank has no government grants (31 December 2019: None).

**EXPLANATIONS ON ACCOUNTING POLICIES (continued)**

**XXIII. Explanations on segment reporting**

A business segment is a The Bank’s product or service or an interrelated product or service engaged in providing product or services that are subject to risks and returns that are different from those of other business segments. Reporting according to the operational segment is presented in Note VII of Section Four.

**XXIV. Explanations on TFRS 16 Leases Standard**

The Bank assesses whether the contract has the quality of a lease or whether the lease includes the transaction at the beginning of a contract. In case the contract is transferred for a certain period of time to control the use of the asset defined for a price, it is either leased or includes a lease. The Bank reflects the existence of a right of use and a lease liability to the financial statements at the effective date of the lease.

*Existence of right to use:*

The right to use asset is first recognized by cost method and includes:

- a) The initial measurement amount of the lease obligation,
- b) The amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease;
- c) All initial direct costs incurred by the Bank and

When applying the cost method, the existence of the right to use:

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

The Bank applies the depreciation requirements in TAS 16 Property, Plant and Equipment in depreciating real assets considered as right-of-use asset.

*The lease obligations:*

At the commencement date of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Bank’s average borrowing interest rates. Lease payments are discounted using the implied interest rate at the lease if this ratio can be easily determined. If this ratio cannot be easily determined, the Bank uses the Bank's alternative borrowing interest rate.

The lease payments included in the measurement of the lease liability consist of the payments to be made for the right of use during the lease term of the underlying asset and the unpaid payments at the effective date of the lease.

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

- a) Increase the book value to reflect the interest on the lease obligation
- b) Reduces the book value to reflect the lease payments made and
- c) The book value is measured to reflect reassessments and restructuring, or reflect to fixed lease payments as of revised nature.

The interest on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability.

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**EXPLANATIONS ON ACCOUNTING POLICIES (continued)**

**XXIV. Explanations on TFRS 16 leases Standard (continued)**

TFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Bank, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

**XXV. Reclassifications**

None.

**XXVI. Other disclosures**

None.



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**SECTION FOUR**

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

**I. Explanation about equity items**

Total capital amount and Capital adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”.

As of 31 December 2020, the Bank’s total capital has been calculated as TL 815,038 (31 December 2019: TL 734,802), the capital adequacy ratio is 27.41% (31 December 2019: 38.36%). This ratio is above the minimum ratio required by the legislation.

**1. Information about total capital items:**

	31 December 2020	Amounts related to treatment before 1/1/2014 <sup>(1)</sup>
	Current Period	
<b>TIER I CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	166,866	-
Share issue premiums	-	-
Legal Reserves	567,974	-
Gains recognized in equity as per TAS	-	-
Profit	84,979	-
Current Period Profit	84,979	-
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
<b>Tier I Capital Before Deductions</b>	<b>819,819</b>	<b>-</b>
<b>Deductions From Tier I Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods’ losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	2,312	-
Leasehold Improvements on Operational Leases	2,106	-
Goodwill after deduction from tax liability	-	-
Other intangibles other than mortgage-servicing rights, net of related tax liability	3,904	3,904
Deferred tax assets that rely on future profitability excluding those arising from temporary differences, net of related tax liability	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net Amount Of Defined Benefit Plan Assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Total of Net Long Positions of the Investments in Equity Items of Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
Total of Net Long Positions of the Investments in Equity Items of Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital	-	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital(-)	-	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	-	-
The Portion of Net Long Position of the Investments in Equity Items of Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-	-
Mortgage Servicing Rights not deducted	-	-
Deferred tax assets arising from temporary differences	-	-
Other items to be Defined by the Council	-	-
Total Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	-	-
<b>Total Deductions from Tier I Capital</b>	<b>8,322</b>	<b>-</b>
<b>Total Tier I capital</b>	<b>811,497</b>	<b>-</b>

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

**I. Explanation about equity items (continued)**

	31 December 2020	Amounts related to treatment before 1/1/2014 <sup>(1)</sup>
	Current Period	
<b>ADDITIONAL CORE CAPITAL</b>		
Preferred Stock not Included in Tier I Capital and the Related Share Premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
<b>Additional Core Capital before Deductions</b>	-	-
<b>Deductions from Additional Core Capital</b>		
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-	-
Investments of Bank to Banks that invest in Bank’s additional equity and components of equity issued by financial institutions with compatible with Article 7	-	-
Total of Net Long Positions of the Investments in Equity Items of Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill or other intangibles and deferred tax liabilities of which the regulation concerning transitional Article 2 of subsection of core capital not reduced from	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions From Additional Core Capital</b>	-	-
<b>Total Additional Core Capital</b>	-	-
<b>Total Core Capital (Core Capital= Tier I Capital +Additional Core Capital)</b>	<b>811,497</b>	-
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	3,541	-
<b>Tier II Capital before Deductions</b>	<b>3,541</b>	-
<b>Deductions from Tier II Capital</b>		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank’s Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8	-	-
Total of Net Long Positions of the Investments in Equity Items of Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	-	-
<b>Total Tier II Capital</b>	<b>3,541</b>	-
<b>Total Tier II Capital(Core Capital and Tier II Capital)</b>	<b>815,038</b>	-

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

**I. Explanation about equity items (continued)**

	<b>31 December 2020</b>	<b>Amounts related to treatment before 1/1/2014 <sup>(1)</sup></b>
	<b>Current Period</b>	
<b>Core Capital And Tier II Capital ( Total Capital)</b>	<b>815,038</b>	-
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds	-	-
<b>EQUITY</b>		
Total capital (Core capital and Tier II capital)	815,038	-
Total risk weighted items	2,973,734	-
	<b>31 December 2020</b>	<b>Amounts related to</b>
	<b>Current Period</b>	<b>treatment before 1/1/2014 <sup>(1)</sup></b>
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	27.29	-
Tier 1 Capital Adequacy Ratio (%)	27.29	-
Capital Adequacy Standard Ratio (%)	27.41	-

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

**I. Explanation about equity items (continued)**

	31 December 2020 Current Period	Amounts related to treatment before 1/1/2014 <sup>(1)</sup>
<b>BUFFERS</b>		
Total buffer requirement	2,604	-
a) Capital conservation buffer requirement (%)	2,500	-
b) Bank specific countercyclical buffer requirement (%)	0.104	-
c) Systemic significant bank buffer ratio	-	-
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	19.29	-
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Mortgage servicing rights (net of related tax liability)	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	3,541	-
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	3,541	-
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-
* The amount to be taken into consideration under the Transitional Provisions	-	-

<sup>(1)</sup> Amounts in this column represent the amounts of items that are subject to transition provisions in accordance with the temporary articles of “Regulations regarding to changes on Regulation on Equity of Banks” and taken into consideration at the end of transition process.

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

**I. Explanation about equity items (continued)**

	31 December 2019	Amounts related to treatment before 1/1/2014 <sup>(1)</sup>
	Prior Period	
<b>TIER I CAPITAL</b>		
Paid-in Capital to be Entitled for Compensation after All Creditors	166,866	-
Share Premium	-	-
Legal Reserves	414,213	-
Other Comprehensive Income/losses according to TAS	6,591	-
Profit	153,761	-
Net Current Period Profit	145,542	-
Prior Period Profit	8,219	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period’s Profit Minority Shareholder	-	-
<b>Tier I Capital Before Deductions</b>	<b>741,431</b>	<b>-</b>
<b>Deductions From Tier I Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Current and Prior Periods’ Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS	806	-
Leasehold Improvements on Operational Leases	2,627	-
Goodwill after deduction from tax liability	-	-
Other intangibles other than mortgage-servicing rights, net of related tax liability	4,384	4,384
Deferred tax assets that rely on future profitability excluding those arising from temporary differences, net of related tax liability	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
-Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
-Net Amount Of Defined Benefit Plan Assets	-	-
-Direct or indirect investments in own common equity	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law	-	-
Total of Net Long Positions of the Investments in Equity Items of Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
Total of Net Long Positions of the Investments in Equity Items of Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital	-	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital(-)	-	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	-	-
The Portion of Net Long Position of the Investments in Equity Items of Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-	-
Mortgage Servicing Rights not deducted	-	-
Deferred tax assets arising from temporary differences	-	-
Other items to be Defined by the Council	-	-
Total Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	-	-
<b>Total Deductions from Tier I Capital</b>	<b>7,817</b>	<b>-</b>
<b>Total Tier I capital</b>	<b>733,614</b>	<b>-</b>

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

**I. Explanation about equity items (continued)**

	31 December 2019	Amounts related to treatment before 1/1/2014 <sup>(1)</sup>
	Prior Period	
<b>ADDITIONAL CORE CAPITAL</b>		
Preferred Stock not Included in Tier I Capital and the Related Share Premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Temporary Article 4)	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Temporary Article 4)	-	-
<b>Additional Core Capital before Deductions</b>	-	-
<b>Deductions from Additional Core Capital</b>		
Direct and Indirect Investments of the Bank on its own Additional Core Capital	-	-
Investments of Bank to Banks that invest in Bank’s additional equity and components of equity issued by financial institutions with compatible with Article 7	-	-
Total of Net Long Positions of the Investments in Equity Items of Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be Defined by the BRSA (-)	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill or other intangibles and deferred tax liabilities of which the regulation concerning transitional Article 2 of subsection of core capital not reduced from (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier I capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions From Additional Tier I Capital</b>	-	-
<b>Total Additional Tier I Capital</b>	-	-
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>733,614</b>	-
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	1,188	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	<b>1,188</b>	-
<b>Tier II Capital before Deductions</b>	-	-
<b>Deductions from Tier II Capital</b>		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank’s Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8	-	-
Total of Net Long Positions of the Investments in Equity Items of Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital	-	-
Other items to be Defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	-	-
<b>Total Tier II Capital</b>	<b>1,188</b>	-
<b>Total Tier II Capital(Core Capital and Tier II Capital)</b>	<b>734,802</b>	-

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

**I. Explanation about equity items (continued)**

	31 December 2019	Amounts related to treatment before 1/1/2014 <sup>(1)</sup>
	Prior Period	
<b>Core Capital And Tier II Capital ( Total Capital)</b>	<b>734,802</b>	-
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
<b>EQUITY</b>		
Total capital ( Core capital and Tier II capital)	734,802	-
Total risk weighted items	1,915,689	-
	31 December 2019	Amounts related to treatment before 1/1/2014 <sup>(1)</sup>
	Prior Period	
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	38.30	-
Tier 1 Capital Adequacy Ratio (%)	38.30	-
Capital Adequacy Standard Ratio (%)	38.36	-

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

**I. Explanation about equity items (continued)**

	31 December 2019 Prior Period	Amounts related to treatment before 1/1/2014 <sup>(1)</sup>
<b>BUFFERS</b>		
Total buffer requirement	2.525	-
Capital conservation buffer requirement (%)	2.5	-
Bank specific countercyclical buffer requirement (%)	0.025	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	30.30	-
<b>Amounts below the thresholds for deduction</b>	-	-
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Mortgage servicing rights (net of related tax liability)	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
<b>Limits related to provisions considered in Tier II calculation</b>	-	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	-	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	1,188	-
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	1,188	-
Excess amount of total provision amount to %0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	-	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

<sup>(1)</sup> Amounts in this column represent the amounts of items that are subject to transition provisions in accordance with the temporary articles of “Regulations regarding to changes on Regulation on Equity of Banks” and taken into consideration at the end of transition process.

**Information about instruments that will be included in total capital calculation**

None (31 December 2019: None).

The difference between Total Capital and Equity in the unconsolidated balance sheet mainly arises from allowance for expected credit losses (Stage I and Stage II), property and equipment and intangible assets. In the calculation of Total Capital, allowance for expected credit losses (Stage I and Stage II) up to 1.25% credit risk is taken into consideration as Tier II Capital. On the other hand, in the calculation of the Total Capital, improvement costs for operating leases followed under property and equipment in the balance sheet, intangible assets and related deferred tax liabilities are taken into consideration as amounts deducted from Total Capital.



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

**II. Explanations on credit risk**

Credit borrowers are subject to risk limits approved by the Board of Directors in terms of geographic region, group and sectorial concentration. Moreover, all banking activities are acted with the principle of not working with the persons and institutions who are involved in the international black lists required by the legislation.

In the process of credit allocation and disbursement, futures and other derivative transactions, the approval levels of the daily cash financing limits and risks of the customers are passed through the approval stages of the management level depending on the approval limits. Risk limits and distributions are monitored on a daily basis on a daily basis in relation to on-balance sheet and off-balance sheet transactions.

The credit risk assumed for future transactions is managed together with the potential risks arising from market movements and transactions that are exposed to significant credit risk are avoided.

The creditworthiness of borrowers of loans and other receivables is monitored at regular intervals and in accordance with the regulation of provisions. Care is taken to ensure that the account status documents received for creditors are audited as provided for in the applicable legislation.

As of 31 December 2020, the Bank’s non-cash loan portfolio consists of 35 customers and non-cash loans portfolio consist of 54 customers (31 December 2019: cash loans portfolio 24 and non-cash loans portfolio 56).

The share of cash and cash equivalents of the Bank from its top 100 loan customers in total cash and non-cash loan portfolio is 100% (31 December 2019: 100%).

The sum of cash receivables from the first 100 credit customers constitutes 54% of the total balance sheet assets and the amount of non-cash receivables from the first 100 credit customers constitutes 13% of the total off-balance sheet assets (31 December 2019: 38% and 13%).

As of 31 December 2020, the expected loss of the Bank for credit risk is TL 3,541 and the expected loss of the Bank for cash loans is TL 2,204 (31 December 2019: TL 1,188 and TL 222).

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

**II. Explanations on credit risk (continued)**

**a) Type of loans and specific provisions**

<b>31 December 2020</b>	<b>Corporate</b>	<b>Consumer</b>	<b>Factoring Receivables</b>	<b>Total</b>
Standard Loans	2,366,326	-	-	2,366,326
Loans under close monitoring	-	-	-	-
Non-performing loans	-	-	-	-
Specific provision (-)	-	-	-	-
<b>Total</b>	<b>2,366,326</b>	<b>-</b>	<b>-</b>	<b>2,366,326</b>

<b>31 December 2019</b>	<b>Corporate</b>	<b>Consumer</b>	<b>Factoring Receivables</b>	<b>Total</b>
Standard Loans	1,041,585	-	-	1,041,585
Loans under close monitoring	-	-	-	-
Non-performing loans	-	-	-	-
Specific provision (-)	-	-	-	-
<b>Total</b>	<b>1,041,585</b>	<b>-</b>	<b>-</b>	<b>1,041,585</b>

**b) Delayed loans and other receivables**

None (31 December 2019: None).

**c) Loans and receivables past due but not impaired**

<b>31 December 2020</b>	<b>Financial Assets at Fair Value through P/L (Net)</b>	<b>Fair Value Difference Reflected on Other Comprehensive Income (Net)</b>	<b>Held to Maturity Securities (Net)</b>	<b>Total</b>
Moody’s B2 (*)	1	92,168	-	92,169
<b>Total</b>	<b>1</b>	<b>92,168</b>	<b>-</b>	<b>92,169</b>

<b>31 December 2019</b>	<b>Financial Assets at Fair Value through P/L (Net)</b>	<b>Fair Value Difference Reflected on Other Comprehensive Income (Net)</b>	<b>Held to Maturity Securities (Net)</b>	<b>Total</b>
Moody’s B1 (*)	881	242,293	-	243,174
<b>Total</b>	<b>881</b>	<b>242,293</b>	<b>-</b>	<b>243,174</b>

\*Includes government bonds and bills.

**d) Information on rating concentration**

The Bank does not have any credit rating policy.

**e) Fair value of collaterals (loans and advances to customers)**

Guarantees received as at 31 December 2020 and 2019 are presented in “Credit Risk Mitigation Techniques” disclosure.

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

**II. Explanations on credit risk (continued)**

f) **Credit risk is the risk reduction effects without taking into consideration the total amount of exposures after offsetting transactions with different risk classes according to the types and amounts of disaggregated risks are listed below the average for the period**

<b>Risk classifications:</b>	<b>Current Period Risk Amount (*)</b>	<b>Average Risk Amount (**)</b>
Conditional and unconditional exposures to central governments or central banks	1,766,247	1,342,785
Conditional and unconditional exposures to regional governments or local authorities	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-
Conditional and unconditional exposures to multilateral development banks	-	-
Conditional and unconditional exposures to international organisations	-	-
Conditional and unconditional exposures to banks and brokerage houses	842,614	1,476,435
Conditional and unconditional exposures to corporates	2,022,461	1,248,484
Conditional and unconditional retail exposures	989	404
Conditional and unconditional exposures secured by real estate property	-	-
Past due items	-	-
Items in regulatory high-risk categories	-	-
Exposures in the form of bonds secured by mortgages	-	-
Securitisation positions	-	-
Short term exposures to banks, brokerage houses and corporates	-	-
Exposures in the form of collective investment undertakings	-	-
Other receivables	52,822	40,097

(\*) Includes risk amounts given before the effect of credit risk mitigation but after the credit conversions.

(\*\*) Average risk amounts are the arithmetical average of the risk amounts after conversion in January-December period.

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

**II. Explanations on credit risk (continued)**

f) **Credit risk is the risk reduction effects without taking into consideration the total amount of exposures after offsetting transactions with different risk classes according to the types and amounts of disaggregated risks are listed below the average for the period (continued)**

<b>Risk classifications:</b>	<b>Prior Period Risk Amount (*)</b>	<b>Average Risk Amount (**)</b>
Conditional and unconditional exposures to central governments or central banks	894,332	843,021
Conditional and unconditional exposures to regional governments or local authorities	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-
Conditional and unconditional exposures to multilateral development banks	-	-
Conditional and unconditional exposures to international organisations	-	-
Conditional and unconditional exposures to banks and brokerage houses	818,018	869,230
Conditional and unconditional exposures to corporates	1,084,509	1,086,413
Conditional and unconditional retail exposures	761	1,072
Conditional and unconditional exposures secured by real estate property	-	-
Past due items	-	-
Items in regulatory high-risk categories	-	-
Exposures in the form of bonds secured by mortgages	-	-
Securitisation positions	-	-
Short term exposures to banks, brokerage houses and corporates	-	-
Exposures in the form of collective investment undertakings	-	-
Other receivables	32,606	55,065

(\*) Includes risk amounts given before the effect of credit risk mitigation but after the credit conversions.

(\*\*) Average risk amounts are the arithmetical average of the risk amounts after conversion in January-December period.

**g) Profile of significant exposures in major regions**

<b>31 December 2020</b>	<b>Conditional and unconditional exposures to central governments or central banks</b>	<b>Conditional and unconditional exposures to banks and brokerage houses</b>	<b>Conditional and unconditional exposures to corporates</b>	<b>Conditional and unconditional retail exposures</b>	<b>Other receivables</b>	<b>Total</b>
1. Domestic	1,766,247	639,048	1,948,624	989	52,822	4,407,730
2. European Union (EU) countries	-	88,338	201	-	-	88,539
3. OECD countries (**)	-	32,427	-	-	-	32,427
4. Off-shore banking regions	-	-	-	-	-	-
5. USA, Canada	-	13,645	-	-	-	13,645
6. Other countries	-	69,156	73,636	-	-	142,792
7. Associates, subsidiaries and joint ventures	-	-	-	-	-	-
8. Unallocated assets / liabilities (***)	-	-	-	-	-	-
<b>Total (*)</b>	<b>1,766,247</b>	<b>842,614</b>	<b>2,022,461</b>	<b>989</b>	<b>52,822</b>	<b>4,685,133</b>

(\*) Includes risk amounts given before the effect of credit risk mitigation but after the credit conversions.

(\*\*) OECD countries other than EU countries, USA and Canada

(\*\*\*) Assets and liabilities that cannot be allocated on a consistent.

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

**II. Explanations on credit risk (continued)**

**g) Profile of significant exposures in major regions (continued)**

<b>31 December 2019</b>	<b>Conditional and unconditional exposures to central governments or central banks</b>	<b>Conditional and unconditional exposures to banks and brokerage houses</b>	<b>Conditional and unconditional exposures to corporates</b>	<b>Conditional and unconditional retail exposures</b>	<b>Other receivables</b>	<b>Total</b>
1. Domestic	894,332	684,488	1,084,119	761	32,606	2,696,306
2. European Union (EU) countries	-	56,471	-	-	-	56,471
3. OECD countries (**)	-	18,839	-	-	-	18,839
4. Off-shore banking regions	-	-	-	-	-	-
5. USA, Canada	-	13,653	-	-	-	13,653
6. Other countries	-	44,567	390	-	-	44,957
7. Associates, subsidiaries and joint ventures	-	-	-	-	-	-
8. Unallocated assets / liabilities (***)	-	-	-	-	-	-
<b>Total (*)</b>	<b>894,332</b>	<b>818,018</b>	<b>1,084,509</b>	<b>761</b>	<b>32,606</b>	<b>2,830,226</b>

(\*) Includes risk amounts given before the effect of credit risk mitigation but after the credit conversions.

(\*\*) OECD countries other than EU countries, USA and Canada

(\*\*\*) Assets and liabilities that cannot be allocated on a consistent basis

**h) Risk profile according to sectors and counterparties**

<b>31 December 2020</b>	<b>Conditional and unconditional exposures to central governments or central banks</b>	<b>Conditional and unconditional exposures to banks and brokerage houses</b>	<b>Conditional and unconditional exposures to corporates</b>	<b>Conditional and unconditional retail exposures</b>	<b>Other receivables</b>	<b>Turkish Lira</b>	<b>Foreign currency</b>	<b>Total</b>
<b>Agriculture</b>	-	-	174,163	-	-	174,118	45	174,163
Farming and raising livestock	-	-	174,163	-	-	174,118	45	174,163
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
<b>Manufacturing</b>	-	-	1,231,201	842	-	732,056	499,987	1,232,043
Mining	-	-	-	-	-	-	-	-
Production	-	-	1,231,201	842	-	732,056	499,987	1,232,043
Electric, gas and water	-	-	-	-	-	-	-	-
<b>Construction</b>	-	-	66	-	-	66	-	66
<b>Services</b>	1,766,247	784,316	611,984	147	-	1,590,695	1,571,999	3,162,694
Wholesale and retail trade	-	-	341,966	147	-	327,211	14,902	342,113
Hotel, food and beverage services	-	-	-	-	-	-	-	-
Transportation and telecommunication	-	-	24,178	-	-	22,631	1,547	24,178
Financial institutions	1,766,247	784,316	243,341	-	-	1,238,354	1,555,550	2,793,904
Real estate and renting services	-	-	2,499	-	-	2,499	-	2,499
Self-employment services	-	-	-	-	-	-	-	-
Education services	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-	-
<b>Other</b>	-	58,298	5,047	-	52,822	52,221	63,946	116,167
<b>Total (*)</b>	<b>1,766,247</b>	<b>842,614</b>	<b>2,022,461</b>	<b>989</b>	<b>52,822</b>	<b>2,549,156</b>	<b>2,135,977</b>	<b>4,685,133</b>

(\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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

**II. Explanations on credit risk (continued)**

**h) Risk profile according to sectors and counterparties (continued)**

31 December 2019	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Other receivables	Turkish Lira	Foreign currency	Total
<b>Agriculture</b>	-	-	18,362	-	-	18.163	199	18,362
Farming and raising livestock	-	-	18,362	-	-	18.163	199	18,362
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
<b>Manufacturing</b>	-	-	661,441	586	-	96.381	565.646	662,027
Mining	-	-	-	-	-	-	-	-
Production	-	-	661,441	586	-	96.381	565.646	662,027
Electric, gas and water	-	-	-	-	-	-	-	-
<b>Construction</b>	-	-	-	-	-	-	-	-
<b>Services</b>	894,332	777,179	401,723	175	-	1.285.994	787.415	2,073,409
Wholesale and retail trade	-	-	209,259	175	-	199.268	10.166	209,434
Hotel, food and beverage services	-	-	-	-	-	-	-	-
Transportation and telecommunication	-	-	4,018	-	-	3.577	441	4,018
Financial institutions	894,332	777,179	185,871	-	-	1.080.574	776.808	1,857,382
Real estate and renting services	-	-	2,499	-	-	2.499	-	2,499
Self-employment services	-	-	-	-	-	-	-	-
Education services	-	-	-	-	-	-	-	-
Health and social services	-	-	76	-	-	76	-	76
<b>Other</b>	-	40,839	2,983	-	32,606	38.056	38.372	76,428
<b>Total (*)</b>	<b>894,332</b>	<b>818,018</b>	<b>1,084,509</b>	<b>761</b>	<b>32,606</b>	<b>1,438.594</b>	<b>1,391.632</b>	<b>2,830,226</b>

\*Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

**i) Risk profile on cyclical capital buffer:**

The geographical distribution of the receivables from the private sector, which is taken into account in the calculation of the cyclical capital buffer specific to the Bank within the scope of the Regulation on Capital Protection and Cyclical Capital Buffers and its sub-regulations published in the Official Gazette dated 5 November 2013 and numbered 28812, is given in the table below.

**Current Period**

Ultimate risk-taking country	Private sector loans in banking accounts	Risk weighted amounts calculated within the scope of trading accounts	Total
China	1,835	-	1,835
Canada	107	-	107
United Kingdom	96	-	96
Czech Republic	66	-	66
Sweeden	59	-	59
Other	58	-	58

**Prior Period**

Ultimate risk-taking country	Private sector loans in banking accounts	Risk weighted amounts calculated within the scope of trading accounts	Total
United Kingdom	183	-	183
Pakistan	78	-	78
Austria	55	-	55
France	50	-	50
Other	16	-	16

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

**II. Explanations on credit risk (continued)**

**j) Distribution of maturity risk factors according to their outstanding maturities**

Current Period	Term to maturity					Total
	1 month	1 - 3 months	3 - 6 months	6-12 months	Over 1 year	
Conditional and unconditional exposures to central governments or central banks	1,665,466	1,542	23,325	68,416	7,498	1,766,247
Conditional and unconditional exposures to banks and brokerage houses	161,890	22,882	521,759	15,045	121,038	842,614
Conditional and unconditional exposures to corporates	404,221	744,150	447,256	395,233	31,601	2,022,461
Conditional and unconditional retail exposures	21	53	376	156	383	989
Other receivables	14,733	-	-	-	38,089	52,822
<b>Total (*)</b>	<b>2,246,331</b>	<b>768,627</b>	<b>992,716</b>	<b>478,850</b>	<b>198,609</b>	<b>4,685,133</b>

Prior Period	Term to maturity					Total
	1 month	1 - 3 months	3 - 6 months	6-12 months	Over 1 year	
Conditional and unconditional exposures to central governments or central banks	649,746	-	9,516	158,770	76,300	894,332
Conditional and unconditional exposures to banks and brokerage houses	699,113	6,312	4,423	44,437	63,733	818,018
Conditional and unconditional exposures to corporates	383,222	519,189	140,978	11,402	29,718	1,084,509
Conditional and unconditional retail exposures	112	31	114	111	393	761
Other receivables	3,389	-	-	-	29,217	32,606
<b>Total (*)</b>	<b>1,735,582</b>	<b>525,532</b>	<b>155,031</b>	<b>214,720</b>	<b>199,361</b>	<b>2,830,226</b>

(\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

**k) Information on risk classifications**

According to the 6th article of the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks”, in the process of risk weighted assets calculation, risk weights are determined by central management or the credit ratings of the receivables from the central banks are taken into account by the ratings of the Fitch Ratings international credit rating agency.

TL and foreign exchange exposures of Central Government of Turkey and Central Bank of Turkey and all reserve requirement balances have 0% risk weight.

The Fitch Ratings, risk ratings as per the credit quality grades are presented below:

Ratings to match	Credit Quality Grades	Fitch
Long-term Credit Rating	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below

**l) Risk amount based on risk weight**

Risk Weight	Risk Weight (*)							Deductions From Equity
	0%	10%	20%	50%	75%	100%	150%	
1. Exposures Before Credit Risk Mitigation	1,780,013	-	216,341	617,784	989	2,070,006	-	6,010
2. Exposures After Credit Risk Mitigation	1,780,013	-	216,341	617,784	989	2,070,006	-	6,010

(\*) The Bank does not have risk weighted balances neither 35%, 200%, 250% nor 1,250%.

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

**II. Explanations on credit risk (continued)**

**m) Information according to sector and counterparty types**

There is no credit that has been depreciated.

**n) Information about value adjustments and provisions**

<b>31 December 2020</b>	<b>Opening balance 31 December 2019</b>	<b>Provisions for the period</b>	<b>Provision reversals</b>	<b>Other adjustments</b>	<b>Closing balance</b>
1. Specific provisions (stage 3)	-	-	-	-	-
2. General provisions (stage 1 and stage 2)	2,465	2,690	(1,218)	-	3,937

<b>31 December 2019</b>	<b>Opening balance 31 December 2018</b>	<b>Provision for the period</b>	<b>Provision reversals</b>	<b>Other adjustments</b>	<b>Closing balance</b>
1. Specific provisions (stage 3)	-	-	-	-	-
2. General provisions (stage 1 and stage 2)	1,741	1,630	(906)	-	2,465



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

**III. Explanation on currency risk**

The Bank manages its foreign currency balance sheet by paying maximum attention to comply with the regulations of the public authorities and by selecting the most appropriate methods to the Bank’s liquidity and profitability policies.

The position limit regarding the foreign currency risk is determined as parallel to the net foreign currency position standard rate. As of December 31, 2020, the Bank has a net foreign currency short position of TL 813 (31 December 2019: 4,212 TL short position), consisting of TL 311,718 on balance sheet short position (31 December 2019: TL 123,916 long position) and TL 310,905 off-balance sheet long position (31 December 2019: TL 128,128 short position).

“Standard method”, which is also used for the statutory reporting purposes, is used to measure the Bank’s foreign currency risk.

The Bank’s effective exchange rates on the date of 31 December 2020 and 31 December 2019 and for the last five working days of the period announced by the Bank in TL are as follows:

	25 December 2020	28 December 2020	29 December 2020	30 December 2020	31 December 2020
USD	7.6190	7.5517	7.4738	7.4063	7.3405
EUR	9.2948	9.2037	9.1370	9.0697	9.0079
GBP	10.3333	10.2230	10.1008	9.9761	9.9438
CHF	8.5583	8.4712	8.3803	8.3371	8.2841

	25 December 2019	26 December 2019	27 December 2019	30 December 2019	31 December 2019
USD	5.9364	5.9293	5.9302	5.9370	5.9402
EUR	6.5773	6.5755	6.5759	6.6117	6.6506
GBP	7.6664	7.6773	7.6854	7.7375	7.7765
CHF	6.0283	6.0299	6.0312	6.0581	6.0932

The arithmetical average of the Bank’s main foreign currency purchase rates for the last 30 days before the balance sheet date are listed below:

Monthly average purchase rate	Current Period	Prior Period
USD <sup>x</sup>	7.7310	5.8404
EUR <sup>p</sup>	9.4022	6.4853
GBP <sup>o</sup>	10.3719	7.6354
CHF <sup>u</sup>	8.6754	5.9205

**a) Exposure to foreign currency risk**

10% percent depreciation of the TL against the following currencies as at 31 December 2020 and 31 December 2019 would have increased or decreased equity and profit or loss (excluding tax effects) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Current Period		Prior Period	
	Income Statement	Equity <sup>(1)</sup>	Income Statement	Equity <sup>(1)</sup>
USD	(2,434)	(2,434)	(225)	(225)
EUR	2,521	2,521	(91)	(91)
Other foreign currencies	(168)	(168)	(105)	(105)
<b>Total, net</b>	<b>(81)</b>	<b>(81)</b>	<b>(421)</b>	<b>(421)</b>

<sup>(1)</sup> Equity effect includes profit/loss effect.

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

**b) Information on currency risk of the Bank**

<b>Current Period</b>	<b>Euro</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with Central Bank of Turkey <sup>(****)</sup>	706,072	18,131	-	724,203
Banks <sup>(****)</sup>	2,162	1,470	1,427	5,059
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-
Loans <sup>(****)</sup>	957,847	37,835	-	995,682
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-	-
Derivative Financial Assets Held for Risk Management	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets <sup>(**)</sup>	197,955	29	68	198,052
<b>Total Assets</b>	<b>1,864,036</b>	<b>57,465</b>	<b>1,495</b>	<b>1,922,996</b>
<b>Liabilities</b>				
Bank Deposits	1,613	-	-	1,613
Foreign Currency Deposits	585,911	47,139	9	633,059
Funds From Interbank Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,529,004	10,277	-	1,539,281
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	22,624	610	1,165	24,399
Derivative Financial Liabilities Held for Risk Management	-	-	-	-
Other Liabilities	35,807	550	5	36,362
<b>Total Liabilities</b>	<b>2,174,959</b>	<b>58,576</b>	<b>1,179</b>	<b>2,234,714</b>
<b>Net On-Balance Sheet Position</b>	<b>(310,923)</b>	<b>(1,111)</b>	<b>316</b>	<b>(311,718)</b>
<b>Net Off-Balance Sheet Position<sup>(*)</sup></b>	<b>336,134</b>	<b>(23,231)</b>	<b>(1,998)</b>	<b>310,905</b>
Derivative Assets	607,275	663,764	-	1,271,039
Derivative Liabilities	271,141	686,995	1,998	960,134
Non-Cash Loans <sup>(***)</sup>	152,044	227,207	10,145	389,396
<b>Net Position</b>	<b>25,211</b>	<b>(24,342)</b>	<b>(1,682)</b>	<b>(813)</b>
<b>Prior Period</b>				
Total Asset	1,139,499	173,440	1,700	1,314,639
Total Liabilities	992,234	197,229	1,260	1,190,723
<b>Net On-Balance Sheet Position</b>	<b>147,265</b>	<b>(23,789)</b>	<b>440</b>	<b>123,916</b>
<b>Net Off-Balance Sheet Position<sup>(*)</sup></b>	<b>(148,176)</b>	<b>21,542</b>	<b>(1,494)</b>	<b>(128,128)</b>
Derivative Assets	92,936	71,426	-	164,362
Derivative Liabilities	241,112	49,884	1,494	292,490
Non-Cash Loans <sup>(***)</sup>	94,440	72,692	8,094	175,226
<b>Net Position</b>	<b>(911)</b>	<b>(2,247)</b>	<b>(1,054)</b>	<b>(4,212)</b>

(\*) Indicates the net amount of derivative financial assets and liabilities. Spot foreign exchange buy and sell transactions shown under "Asset purchase commitments" in the financial statements are included in the "Net off-balance position". Derivative financial assets and liabilities include accruals amounting to TL 29,646 and TL 40,210 respectively. Debts from spot foreign exchange transactions are TL 145.

(\*\*) Spot foreign currency purchase / sale transactions accruals are not included in "Other assets and liabilities" items. Foreign currency prepaid expenses amounting to TL 1 is excluded from other assets. Other assets also do not include foreign currency prepaid expenses amounting to TL 57.

(\*\*\*) There is no impact on net off- balance sheet position.

(\*\*\*\*) It does not include the expected loss provisions of TL 2,570.

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

**IV. Explanations on Interest Rate Risk**

The interest rate sensitivity of assets, liabilities and off-balance sheet items are evaluated quarterly at Asset-Liability Committee meetings.

The Bank’s interest rate risk is measured by using the standard method. The Bank provides information to its main shareholder Deutsche Bank AG for their, Value at Risk (VAR), risk measurement methods and performs sensitivity analyses.

Standard method measurements are performed monthly by using the maturity distribution.

At the time of the computations on daily basis sensitivity analysis, interest rate risk of FC and TL trading and available for sale financial assets and interest rate risk of forward exchange transactions are measured in the Bank’s portfolio.

**1. Interest rate sensitivity of assets, liabilities and off balance sheet items**

(Based on repricing dates)

<b>Current Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash and Balances with the Central Bank of Turkey <sup>(***)</sup>	95,219	-	-	-	-	723,781	819,000
Banks <sup>(***)</sup>	101,049	-	-	-	-	5,054	106,103
Financial Assets at Fair Value through Profit/Loss	-	-	-	1	-	-	1
Money Market Placements <sup>(***)</sup>	710,306	-	-	-	-	(395)	709,911
Financial Assets at Fair Value through Other Comprehensive Income	-	-	92,168	-	-	-	92,168
Loans and Receivables <sup>(***)</sup>	392,741	658,269	1,315,316	-	-	(2,204)	2,364,122
Financial assets Measured at Amortized Cost	-	-	-	-	-	-	-
Other Assets <sup>(*) (***)</sup>	-	-	-	-	-	315,277	315,277
<b>Total Assets</b>	<b>1,299,315</b>	<b>658,269</b>	<b>1,407,484</b>	<b>1</b>	<b>-</b>	<b>1,041,513</b>	<b>4,406,582</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	530,767	530,767
Other Deposits	345,485	-	-	-	-	809,566	1,155,051
Money Market Funds	-	-	-	-	-	-	-
Miscellaneous Payable	-	-	-	-	-	33,621	33,621
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed	210,360	522,458	1,006,546	-	-	-	1,739,364
Other Liabilities <sup>(**)</sup>	-	-	-	-	-	947,779	947,779
<b>Total Liabilities</b>	<b>555,845</b>	<b>522,458</b>	<b>1,006,546</b>	<b>-</b>	<b>-</b>	<b>2,321,733</b>	<b>4,406,582</b>
<b>On Balance Sheet Long Position</b>	<b>743,470</b>	<b>135,811</b>	<b>400,938</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1,280,220</b>
<b>On Balance Sheet Short Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,280,220)</b>	<b>(1,280,220)</b>
Off-Balance Sheet Long Position	917,415	359,342	457,049	-	-	-	1,733,806
Off-Balance Sheet Short Position	925,976	369,119	459,775	-	-	-	1,754,870
<b>Off-Balance Sheet Open Interest Sensitive<sup>(****)</sup></b>	<b>(8,561)</b>	<b>(9,777)</b>	<b>(2,726)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,064)</b>
<b>Total Open Interest Sensitive</b>	<b>734,909</b>	<b>126,034</b>	<b>398,212</b>	<b>1</b>	<b>-</b>	<b>(1,280,220)</b>	<b>(21,064)</b>

(\*) Tangible assets amounting to TL 33,909, intangible assets amounting to TL 4,178, tax assets amounting to TL 5,784, derivative financial assets amounting to TL 29,646 and other assets amounting to TL 241,760 .

(\*\*) Equity amounting to TL 817,507 provisions amounting to TL 51,382, derivative instruments at fair value through profit/loss amounting to TL 40,210 lease liabilities amounting to TL18,761 and tax liability amounting to TL 19,919.

(\*\*\*) Expected loss provisions are netted off with the related balance sheet items and are presented in the non-interest bearing column.

(\*\*\*\*) It includes term asset purchase commitments.

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

**IV. Explanations on Interest Rate Risk (continued)**

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash and Balances with the Central Bank of Turkey	21,325	-	-	-	-	549,223	570,548
Banks (***)	712,237	-	-	-	-	15,068	727,305
Financial Assets at Fair Value through Profit/Loss	-	277	-	324	280	-	881
Money Market Placements	50,015	-	-	-	-	(27)	49,988
Financial Assets at Fair Value through Other Comprehensive Income	7,337	-	169,127	65,829	-	-	242,293
Loans and Receivables (***)	347,605	556,702	137,278	-	-	(222)	1,041,363
Financial assets Measured at Amortized Cost	-	-	-	-	-	-	-
Other Assets (*) (***)	-	-	-	-	-	109,386	109,386
<b>Total Assets</b>	<b>1,138,519</b>	<b>556,979</b>	<b>306,405</b>	<b>66,153</b>	<b>280</b>	<b>673,428</b>	<b>2,741,764</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	676,942	676,942
Other Deposits	369,472	-	-	-	-	486,455	855,927
Money Market Funds	-	-	-	-	-	-	-
Miscellaneous Payable	-	-	-	-	-	15,151	15,151
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed	-	133,012	246,072	-	-	-	379,084
Other Liabilities (**)	-	-	-	-	-	814,660	814,660
<b>Total Liabilities</b>	<b>369,472</b>	<b>133,012</b>	<b>246,072</b>	<b>-</b>	<b>-</b>	<b>1,993,208</b>	<b>2,741,764</b>
<b>On Balance Sheet Long Position</b>	<b>769,047</b>	<b>(423,967)</b>	<b>(60,333)</b>	<b>66,153</b>	<b>280</b>	<b>-</b>	<b>1,319,780</b>
<b>On Balance Sheet Short Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,319,780)</b>	<b>(1,319,780)</b>
Off-Balance Sheet Long Position	257,932	48,338	85,272	-	-	-	391,542
Off-Balance Sheet Short Position	258,105	48,264	85,231	-	-	-	391,600
<b>Off-Balance Sheet Open Interest Sensitive (***)</b>	<b>(173)</b>	<b>74</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(58)</b>
<b>Total Open Interest Sensitive</b>	<b>768,874</b>	<b>424,041</b>	<b>60,374</b>	<b>66,153</b>	<b>280</b>	<b>(1,319,780)</b>	<b>(58)</b>

(\*) Tangible assets amounting to TL 24,510, intangible assets amounting to TL 4,707, tax assets amounting to TL 3,098, derivative financial assets amounting to TL 2,732 and other assets amounting to TL 74,339.

(\*\*) Equity amounting to TL 740,625 provisions amounting to TL 37,610, derivative instruments at fair value through profit/loss amounting to TL 3,024, lease liabilities amounting to TL 21,329, tax liability amounting to TL 12,072.

(\*\*\*) Expected loss provisions are netted with related balance sheet items and remained in the interest-free column.

(\*\*\*\*) It includes term asset purchase commitments.

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

**IV. Explanations on Interest Rate Risk (continued)**

**2 Average interest rates on monetary financial instruments**

<b>Current Period</b>	<b>%EUR</b>	<b>%USD</b>	<b>%Yen</b>	<b>%TL</b>
<b>Assets</b>				
Cash and Balances with the Central Bank of Turkey	-	-	-	12.00
Banks	-	-	-	16.02
Financial Assets at Fair Value through Profit/Loss	-	-	-	14.52
Money Market Placements	-	-	-	15.50
Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	11.88
Loans and Receivables	1.57	2.99	-	17.75
Financial Assets Measured at Amortized Cost	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits (*)	-	-	-	14.39
Money Market Funds	-	-	-	-
Miscellaneous Payable	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from other Financial Institutions	(0.07)	0.10	-	14.90

(\*) Demand deposit balances are not taken into account in the calculation of the average interest rate.

<b>Prior Period</b>	<b>%EUR</b>	<b>%USD</b>	<b>%Yen</b>	<b>%TL</b>
<b>Assets</b>				
Cash and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	-	-	10.55
Financial Assets at Fair Value through Profit/Loss	-	-	-	11.87
Money Market Placements	-	-	-	10.50
Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	15.86
Loans and Receivables	2.18	3.01	-	12.30
Financial Assets Measured at Amortized Cost	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits (*)	-	1.00	-	8.21
Money Market Funds	-	-	-	-
Miscellaneous Payable	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from other Financial Institutions	(0.03)	-	-	-

(\*) Demand deposit balances are not taken into account in the calculation of the average interest rate.

**V. Explanation on the position risk of securities**

None (31 December 2019: None.)

**VI. Explanations on liquidity risk management and liquidity coverage ratio**

The general principles and related implementation methods with respect to liquidity and financial emergency procedures are determined within the scope of “Deutsche Bank Turkey Liquidity Policy”.

The Bank calculates liquidity adequacy ratio and reports to BRSA on a weekly basis as of 1 January 2015 in accordance with the “Measurement and Assessment of Liquidity Adequacy of Banks” issued in the Official Gazette numbered 28948 and dated 21 March 2014. In 2020, the liquidity adequacy ratio of the Bank at least 80% asset denominated with foreign currency and at least 100% total asset and liabilities.

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

**VI. Explanations on liquidity risk management and liquidity coverage ratio (continued)**

**The resources of the current liquidity risk; whether the necessary precautions have been taken, whether the Board of Directors sets limits on the funds available to meet the urgent liquidity requirements and to be able to pay borrowings when they become due**

Liquidity risk is managed by considering the main criteria such as (1) the expected cash flows at related time intervals, (2) the possibility and capacity of borrowing from the market, (3) the credit quality of the assets on the balance sheet.

In addition to the compliance with the legal limitations regarding the liquidity, the Bank monitors from the cash flow reports that there are matching borrowing opportunities with the cash out-flows within the same time interval.

The ultimate responsibility for liquidity risk management rests on the Bank’s board of directors. The Bank’s Asset and Liability Committee (ALCO) manages the liquidity adequacy and liquidity risk profile and control the executive committee. During the regular ALCO meetings, the liquidity position that forms the permanent agenda and liquidity risks are discussed.

Liquidity risk management is a governance function to be tightly linked to the minimum obligation to report to any of the business units and a robust liquidity risk as well as risk management policy for the management of Basel. DB Group Treasury Department, a comprehensive and robust liquidity risk group and their level of participation of all concerned parties is the legal entity responsible for coordinating the management process. Moreover, the application serves as the central point of the function to the questions asked in the framework of WB’s liquidity risk.

The Board of Directors is to ensure the Group’s liquidity risk management strategy with determination and implementation of a business strategy and liquidity risk for the bank within a tight fit. ALCO reports ensures the transparency of local senior management level of liquidity risk issues. The Treasury Department and the General Manager, and all liquidity risk management of the banking regulatory agencies’ responsibilities is to answer questions posed by the audit authority or other agencies authorized to discuss the issue with these institutions. All reports prepared for the regulatory agencies related to the Bank’s internal risk management model is being prepared by the Liquidity Risk Control or Finance department. Regarding the public disclosure of information relating to liquidity risk, Deutsche Bank is subject to prior approval by the public lighting policies and guidelines.

The Treasury Department, the Bank’s liquidity risk profile, the DB Group prepares policies that are needed to keep the Board of Directors to determine the risk tolerance level and to empowered to take measures. All business units comply with the liquidity risk limits and are required to comply with the Treasury's policies. Employees give them adequate training in the subject of liquidity risk; liquidity risk limits that affect their activities are responsible to inform the Treasury Department’s measures.

ALCO; in accordance with the Bank’s risk profile and risk appetite and capitalization requirements, it is responsible for the observance of the harmony between liquidity and funding needs. Capital is monitored by liquidity and funding profiles, and is monitored every three months to revise the legal limits and / or decide on measures to be taken in order to avoid violation of the Bank’s internal limits. Group acts in accordance with the parameters set by the Capital and Risk Committee of the DB Group and manages local resources in line with the standards.

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

**VI. Explanations on liquidity risk management and liquidity coverage ratio (continued)**

At the country level, the daily funding, liquidity and cash management, Treasury and Corporate Banking and Securities acting according to the parameters set by ALCO has been undertaken by Global Markets Unit. Continuous liquidity management is one of the issues discussed regularly in the ALCO meeting. In each ALCO meeting, limits in the use of the Bank is submitted to the committee for adaptation to changes in policy and liquidity risks. Another issue to be discussed among active subjects is changes to be made in the liability profile, if needed because of the stress test results / changes to be made in the liability profile, can take place by reviewing the evaluation of additional funding capacity and other potential sources of liquidity.

Deutsche Bank A.Ş., from the DB Group contains ordinary and funding lines which provide funding in stressful situations. Treasury conducts stress tests on a monthly basis at Group level; These tests - DB Group, with predetermined stress situation (market-wide, bank-specific or a combination of both) makes it possible to fulfil the responsibility for the Deutsche Bank provided to Turkey funding line. The process of this line is to ensure that a reliable funding source in each case is provided.

In liquidity stress testing, management of liquidity risk is one of the key tools used to assess the short-term liquidity position. In liquidity stress testing, the Bank determines some time to analyse the ability to withstand stress scenarios throughout the planned 8-week. To determine the future potential liquidity crunch such as adjusting limit of MCO; the size of the branch line between funding or limit is an important factor for determining appropriate countermeasures.

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

**VI. Explanations on liquidity risk management and liquidity coverage ratio (continued)**

Analysis contains funding markets under stress, withdrawal of deposits, additional collateral obligations; it covers all local liquidity of the relevant factors, such as funding requirements arising from off balance sheet commitments and evaluates the balance capacity against the intra-group funding line. First, it is based on specific parameters of the DB Group, it ensures that local characteristics are reflected in the re-adjusted and is necessary and appropriate for Deutsche Bank Turkey. Liquidity stress test assumptions are reviewed on an annual basis. Liquidity stress test analysis is performed on a monthly basis by the Risk Management and Audit Committee and are submitted there; except they are submitted to ALCO every three months and are negotiated.

Deutsche Bank Group, in the event of a market-related stress or DB, in order to ensure the ability to continue its operations; the Treasury Department and all banks have the responsibility of creating emergency wide funding plans. It is said that emergency procedures will be applied in the case of liquidity stress.

As a result of the negative effects of the COVID-19 epidemic, it is seen that the effect of the dynamism in the markets on the liquidity need of the banks is minimal.

Overall, the Bank’s business model adapts to the market and the structural changes occurring on average on funding conditions has the flexibility to adapt over a period of eight weeks. This section includes a description of the measures to be implemented in the event of stress tactics.

In the case of stress situation exceeding eight weeks, the reduction of the balance sheet can be funded by additional strategic measures such as increasing the stable funding sources as much as possible. Such a situation is likely to affect the Bank as a whole, DB Group Treasury Officer will be responsible to ensuring consistency between the regional and local processes and the DB Group contingency plan and the DB Group Financial Resource Management Committee, taking into account local legislation and other issues and constraints.

Current Period	Total Unweighted Value (average) <sup>(1)</sup>		Total Weighted Value (average) <sup>(1)</sup>	
	TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>				
High Quality Liquid Assets			1,314,305	1,115,156
<b>Cash Outflows</b>				
Retail and Small Business Customers, of which;	45,243	15,912	4,524	1,591
Stable Deposits	-	-	-	-
Less Stable Deposits	45,243	15,912	4,524	1,591
Unsecured wholesale funding , of which;	2,586,377	742,609	1,685,501	353,082
Operational Deposits	315,411	1,697	78,853	424
Non-operational Deposits	1,319,049	690,247	656,725	301,993
Other Unsecured Funding	951,917	50,665	949,923	50,665
Secured Funding	-	-	-	-
Other cash outflows, of which;	872,426	574,942	872,426	574,944
Derivatives cash outflow and liquidity needs related to market	872,426	574,942	872,426	574,944
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
Other revocable off-balance sheet commitments and contractual	130,624	62,951	6,531	3,148
Other irrevocable or conditionally revocable commitments	58,245	-	2,912	-
<b>Total Cash outflows</b>			<b>2,571,894</b>	<b>932,765</b>
<b>Cash Inflows</b>				
Secured Lending	-	-	-	-
Unsecured Lending	1,278,281	78,821	1,278,281	78,821
Other Cash Inflows	874,139	387,520	874,139	387,520
<b>Total Cash Inflows</b>	<b>2,152,420</b>	<b>466,341</b>	<b>2,152,420</b>	<b>466,341</b>
			<b>Max limit applied values</b>	
<b>Total HQLA Stock</b>			1,314,305	1,115,156
<b>Total Net Cash Outflows</b>			699,382	469,282
<b>Liquidity Coverage Ratio (%)</b>			187.92	237.63

<sup>(1)</sup> Simple arithmetic average of the values calculated by taking the simple weekly arithmetic average for the last three months.



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

**VI. Explanations on liquidity risk management and liquidity coverage ratio (continued)**

Prior Period	Total Unweighted Value (average) <sup>(1)</sup>		Total Weighted Value (average) <sup>(1)</sup>	
	TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>				
High Quality Liquid Assets			722,887	511,769
<b>Cash Outflows</b>				
Retail and Small Business Customers, of which;	39,976	19,066	3,998	1,907
Stable Deposits	-	-	-	-
Less Stable Deposits	39,976	19,066	3,998	1,907
Unsecured wholesale funding , of which;	1,686,311	861,928	727,254	409,235
Operational Deposits	625,186	301,112	156,296	75,278
Non-operational Deposits	889,298	411,379	401,175	184,520
Other Unsecured Funding	171,827	149,437	169,783	149,437
Secured Funding	-	-	-	-
Other cash outflows, of which;	597,644	54,110	354,450	54,112
Derivatives cash outflow and liquidity needs related to market	192,320	54,110	192,320	54,112
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off- balance sheet obligations	405,324	-	162,130	-
Other revocable off-balance sheet commitments and contractual obligations	91,397	34,469	4,570	1,723
Other irrevocable or conditionally revocable commitments	319,521	-	201,699	-
<b>Total Cash outflows</b>			<b>1,291,971</b>	<b>466,977</b>
<b>Cash Inflows</b>				
Secured Lending	-	-	-	-
Unsecured Lending	1,201,941	115,646	1,201,941	115,646
Other Cash Inflows	190,727	165,157	190,727	165,157
<b>Total Cash Inflows</b>	<b>1,392,668</b>	<b>280,803</b>	<b>1,392,668</b>	<b>280,803</b>
			<b>Max limit applied values</b>	
<b>Total HQLA Stock</b>			<b>722,887</b>	<b>511,769</b>
<b>Total Net Cash Outflows</b>			<b>322,993</b>	<b>199,281</b>
<b>Liquidity Coverage Ratio (%)</b>			<b>223.81</b>	<b>256.81</b>

(1) Simple arithmetic average of the values calculated by taking the simple weekly arithmetic average for the last three months.

The “Liquidity Coverage Ratio” is calculated within the framework of the “Regulation On Calculation of Bank’s Liquidity Coverage Ratio” published by the BRSA in order to ensure that banks have high quality liquid asset stocks to meet the net cash inflows that may occur in the short-term. The level of such ratio is directly affected by the level of liquid assets that the Bank is able to convert at any time and without any collateral, and the possible net cash inflows and outflows from the Bank’s assets, liabilities and off-balance sheet transactions.

There are periodic increases in the liquidity coverage ratio in the weeks when foreign currency reserve options are used in the CBRT reserve requirement accounts, when there are high consistency balances in the bank accounts or when the repo transaction volumes are decreased. On the other hand, there may be fluctuations in the liquidity coverage ratio in the weeks when the share of institutional and bank-originated funds in funding sources increases and long-term foreign funds enter a one month maturity window. The Bank's liquidity coverage ratio decreased in 2020 compared to 2019 due to the increase in net cash outflows in foreign currency and the decrease in high quality liquid assets in Turkish Lira.

The Bank’s stock of high quality liquid assets; as well as the accounts of the Central Bank of Turkey, issued by the Republic of Turkey Treasury and repurchase agreements have not been subject to collateral, it consists of bonds. The main funding source of the Bank consists of loans and deposits received.

The swap transactions are mostly conducted under interest rate risk and foreign currency risk of the forward transactions since these items hold the most important place in the derivatives used as hedging.

The Bank’s high quality liquid assets mainly comprise of CBRT accounts by (90%) and securities issued by Treasury of Republic of Turkey by (9%). Funding sources are mainly distributed derivative liabilities by (17%), deposits by (44%) and borrowings from banks by (34%).

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

**VI. Explanations on liquidity risk management and liquidity coverage ratio (continued)**

**1. The matching of the payments, assets and liabilities and the interest rates, and the possible impact of the current mismatch on the profitability of the Bank**

The Bank’s assets and liabilities carry positive interest earnings. Government debt securities which are classified in financial assets at fair value through profit or loss are most liquid securities that are liquidated regarding changes in market conditions.

**2. Internal and external resources that meets the short and long term liquidity needs of the Bank and unutilised significant liquidity resources**

The Bank monitors that the maturity matching of the assets and liabilities are kept. The Bank keeps sufficient liquid assets to meet liquidity needs caused by the fluctuations in the market.

Beginning from 1 January 2015, the Bank calculates liquidity adequacy ratio and reports to BRSA on a weekly and monthly basis in accordance with the “Measurement and Assessment of Liquidity Adequacy of Banks” issued in the Official Gazette numbered 28948 and dated 21 March 2014. The liquidity adequacy ratio of the Bank should be at least 80% for foreign currency assets and liabilities and should be at least 100% total assets and liabilities as for 2020. The liquidity ratios as of 31 December 2020 and 31 December 2019 are as follows:

	Current Period		Prior Period	
	FC	FC + TL	FC	FC + TL
<b>Min. Week</b>	164.97%	145.80%	154.67%	181.76%
	27 November 2020	27 November 2020	29 November 2019	8 November 2019
<b>Max. Week</b>	341.09%	258.50%	724.69%	320.53%
	30 October 2020	30 October 2020	13 December 2019	13 December 2019

**3. The assessment of the amounts and resources of the Bank’s cash flows**

As explained above, the Bank has sufficient cash and cash inflows in order to be able to timely meet the cash outflows.

Maturity analysis of residual values of contractual financial liabilities:

Current period	Carrying Value	Gross Nominal Outflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	530,767	530,767	530,767	-	-	-	-	-
Other Deposits	1,155,051	1,155,511	809,565	345,946	-	-	-	-
Funds Borrowed from other Financial Institutions	1,739,364	1,739,179	-	210,603	522,173	1,006,403	-	-
Interbank Money Market Funds	-	-	-	-	-	-	-	-
Miscellaneous Payables	33,621	33,621	33,621	-	-	-	-	-
<b>Total</b>	<b>3,458,803</b>	<b>3,459,078</b>	<b>1,373,953</b>	<b>556,549</b>	<b>522,173</b>	<b>1,006,403</b>	-	-
Prior period	Carrying Value	Gross Nominal Outflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	676,942	676,942	676,942	-	-	-	-	-
Other Deposits	855,927	856,052	486,455	369,597	-	-	-	-
Funds Borrowed from other Financial Institutions	379,084	379,047	-	-	132,996	246,051	-	-
Interbank Money Market Funds	-	-	-	-	-	-	-	-
Miscellaneous Payables	15,151	15,151	15,151	-	-	-	-	-
<b>Total</b>	<b>1,927,104</b>	<b>1,927,192</b>	<b>1,178,548</b>	<b>369,597</b>	<b>132,996</b>	<b>246,051</b>	-	-

The above table shows the undiscounted estimated cash outflows of the financial liabilities in accordance with their contracts.

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

**VI. Explanations on liquidity risk management and liquidity coverage ratio (continued)**

**4. Maturity analysis of assets and liabilities according to remaining maturities**

<b>Current period</b>	<b>Demand</b>	<b>Up to 1 Months</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Unallocated</b>	<b>Total</b>
<b>Assets</b>								
Cash and Balances with the Central Bank of Turkey (***)	320,021	499,435	-	-	-	-	(456)	819,000
Banks (***)	5,162	101,049	-	-	-	-	(108)	106,103
Financial Assets At Fair Value Through Profit or Loss	-	-	-	-	1	-	-	1
Interbank Money Market Placements (***)	-	710,306	-	-	-	-	(395)	709,911
Financial Assets At Fair Value Through Other Comprehensive Income	-	-	-	92,168	-	-	-	92,168
Loans and Receivables (***)	-	392,741	658,269	1,315,316	-	-	(2,204)	2,364,122
Financial Assets Measured at Amortized Cost	-	-	-	-	-	-	-	-
Other Assets (*) (***)	-	2,426	7,754	48,355	-	-	256,742	315,277
<b>Total Assets</b>	<b>325,183</b>	<b>1,705,957</b>	<b>666,023</b>	<b>1,455,839</b>	<b>1</b>	<b>-</b>	<b>253,579</b>	<b>4,406,582</b>
<b>Liabilities</b>								
Bank Deposits	530,767	-	-	-	-	-	-	530,767
Other Deposits	809,566	345,485	-	-	-	-	-	1,155,051
Funds Borrowed from other Financial Institutions	-	210,360	522,458	1,006,546	-	-	-	1,739,364
Interbank Money Market Funds	-	-	-	-	-	-	-	-
Miscellaneous Payables	33,621	-	-	-	-	-	-	33,621
Other Liabilities (**)	31,303	48,298	13,560	37,111	-	-	817,507	947,779
<b>Total Liabilities</b>	<b>1,405,257</b>	<b>604,143</b>	<b>536,018</b>	<b>1,043,657</b>	<b>-</b>	<b>-</b>	<b>817,507</b>	<b>4,406,582</b>
<b>Liquidity Gap / Surplus</b>	<b>(1,080,074)</b>	<b>1,101,814</b>	<b>130,005</b>	<b>412,182</b>	<b>1</b>	<b>-</b>	<b>(563,928)</b>	<b>-</b>
<b>Net Off Balance Sheet Position (***)</b>								
Derivative Financial Assets	-	917,415	359,342	457,049	-	-	-	1,733,806
Derivative Financial Liabilities	-	925,976	369,119	459,775	-	-	-	1,754,870
Non-Cash Loans	-	41,029	184,423	100,442	65,126	122,515	-	513,535
<b>Prior Period</b>								
Total Assets	244,202	1,462,194	560,400	341,430	66,153	280	67,105	2,741,764
Total Liabilities	1,199,295	402,335	133,736	265,773	-	-	740,625	2,741,764
<b>Liquidity (Gap) / Surplus</b>	<b>(955,093)</b>	<b>1,059,859</b>	<b>426,664</b>	<b>75,657</b>	<b>66,153</b>	<b>280</b>	<b>(673,520)</b>	<b>-</b>
<b>Net Off Balance Sheet Position (***)</b>								
Derivative Financial Assets	-	257,932	48,338	85,272	-	-	-	391,542
Derivative Financial Liabilities	-	258,105	48,264	85,231	-	-	-	391,600
Non-Cash Loans	-	10,239	8,256	74,800	70,550	90,273	-	254,118

(\*) Tangible assets amounting to TL 33,909, intangible assets amounting to TL 4,178, deferred tax assets amounting to TL 5,784 and derivative financial assets at fair value through profit or loss amounting to TL 29,646 and other assets amounting to TL 241,760 are presented in the other assets.

(\*\*) Equity amounting to TL 817,507, provisions amounting to TL 51,382, derivative financial liabilities at fair value through profit or loss amounting to TL 40,210, lease liabilities amounting to TL 18,761 and tax liabilities amounting to TL 19,919 are presented in the other liabilities.

(\*\*\*) Expected loss provision is netted with related balance sheet items.

(\*\*\*\*) It includes term asset purchase commitments.

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

**VI. Explanations on liquidity risk management and liquidity coverage ratio (continued)**

**5. Contractual maturity analysis of the Bank’s derivative instruments**

<b>31 December 2020</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and over</b>	<b>Total</b>
<b>Derivative instruments held for trading</b>						
Foreign exchange derivatives:	1,631,378	728,461	916,824	-	-	3,276,663
- Inflow	811,496	359,342	457,049	-	-	1,627,887
- Outflow (-)	819,882	369,119	459,775	-	-	1,648,776
Interest rate derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow (-)	-	-	-	-	-	-
<b>Derivative instruments held for risk management</b>						
Foreign exchange derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow (-)	-	-	-	-	-	-
Interest rate derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow (-)	-	-	-	-	-	-
<b>Total cash inflow</b>	<b>811,496</b>	<b>359,342</b>	<b>457,049</b>	<b>-</b>	<b>-</b>	<b>1,627,887</b>
<b>Total cash outflow</b>	<b>819,882</b>	<b>369,119</b>	<b>459,775</b>	<b>-</b>	<b>-</b>	<b>1,648,776</b>
<hr/>						
<b>31 December 2019</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and over</b>	<b>Total</b>
<b>Derivative instruments held for trading</b>						
Foreign exchange derivatives:	516,037	96,602	170,503	-	-	783,142
- Inflow	257,931	48,338	85,273	-	-	391,542
- Outflow (-)	258,106	48,264	85,230	-	-	391,600
Interest rate derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow (-)	-	-	-	-	-	-
<b>Derivative instruments held for risk management</b>						
Foreign exchange derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow (-)	-	-	-	-	-	-
Interest rate derivatives:	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow (-)	-	-	-	-	-	-
<b>Total cash inflow</b>	<b>257,931</b>	<b>48,338</b>	<b>85,273</b>	<b>-</b>	<b>-</b>	<b>391,542</b>
<b>Total cash outflow</b>	<b>258,106</b>	<b>48,264</b>	<b>85,230</b>	<b>-</b>	<b>-</b>	<b>391,600</b>

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

**VII. Explanations on Leverage Ratio**

The Bank's leverage ratio decreased as of December 31, 2020 compared to December 31, 2019 due to the increase in on-balance sheet assets.

<b>On-Balance Sheet Items</b>	<b>Current Period (*)</b>	<b>Prior Period (*)</b>
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	4,545,311	3,026,304
2 (Assets that are deducted from core capital)	(6,214)	(6,853)
3 Total on balance sheet exposures ( Sum of 1 <sup>st</sup> and 2 <sup>nd</sup> rows)	4,539,097	3,019,451
<b>Derivative exposures and credit derivatives</b>		
4 Replacement cost associated with derivative financial instruments and credit derivatives	17,532	1,839
5 The potential amount of credit risk with derivative financial instruments and credit derivatives	26,456	5,717
6 The total amount of risk on derivative financial instruments and credit derivatives (Sum of 4 <sup>th</sup> and 5 <sup>th</sup> rows)	43,988	7,556
<b>Investment securities or commodity collateral financing transactions</b>		
7 The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items)	-	-
8 Risk amount of exchange brokerage operations	-	-
9 Total risks related with securities or commodity financing transactions (Sum of 7 <sup>th</sup> and 8 <sup>th</sup> rows)	-	-
<b>Off -Balance Sheet Items</b>		
10 Gross notional amount of off-balance sheet items	811,498	1,116,687
11 (Adjustments for conversion to credit equivalent amounts)	-	-
12 The total risk of off-balance sheet items (Sum of 10 <sup>th</sup> and 11 <sup>th</sup> rows)	811,498	1,116,687
<b>Capital and Total Exposures</b>		
13 Core Capital	796,141	724,036
14 Total Exposures (sum of 3 <sup>th</sup> , 6 <sup>th</sup> ,9 <sup>th</sup> and 12nd rows)	5,394,583	4,143,694
<b>Leverage Ratio</b>		
15 Leverage Ratio	14.79	17.54

(\*) Three months average values.

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

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

**a. Information on fair value of financial assets and liabilities:**

It has been assumed that fair value of financial assets and liabilities at the Bank’s financial statement which have not been presented by fair value approximates their carrying value due to short-term maturity structure.

The fair value of loans is calculated by finding discounted cash flows using current interest rates. The estimated fair value of banks, funds and deposits provided from other financial institutions is calculated by determining the cash flows discounted using current interest rates. The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated profit share accruals of corresponding financial assets or liabilities.

31 December 2020	Carrying value	Fair value
	Current Period	Current Period
<b>Financial Assets</b>	<b>3,275,011</b>	<b>3,242,961</b>
Money market placements	710,306	710,306
Banks	106,211	106,211
Financial Assets at Fair Value Through Profit or Loss	92,168	92,168
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Loans	2,366,326	2,334,276
<b>Financial Liabilities</b>	<b>3,458,803</b>	<b>3,460,699</b>
Deposits from Banks	530,767	530,767
Other Deposits	1,155,051	1,155,051
Deposits provided from other financial institutions	1,739,364	1,741,260
Marketable securities issued	-	-
Miscellaneous payables	33,621	33,621

31 December 2019	Carrying value	Fair value
	Prior Period	Prior Period
<b>Financial Assets</b>	<b>2,061,708</b>	<b>2,051,893</b>
Money market placements	50,015	50,015
Banks	727,815	727,815
Financial Assets at Fair Value Through Profit or Loss	242,293	242,293
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Loans	1,041,585	1,031,770
<b>Financial Liabilities</b>	<b>1,927,104</b>	<b>1,927,451</b>
Deposits from Banks	676,942	676,942
Other Deposits	855,927	855,927
Deposits provided from other financial institutions	379,084	379,431
Marketable securities issued	-	-
Miscellaneous payables	15,151	15,151

**b. Classification of Fair Value**

IFRS 7, Financial instruments: Disclosures requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be closed. This classification basically relies on whether the relevant inputs are observable or not. This distinction brings about a fair value measurement classification generally as follows:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets of liabilities;

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

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

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

**b. Classification of fair value (continued)**

This classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

<b>31 December 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets at Fair Value Through Profit or Loss	1	-	-	1
Government Debt Securities	1	-	-	1
Share Certificates	-	-	-	-
Other Securities	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	92,168	-	-	92,168
Government Debt Securities	92,168	-	-	92,168
Share Certificates	-	-	-	-
Other Securities	-	-	-	-
Derivative Financial Assets	-	29,646	-	29,646
Derivative Financial Assets at Fair Value Through Profit or Loss	-	29,646	-	29,646
<b>Total Assets</b>	<b>92,169</b>	<b>29,646</b>	<b>-</b>	<b>121,815</b>
Derivative Financial Liabilities	-	40,210	-	40,210
Derivative Financial Liabilities at Fair Value Through Profit or Loss	-	40,210	-	40,210
<b>Total Liabilities</b>	<b>-</b>	<b>40,210</b>	<b>-</b>	<b>40,210</b>
<b>31 December 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets at Fair Value Through Profit or Loss	881	-	-	881
Government Debt Securities	881	-	-	881
Share Certificates	-	-	-	-
Other Securities	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	242,293	-	-	242,293
Government Debt Securities	242,293	-	-	242,293
Share Certificates	-	-	-	-
Other Securities	-	-	-	-
Derivative Financial Assets	-	2,732	-	2,732
Derivative Financial Assets at Fair Value Through Profit or Loss	-	2,732	-	2,732
<b>Total Assets</b>	<b>243,174</b>	<b>2,732</b>	<b>-</b>	<b>2,732</b>
Derivative Financial Liabilities	-	3,024	-	3,024
Derivative Financial Liabilities at Fair Value Through Profit or Loss	-	3,024	-	3,024
<b>Total Liabilities</b>	<b>-</b>	<b>3,024</b>	<b>-</b>	<b>3,024</b>

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

**IX. Explanation regarding the activities carried out on behalf and account of other parties based on trust**

**1. Purchasing, selling, custody, management and advisory services which are carried out by the Bank on behalf of customers**

The Bank provides security custody and advisory services to its customers.

**2. Whether operations with financial institutions and financial services in the context of transaction agreements held in trust effect the financial situation of the Bank significantly**

The Bank is not involved in trust activities.

**X. Explanations on risk management**

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. Due to usage of standard approach for the calculation of capital adequacy ratio by the Bank, tables, which have to be prepared within the scope of internal rating-based (IRB) approach, are not presented.

**a. Explanations on Risk Management and Risk Weighted Amount**

**1. The Bank’s risk management approach**

Bank’s Risk management system is assessed as a critical process which includes all units starting from the Board of Directors level. General strategies regarding Bank’s risk management are given below:

1. Identification of risks,
2. Measuring the risks,,
3. Monitoring of risks,
4. The control and reporting of risks

The basic risk managements that should be evaluated first in our bank are defined below.

1. Credit Risk Management
2. Markets Risk Management (Liquidity, Currency and Interest Risk)
3. Operational Risk Management

The Risk Management Unit is responsible for managing these risks. Risk management is based on risk policy principles. In the determination of risk management policy and implementation procedures, strategies, policies and implementation procedures related to the activities of the Bank, volume, quality and complexity of activities, risk strategy and risk level, risk monitoring and managing capacity, past experience and performance, The level of expertise in the respective fields and the obligations laid down in its law and other relevant legislation. It is imperative that the policy and implementation procedures of the management of the bank comply with the changing circumstances. The Board of Directors or the relevant Internal Systems Officer periodically evaluates the adequacy of these and makes any necessary changes. The Bank sets written limits for quantifiable risks such as credit risk, market risk, interest rate risk and liquidity risk arising from its activities and these limits are approved by the Board of Directors. The risk limits are determined together with the relevant senior management, including the relevant internal systems officer, the risk management unit manager and the bank general manager. The Board of Directors passes the authority to open credits to the Credit Committee or to the General Manager in line with the principles set out in the Bank’s Credit policies and procedures. Risk Management, with its daily limit overrun risk report, And regularly reports to the Executive Management and the Board of Directors. Measures the impact of the change in the bank’s risk factor on revenues and expenses. The Bank conducts periodic stress tests and scenario analyses to assess the impact of unexpected market conditions on core business activities. When necessary, the results of scenario analysis and stress tests are reflected in policies and limits.



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**X. Explanations on risk management (continued)**

**2. General Information on Risk Management and Risk Weighted Amount**

	Risk Weighted Amount		Minimum capital requirement	Minimum capital requirement
	Current Period	Prior Period	Current Period	Prior Period
1 Credit risk (excluding counterparty credit risk)	2,387,743	1,495,390	191,019	119,631
2 Standardised approach	2,387,743	1,495,390	191,019	119,631
3 Internal rating-based approach	-	-	-	-
4 Counterparty credit risk	35,165	2,899	2,813	232
5 Standardised approach for counterparty credit risk	35,165	2,899	2,813	232
6 Internal model method	-	-	-	-
7 Basic risk weight approach to internal models equity position in the banking account	-	-	-	-
8 Investments made in collective investment companies – look-through approach	-	-	-	-
9 Investments made in collective investment companies – mandate-based approach	-	-	-	-
10 Investments made in collective investment companies - 1250% weighted risk approach	-	-	-	-
11 Settlement risk	-	-	-	-
12 Securitization positions in banking accounts	-	-	-	-
13 IRB ratings-based approach	-	-	-	-
14 IRB Supervisory Formula Approach	-	-	-	-
15 SA/simplified supervisory formula approach	-	-	-	-
16 Market risk	56,077	5,013	4,486	401
17 Standardised approach	56,077	5,013	4,486	401
18 Internal model approaches	-	-	-	-
19 Operational risk	494,749	412,387	39,580	32,991
20 Basic Indicator Approach	494,749	412,387	39,580	32,991
21 Standard Approach	-	-	-	-
22 Advanced measurement approach	-	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-	-
24 Floor adjustment	-	-	-	-
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>2,973,734</b>	<b>1,915,689</b>	<b>237,898</b>	<b>153,255</b>

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**X. Explanations on risk management (continued)**

**b. Connections between Financial Statements and Risk Amounts**

**1. Main sources of differences between risk amounts and amounts in financial statements which are evaluated in accordance with TAS**

Current Period	a	b	c	d	e	f	g
	Carrying values in financial statements prepared as per TAS	Amount assessed in accordance with TAS under regulatory consolidation	Carrying values of items in accordance with Turkish Accounting Standards				
			Credit Risk	Counterparty credit risk	Securitization positions	Market Risk	
<b>Assets</b>							
Cash and Balances with the Central Bank	819,456	819,456	819,456	-	-	-	-
Available-for-Sale Financial Assets	1	1	-	-	-	1	-
Financial assets at fair value through profit and loss	92,168	92,168	92,168	-	-	-	-
Banks	105,252	105,252	105,252	-	-	-	-
Receivables from Money markets	710,306	710,306	710,306	-	-	-	-
Financial assets available for sale (net)	29,646	29,646	-	29,646	-	29,646	-
Loans and receivables	2,364,122	2,364,122	2,364,122	-	-	-	-
Receivables from factoring	-	-	-	-	-	-	-
Investments held to maturity (net)	-	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-	-
Associates (net)	-	-	-	-	-	-	-
Jointly controlled entities (joint ventures) (net)	-	-	-	-	-	-	-
Finance lease receivables	-	-	-	-	-	-	-
Derivative financial liabilities held for risk management	-	-	-	-	-	-	-
Tangible Assets (net)	33,909	33,909	33,909	-	-	-	-
Intangible Assets (net)	4,178	4,178	-	-	-	-	4,178
Real estate for investment purpose (net)	-	-	-	-	-	-	-
Tax asset	5,784	5,784	6,058	-	-	-	(274)
Assets Held For Sale and Discontinued Operations (net)	-	-	-	-	-	-	-
Other assets	241,760	241,760	241,760	-	-	-	-
<b>Total Assets</b>	<b>4,406,582</b>	<b>4,406,582</b>	<b>4,373,031</b>	<b>29,646</b>	<b>-</b>	<b>29,647</b>	<b>3,904</b>
<b>Liabilities</b>							
Deposits	1,685,818	1,685,818	-	-	-	-	1,685,818
Derivative financial liabilities held for trading	40,210	40,210	-	40,210	-	40,210	40,210
Borrowings	1,739,364	1,739,364	-	-	-	-	1,739,364
Money market borrowings	-	-	-	-	-	-	-
Securities issued	-	-	-	-	-	-	-
Funds	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Factoring payables	-	-	-	-	-	-	-
Finance lease payables	18,761	18,761	-	-	-	-	18,761
Derivative financial liabilities held for risk management	-	-	-	-	-	-	-
Provisions	51,382	51,382	-	-	-	-	51,382
Tax Liability	19,919	19,919	-	-	-	-	19,919
Liabilities regarding assets held for sale and discontinued operations (net)	-	-	-	-	-	-	-
Other Liabilities	33,621	33,621	-	-	-	-	33,621
Subordinated Loans	-	-	-	-	-	-	-
Shareholders' equity	817,507	817,507	-	-	-	-	817,507
<b>Total liabilities</b>	<b>4,406,582</b>	<b>4,406,582</b>	<b>-</b>	<b>40,210</b>	<b>-</b>	<b>40,210</b>	<b>4,406,582</b>

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

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

**X. Explanations on risk management (continued)**

**b. Connections between Financial Statements and Risk Amounts (continued)**

**1. Main sources of differences between risk amounts and amounts in financial statements which are evaluated in accordance with TAS (continued)**

Prior Period	b		Carrying values of items in accordance with Turkish Accounting Standards				g Not subject to capital requirements or subject to deduction from capital
	a Carrying values in financial statements prepared as per TAS	Amount assessed in accordance with TAS under regulatory consolidation	c Credit Risk	d Counterparty credit risk	e Securitization positions	f Market Risk	
<b>Assets</b>							
Cash and Balances with the Central Bank	570,856	570,856	570,856	-	-	-	-
Available-for-Sale Financial Assets	881	881	-	-	-	881	-
Financial assets at fair value through profit and loss	242,293	242,293	242,293	-	-	-	-
Banks	726,970	726,970	726,970	-	-	-	-
Receivables from Money markets	50,015	50,015	50,015	-	-	-	-
Financial assets available for sale (net)	2,732	2,732	-	2,732	-	2,732	-
Loans and receivables	1,041,363	1,041,363	1,041,363	-	-	-	-
Receivables from factoring	-	-	-	-	-	-	-
Investments held to maturity (net)	-	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-	-
Associates (net)	-	-	-	-	-	-	-
Jointly controlled entities (joint ventures) (net)	-	-	-	-	-	-	-
Finance lease receivables	-	-	-	-	-	-	-
Derivative financial liabilities held for risk management	-	-	-	-	-	-	-
Tangible Assets (net)	24,510	24,510	24,510	-	-	-	-
Intangible Assets (net)	4,707	4,707	-	-	-	-	4,707
Real estate for investment purpose (net)	-	-	-	-	-	-	-
Tax asset	3,098	3,098	3,420	-	-	-	(322)
Assets Held For Sale and Discontinued Operations (net)	-	-	-	-	-	-	-
Other assets	74,339	74,339	74,339	-	-	-	-
<b>Total Assets</b>	<b>2,741,764</b>	<b>2,741,764</b>	<b>2,733,766</b>	<b>2,732</b>	<b>-</b>	<b>3,613</b>	<b>4,385</b>
<b>Liabilities</b>							
Deposits	1,532,869	1,532,869	-	-	-	-	1,532,869
Derivative financial liabilities held for trading	3,024	3,024	-	3,024	-	3,024	3,024
Borrowings	379,084	379,084	-	-	-	-	379,084
Money market borrowings	-	-	-	-	-	-	-
Securities issued	-	-	-	-	-	-	-
Funds	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Factoring payables	-	-	-	-	-	-	-
Finance lease payables	21,329	21,329	-	-	-	-	21,329
Derivative financial liabilities held for risk management	-	-	-	-	-	-	-
Provisions	37,610	37,610	-	-	-	-	37,610
Tax Liability	12,072	12,072	-	-	-	-	12,072
Liabilities regarding assets held for sale and discontinued operations (net)	-	-	-	-	-	-	-
Other Liabilities	15,151	15,151	-	-	-	-	15,151
Subordinated Loans	-	-	-	-	-	-	-
Shareholders' equity	740,625	740,625	-	-	-	-	740,625
<b>Total liabilities</b>	<b>2,741,764</b>	<b>2,741,764</b>	<b>-</b>	<b>3,024</b>	<b>-</b>	<b>3,024</b>	<b>2,741,764</b>

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

**X. Explanations on risk management (continued)**

**b. Connections between Financial Statements and Risk Amounts (continued)**

**2. Main sources of differences between risk amounts and amounts in financial statements which are evaluated in accordance with TAS**

	a	b	c	d	e
<b>Current Period</b>	<b>Total</b>	<b>Credit risk</b>	<b>Securitization positions</b>	<b>Counterparty credit risk</b>	<b>Market Risk(*)</b>
<b>1 Asset carrying value amount under scope of TAS</b>	<b>4,402,678</b>	<b>4,373,031</b>	-	<b>29,646</b>	<b>29,647</b>
2 Liabilities carrying value amount under TAS	-	-	-	-	-
3 Total net amount under regulatory	4,402,678	4,373,031	-	29,646	29,647
4 Off-balance Sheet Amounts	775,944	261,989	-	-	-
5 Differences in valuations	-	-	-	-	-
6 Differences due to different netting rules (other than those already included in row 2)	-	-	-	-	-
7 Differences due to consideration of provisions	-	-	-	-	-
8 Differences due to prudential filters	-	-	-	5,519	26,430
9 Differences due to risk mitigation	-	(2,247,277)	-	-	-
<b>10 Risk exposure</b>	<b>5,178,622</b>	<b>2,387,743</b>	-	<b>35,165</b>	<b>56,077</b>

	a	b	c	d	e
<b>Prior Period</b>	<b>Total</b>	<b>Credit risk</b>	<b>Securitization positions</b>	<b>Counterparty credit risk</b>	<b>Market Risk(*)</b>
<b>1 Asset carrying value amount under scope of TAS</b>	<b>2,737,379</b>	<b>2,733,766</b>	-	<b>2,732</b>	<b>3,613</b>
2 Liabilities carrying value amount under TAS	-	-	-	-	-
3 Total net amount under regulatory	2,737,379	2,733,766	-	2,732	3,613
4 Off-balance Sheet Amounts	1,168,748	126,680	-	-	-
5 Differences in valuations	-	-	-	-	-
6 Differences due to different netting rules (other than those already included in row 2)	-	-	-	-	-
7 Differences due to consideration of provisions	-	-	-	-	-
8 Differences due to prudential filters	-	-	-	167	1,400
9 Differences due to risk mitigation	-	(1,365,056)	-	-	-
<b>10 Risk exposure</b>	<b>3,906,127</b>	<b>1,495,390</b>	-	<b>2,899</b>	<b>5,013</b>

(\*)According to the “Regulation on Measurement and Assessment of Capital Adequacy of Banks”, risk amounts include the financial instruments included in trading accounts and market risk arising from the calculated capital requirement for currency risk.

**3. Differences between risk amounts and amounts in financial statements which are evaluated in accordance with TAS**

a) Scope of accounting and legal consolidation:

There is no difference between the Bank’s accounting and legal consolidation scope.

b) Differences between the amounts in accordance with TAS and the risk amounts:

The differences between the amounts in accordance with TAS and the amounts after post-risk reduction in the transactions subject to counterparty credit risk stem from the addition of the potential risk amounts to the renewal costs of the derivative transactions subject to CCR and the volatility adjustments for repo / reverse repo transactions .

The fair values of marketable securities subject to TAS are fair value of trading financial instruments. On the other hand, the amount in the risk amount line represents the amount of the market risk based on the calculated capital requirement for the losses that the market risk can be caused by factors such as interest rate risk, stock price risk and currency rate risk in accordance with the “Regulation on Measurement and Assessment of Capital Adequacy of Banks”.

c) Explanations on the systems and controls used to ensure the prudence and reliability of the Bank’s valuation estimates in accordance with the prudent valuation principles and principles in Appendix 3 appended to the Regulation on the Measurement and Assessment of Banks’ Capital Adequacy:

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

**X. Explanations on risk management (continued)**

**b. Connections between Financial Statements and Risk Amounts (continued)**

**3. Differences between risk amounts and amounts in financial statements which are evaluated in accordance with TAS (continued)**

If financial instruments that are accounted for at fair value are traded in an active market, valuation based on market price is made. The fair value of the market price used in valuation is confirmed periodically. Fair valuation of financial instruments that do not have an active market is made in accordance with TFRS 9.

**c) Explanations on Credit Risk**

**1. General Qualitative Information Related to Credit Risk**

Credits Principles on risk management constitute part of the Bank’s containment risk principles:

- Risk is taken within the framework of a defined risk appetite.
- Any risks that you may receive must be approved within the risk management framework.
- The receivable must be compensated appropriately
- Risk should be monitored continuously and regularly reported.

A strong culture of risk management helps strengthen the Bank’s resistance.

Credit risk arises from any counterparty, borrower or obligor (collectively named “counterparty”), every transaction in which a contingent or probable receipt occurs. Similar to the classification of the DB Group, the Bank recognizes three types of credit risk: counterparty risk, country risk and exchange risk. The Bank manages its credit risk through local policies and procedures prepared in line with the Group’s policy and rules.

Before accepting the credit risk, the basic principle of credit risk management is to examine the customers. In accordance with the principle of “recognition of the customer”, prudent customer selection is achieved in cooperation with the business units that see the first line of defense on behalf of the Bank.

The Bank may designate a portfolio risk appetite for specific business segments, industries, countries, certain products, or individual counterparties to provide diversification, avoid concentration, and obtain a marketable portfolio. When determining the risk appetite and risk limits, the Board of Directors also takes into account the “Country and Sector Concentration Risks”.

The Risk Management Unit is independent of business units. The Bank’s credit policies are accordingly developed and the Risk Management Department is responsible for ensuring that these policies are maintained in accordance with the Bank’s business. The Risk Management Department is responsible for the ongoing monitoring of credit risks, based on predetermined credit strategies. Credit strategies are coordinated with the management staff to ensure coordinated business and risk strategies are created.

All new credit risks in the bank should be approved according to the information of those who have the necessary credit authority according to the principle of “single debtor”. All credit risk decisions related to the Bank are subject to the Bank’s credit authority’s approval. The bank aggregates and combines all the risk measures of the same borrower (“one borrower principle”). At the legal personality level, the ultimate responsibility for managing credit risk limits belongs to the Board of Directors. All current credit limits and risks are monitored at least once every three months in a manner consistent with the Risk and Capital Report.

In the Bank, the Board of Directors may use the methods of mitigating credit risk as mentioned in section 5.

Credit risk is avoided in our strategy without any intensive concentration in our portfolio. Significant concentration in credit risk is the risk that the Bank has entered into significant risks due to certain counterparties with similar economic characteristics or similar activities and that these similarities between the counterparties are not due to the contractual obligations arising from contracts of these parties in the economic or industrial circumstances. If they are likely to affect the ability to fulfil their obligations in the same way. Concentration of credit risk may also exist at a single counterparty level.

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

**X. Explanations on risk management (continued)**

**1. General Qualitative Information Related to Credit Risk (continued)**

Internal Auditing “IA” provides stakeholders with independent and impartial assurance on the adequacy of the design and effectiveness of internal control systems, as well as the effectiveness of risk management and audit processes. ID is objective and neutral. Its function is independent of the day-to-day business of the bank, and the ID staff is not responsible for neither the work nor the operations. The ID has the right to access all facilities, employees, information and documentation in order to fulfil its duties. ID acts with the authority provided by the Board of Directors and is expected to prepare and implement a dynamic and risk-based audit from the ID. The audit result is reported to the management in the form of individual audit reports.

Internal control activities include daily activities performed by the Bank. Relevant departments are first line of defense which is established to check whether the rules and restrictions are followed during the execution of the transactions, and the internal control unit is the second line of defense which is established to check whether it is fulfilled in accordance with the rules set by the Bank. Bank’s employees must be informed about the rules and restrictions regarding the activities and business of the internal control unit.

**2. Credit quality of assets**

	Gross carrying value as per TAS		Allowances/amortisation and impairments	Net values
	Defaulted	Non-defaulted	Current Period <sup>(*)</sup>	Current Period
1 Loans	-	2,366,326	2,204	2,364,122
2 Debt Securities	-	92,168	395	91,773
3 Off-balance sheet exposures	-	775,944	83	775,861
<b>4 Total</b>	<b>-</b>	<b>3,234,438</b>	<b>2,682</b>	<b>3,231,756</b>

	Gross carrying value as per TAS		Allowances/amortisation and impairments	Net values
	Defaulted	Non-defaulted	Prior Period <sup>(*)</sup>	Prior Period
1 Loans	-	1,041,585	222	1,041,363
2 Debt Securities	-	242,293	1,276	241,017
3 Off-balance sheet exposures	-	1,168,748	64	1,168,684
<b>4 Total</b>	<b>-</b>	<b>2,452,626</b>	<b>1,562</b>	<b>2,451,064</b>

<sup>(\*)</sup> Consist of expected loss.

**3. Changes in nominal defaulted receivables and borrowing instruments**

The Bank has no defaulted receivables.

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

**X. Explanations on risk management (continued)**

**c) General Qualitative Information Related to Credit Risk (continued)**

**4. Additional information on credit quality of assets**

**4.1 Geographical distribution of receivables amounts**

Current Period	Loans		Borrowings Instruments		Off-balance sheet receivables		Provisions/ Amortisation and impairment	Removed from Assets
	Defaulted	Not defaulted	Defaulted	Not defaulted	Defaulted	Not defaulted		
1 Defaulted Receivables	-	2,357,360	-	92,168	-	393,304	2,599	-
2 European Union Countries	-	8,966	-	-	-	90,373	83	-
3 OECD Countries	-	-	-	-	-	-	-	-
4 Off-Shore Banking Regions	-	-	-	-	-	-	-	-
5 USA, Canada	-	-	-	-	-	25,019	-	-
6 Other Countries	-	-	-	-	-	267,248	-	-
<b>7 Total</b>	<b>-</b>	<b>2,366,326</b>	<b>-</b>	<b>92,168</b>	<b>-</b>	<b>775,944</b>	<b>2,682</b>	<b>-</b>

Prior Period	Loans		Borrowings Instruments		Off-balance sheet receivables		Provisions/ Amortisation and impairment	Removed from Assets
	Defaulted	Not defaulted	Defaulted	Not defaulted	Defaulted	Not defaulted		
1 Defaulted Receivables	-	1,009,368	-	242,293	-	1,006,747	1,562	-
2 European Union Countries	-	32,217	-	-	-	83,206	-	-
3 OECD Countries	-	-	-	-	-	-	-	-
4 Off-Shore Banking Regions	-	-	-	-	-	-	-	-
5 USA, Canada	-	-	-	-	-	27,274	-	-
6 Other Countries	-	-	-	-	-	51,522	-	-
<b>7 Total</b>	<b>-</b>	<b>1,041,585</b>	<b>-</b>	<b>242,293</b>	<b>-</b>	<b>1,168,749</b>	<b>1,562</b>	<b>-</b>

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

**X. Explanations on risk management (continued)**

**c) General Qualitative Information Related to Credit Risk (continued)**

**4. Additional information on credit quality of assets (continued)**

**4.2 Credit Quality of Assets - Sectoral risk concentrations**

Current Period	Loans		Borrowings Instruments		Off-balance sheet receivables		Provisions/ Amortisation and impairment	Removed from Assets
	Defaulted	Non defaulted	Defaulted	Non defaulted	Defaulted	Non defaulted		
<b>Agriculture</b>	-	174,163	-	-	-	-	-	-
Farming and Stockbreeding	-	174,163	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
<b>Manufacturing</b>	-	1,188,358	-	-	-	262,409	2,204	-
Mining and Quarrying	-	-	-	-	-	-	-	-
Production	-	1,188,358	-	-	-	262,409	2,204	-
Electric, Gas and Water	-	-	-	-	-	-	-	-
<b>Construction</b>	-	66	-	-	-	-	-	-
<b>Services</b>	-	998,692	-	92,168	-	513,535	427	-
Wholesale and Retail Trade	-	436,170	-	-	-	-	-	-
Hotel, Food and Beverage	-	-	-	-	-	-	-	-
Transportation and Telecommunication	-	24,178	-	-	-	-	-	-
Financial Institutions	-	535,845	-	92,168	-	513,535	427	-
Real Estate and Rental Services	-	2,499	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
<b>Other</b>	-	5,047	-	-	-	-	-	-
<b>Total</b>	-	2,366,326	-	92,168	-	775,944	2,631	-

Prior Periof	Loans		Borrowings Instruments		Off-balance sheet receivables		Provisions/ Amortisation and impairment	Removed from Assets
	Defaulted	Non defaulted	Defaulted	Non defaulted	Defaulted	Non defaulted		
<b>Agriculture</b>	-	18,362	-	-	-	-	-	-
Farming and Stockbreeding	-	18,362	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
<b>Manufacturing</b>	-	618,342	-	-	-	914,630	222	-
Mining and Quarrying	-	-	-	-	-	-	-	-
Production	-	618,342	-	-	-	914,630	222	-
Electric, Gas and Water	-	-	-	-	-	-	-	-
<b>Construction</b>	-	-	-	-	-	-	-	-
<b>Services</b>	-	401,898	-	242,293	-	254,119	1,340	-
Wholesale and Retail Trade	-	209,434	-	-	-	-	-	-
Hotel, Food and Beverage	-	-	-	-	-	-	-	-
Transportation and Telecommunication	-	4,018	-	-	-	-	-	-
Financial Institutions	-	185,871	-	242,293	-	254,119	1,340	-
Real Estate and Rental Services	-	2,499	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-
Health and Social Services	-	76	-	-	-	-	-	-
<b>Other</b>	-	2,983	-	-	-	-	-	-
<b>Total</b>	-	1,041,585	-	242,293	-	1,168,749	1,562	-



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

**X. Explanations on risk management (continued)**

**c) General Qualitative Information Related to Credit Risk (continued)**

**4. Additional information on credit quality of assets (continued)**

**4.3 Credit Quality of Assets-Distribution according to remaining flows**

<b>Current Period</b>	<b>Non-distributed</b>	<b>1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>Over 1 Year</b>	<b>Total</b>
<b>Non-Defaulted Receivables</b>	262,409	433,770	842,692	100,442	1,407,484	187,641	3,234,438
1 Loans	-	392,741	658,269	-	1,315,316	-	2,366,326
2 Borrowing Instruments	-	-	-	-	92,168	-	92,168
3 Off-Balance Receivables	262,409	41,029	184,423	100,442	-	187,641	775,944
<b>Defaulted Receivables</b>	-	-	-	-	-	-	-
1 Loans	-	-	-	-	-	-	-
2 Borrowing Instruments	-	-	-	-	-	-	-
3 Off-Balance Receivables	-	-	-	-	-	-	-
<b>Provisions/ Amortization and present value</b>	<b>2,631</b>						<b>2,631</b>
<b>Total</b>	<b>259,778</b>	<b>433,770</b>	<b>842,692</b>	<b>100,442</b>	<b>1,407,484</b>	<b>187,641</b>	<b>3,231,807</b>

<b>Prior Period</b>	<b>Non-distributed</b>	<b>1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>Over 1 Year</b>	<b>Total</b>
<b>Non-Defaulted Receivables</b>	914,630	1,059,161	8,256	243,927	-	226,652	2,452,626
1 Loans	-	1,041,585	-	-	-	-	1,041,585
2 Borrowing Instruments	-	7,337	-	169,127	-	65,829	242,293
3 Off-Balance Receivables	914,630	10,239	8,256	74,800	-	160,823	1,168,748
<b>Defaulted Receivables</b>	-	-	-	-	-	-	-
1 Loans	-	-	-	-	-	-	-
2 Borrowing Instruments	-	-	-	-	-	-	-
3 Off-Balance Receivables	-	-	-	-	-	-	-
<b>Provisions/ Amortization and present value</b>							-
<b>Total</b>	<b>914,630</b>	<b>1,059,161</b>	<b>8,256</b>	<b>243,927</b>	<b>-</b>	<b>226,652</b>	<b>2,452,626</b>

**4.4 Quality of Assets - Aging analysis for overdue receivables**

The Bank does not have any overdue receivables.

**4.5 Quality of Assets – Provisions for Restructured Receivables**

The Bank does not have any restructured receivables.

**5 Qualitative requirements to be disclosed to the public regarding credit risk mitigation techniques**

In the Bank, the Board of Directors may use the following methods of mitigating credit risk, including but not limited to:

- On-balance sheet cash settlement
- Netting and cash collateral transactions for derivative instruments
- Offsetting of collateral received / given for repo transactions
- Other appropriate collateral
- Warranty from banks and parent company warranties

The main purpose of collateralizing any loan is to mitigate the credit risk.

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**X. Explanations on risk management (continued)**

**c) General Qualitative Information Related to Credit Risk (continued)**

**5 Qualitative requirements to be disclosed to the public regarding credit risk mitigation techniques (continued)**

In case of the loan is established with a guarantee condition, it is necessary to enter the guarantees into the banking system. Loan disbursement is the result of the systematic comparison of the collateral with the conditions of the communiqué regarding the credit.

Collateral matching is using in the system for each loan. In addition, for each collateral, the appropriateness of the collateral margin is also controlled.

The credit risk the bank is exposed to and the credit risk mitigation techniques used to mitigate this risk are taken into account in the standards set out in the legislation. Credit risk mitigation is performed according to the comprehensive financial guarantee method, where the risk mitigation effects of financial collateral are calculated through volatility adjusted values. After applying risk mitigation techniques, standard risk weights are applied to the unprotected portion. Cash or similar assets and borrowing instruments with a high credit quality level are used to reduce credit risk.

**6 Credit risk mitigation techniques- overview**

<b>Current Period</b>		<b>Exposures unsecured of (according to TAS)</b>	<b>Exposures secured by collateral</b>	<b>Exposures secured by collateral, of which secured amount</b>	<b>Exposures secured by financial guarantees</b>	<b>financial guarantees, of which secured amount</b>	<b>Exposures secured by credit derivatives</b>	<b>Exposures secured by credit derivatives, of which secured amount</b>
1	Loans	2,366,326	-	-	-	-	-	-
2	Debt Instruments	92,168	-	-	-	-	-	-
3	Total	2,458,494	-	-	-	-	-	-
4	Of which defaulted	-	-	-	-	-	-	-

<b>Prior Period</b>		<b>Exposures unsecured of (according to TAS)</b>	<b>Exposures secured by collateral</b>	<b>Exposures secured by collateral, of which secured amount</b>	<b>Exposures secured by financial guarantees</b>	<b>financial guarantees, of which secured amount</b>	<b>Exposures secured by credit derivatives</b>	<b>Exposures secured by credit derivatives, of which secured amount</b>
1	Loans	1,041,585	-	-	-	-	-	-
2	Debt Instruments	242,293	-	-	-	-	-	-
3	Total	1,283,878	-	-	-	-	-	-
4	Of which defaulted	-	-	-	-	-	-	-

**7. Qualitative disclosures on banks’ use of external credit ratings under the standardised approach for credit risk:**

The capital adequacy calculation uses the ratios given by Fitch Ratings, limited to Receivables from Central Government or Central Banks.

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

**X. Explanations on risk management (continued)**

**c) General Qualitative Information Related to Credit Risk (continued)**

**1. Standardised Approach- Credit Risk Exposure and Credit Risk Mitigation Techniques**

<b>Current Period Risk Classification</b>	<b>On-balance sheet amount</b>	<b>Off-balance sheet amount</b>	<b>On-balance sheet amount</b>	<b>Off-balance sheet amount</b>	<b>RWA</b>	<b>RWA Density</b>
1 Claims on sovereigns and Central Banks	1,858,445	-	1,766,247	-	-	0.00%
2 Claims on regional governments or local authorities	-	-	-	-	-	-
3 Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-
4 Claims on multilateral development banks	-	-	-	-	-	-
5 Claims on international organizations	-	-	-	-	-	-
6 Claims on banks and intermediary institutions	722,391	257,121	720,320	122,300	350,189	41.56%
7 Claims on corporates	1,883,865	323,648	1,851,546	170,914	1,990,495	98.42%
8 Claims included in the regulatory retail portfolios	-	1,446	-	989	989	100.00%
9 Claims secured by residential property	-	-	-	-	-	-
10 Claims secured by commercial property	-	-	-	-	-	-
11 Overdue loans	-	-	-	-	-	-
12 Higher risk categories decided by the Board	-	-	-	-	-	-
13 Secured by mortgages	-	-	-	-	-	-
14 Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
15 Undertakings for collective investments in mutual funds	-	-	-	-	-	-
16 Other receivables	52,822	-	52,821	-	46,536	88.10%
17 Equity share investments	-	-	-	-	-	-
<b>18 Total</b>	<b>4,517,523</b>	<b>582,215</b>	<b>4,390,934</b>	<b>294,203</b>	<b>2,388,209</b>	<b>56.37%</b>

<b>Prior Period Risk Classification</b>	<b>On-balance sheet amount</b>	<b>Off-balance sheet amount</b>	<b>On-balance sheet amount</b>	<b>Off-balance sheet amount</b>	<b>RWA</b>	<b>RWA Density</b>
1 Claims on sovereigns and Central Banks	897,056	-	894,332	-	199,408	22.30%
2 Claims on regional governments or local authorities	-	-	-	-	-	-
3 Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-
4 Claims on multilateral development banks	-	-	-	-	-	-
5 Claims on international organizations	-	-	-	-	-	-
6 Claims on banks and intermediary institutions	738,317	905,835	737,777	80,241	186,853	22.84%
7 Claims on corporates	1,038,052	261,357	1,037,471	46,098	1,083,569	100.00%
8 Claims included in the regulatory retail portfolios	-	1,372	-	760	760	100.00%
9 Claims secured by residential property	-	-	-	-	-	-
10 Claims secured by commercial property	-	-	-	-	-	-
11 Overdue loans	-	-	-	-	-	-
12 Higher risk categories decided by the Board	-	-	-	-	-	-
13 Secured by mortgages	-	-	-	-	-	-
14 Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
15 Undertakings for collective investments in mutual funds	-	-	-	-	-	-
16 Other receivables	32,606	-	32,606	-	25,273	77.51%
17 Equity share investments	-	-	-	-	-	-
<b>18 Total</b>	<b>2,706,031</b>	<b>1,168,564</b>	<b>2,702,186</b>	<b>127,099</b>	<b>1,495,863</b>	<b>52.87%</b>

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**X. Explanations on risk management (continued)**

**c) General Qualitative Information Related to Credit Risk (continued)**

**9 Standardised Approach- Claims By Risk Classification And Risk Weights:**

<b>Current Period</b>												<b>Total risk amount (post-CCF and CRM)</b>
<b>Risk Classification/Risk weight amount</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>50% Unrated</b>	<b>75%</b>	<b>100% Unrated</b>	<b>150%</b>	<b>200%</b>	<b>Others</b>		
Claims on sovereigns and Central Banks	1,766,247	-	-	-	-	-	-	-	-	-	-	1,766,247
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	7,481	-	216,341	-	617,791	-	1,007	-	-	-	-	842,620
Claims on corporates	-	-	-	-	-	-	2,022,460	-	-	-	-	2,022,460
Claims included in the regulatory retail portfolios	-	-	-	-	-	989	-	-	-	-	-	989
Claims secured by residential property	-	-	-	-	-	-	-	-	-	-	-	-
Claims secured by commercial property	-	-	-	-	-	-	-	-	-	-	-	-
Overdue loans	-	-	-	-	-	-	-	-	-	-	-	-
Higher risk categories decided by the Board	-	-	-	-	-	-	-	-	-	-	-	-
Secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	6,285	-	-	-	-	-	46,537	-	-	-	-	52,822
<b>Total</b>	<b>1,780,013</b>	<b>-</b>	<b>216,341</b>	<b>-</b>	<b>617,791</b>	<b>989</b>	<b>2,070,004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,685,138</b>

<b>Prior Period</b>												<b>Total risk amount (post-CCF and CRM)</b>
<b>Risk Classification/Risk weight amount</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>50% Unrated</b>	<b>75%</b>	<b>100% Unrate</b>	<b>150%</b>	<b>200%</b>	<b>Others</b>		
Claims on sovereigns and Central Banks	694,924	-	-	-	-	-	199,408	-	-	-	-	894,332
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	-	-	736,167	-	81,112	-	739	-	-	-	-	818,018
Claims on corporates	-	-	-	-	-	-	1,084,509	-	-	-	-	1,084,509
Claims included in the regulatory retail portfolios	-	-	-	-	-	761	-	-	-	-	-	761
Claims secured by residential property	-	-	-	-	-	-	-	-	-	-	-	-
Claims secured by commercial property	-	-	-	-	-	-	-	-	-	-	-	-
Overdue loans	-	-	-	-	-	-	-	-	-	-	-	-
Higher risk categories decided by the Board	-	-	-	-	-	-	-	-	-	-	-	-
Secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	7,334	-	-	-	-	-	25,272	-	-	-	-	32,606
<b>Total</b>	<b>702,258</b>	<b>-</b>	<b>736,167</b>	<b>-</b>	<b>81,112</b>	<b>761</b>	<b>1,309,928</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,830,226</b>

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

**X. Explanations on risk management (continued)**

**d. Counterparty credit risk (CCR) explanations:**

**1. Qualitative disclosure related to counterparty credit risk:**

The Bank currently uses “Cross Guarantees in Trade Transactions”, as risk reduction techniques.

**2. Analysis of counterparty credit risk exposure by approach:**

	Replacement cost	Potential future exposure	EEPE <sup>(*)</sup>	Alpha used for computing regulatory EAD	Exposure at Default post-CRM	Risk Weighted Amount
<b>31 December 2020</b>						
1 Standard Approach-CCR (for derivatives)	270	46,141	-	-	46,141	33,996
2 Internal Model Method (for derivatives and SFTs)	-	-	-	-	-	-
3 Simple Approach for credit risk mitigation (for SFTs)	-	-	-	-	-	-
4 Comprehensive Approach for credit risk mitigation (for SFTs)	-	-	-	-	-	-
5 VaR for SFTs	-	-	-	-	-	-
<b>6 Total</b>	<b>270</b>	<b>46,141</b>	<b>-</b>	<b>-</b>	<b>46,141</b>	<b>33,996</b>

	Replacement cost	Potential future exposure	EEPE <sup>(*)</sup>	Alpha used for computing regulatory EAD	Exposure at Default post-CRM	Risk Weighted Amount
<b>31 December 2019</b>						
1 Standard Approach-CCR (for derivatives)	12	6,666	-	-	6,678	2,588
2 Internal Model Method (for derivatives and SFTs)	-	-	-	-	-	-
3 Simple Approach for credit risk mitigation (for SFTs)	-	-	-	-	-	-
4 Comprehensive Approach for credit risk mitigation (for SFTs)	-	-	-	-	-	-
5 VaR for SFTs	-	-	-	-	-	-
<b>6 Total</b>	<b>12</b>	<b>6,666</b>	<b>-</b>	<b>-</b>	<b>6,678</b>	<b>2,588</b>

(\*)Effective expected positive exposure.

**3. Credit valuation adjustment (CVA) capital charge:**

	31 December 2020	Exposure at default post-CRM	Risk Weighted Amount
Total portfolios subject to the Advanced CVA capital charge		-	-
1 (i) VaR component (including the 3* multiplier)		-	-
2 (ii) Stressed VaR component (including the 3* multiplier)		-	-
3 All portfolios subject to the Standardised CVA capital charge		46,411	33,996
4 Total subject to the CVA capital charge		7,513	7,513

	31 December 2019	Exposure at default post-CRM	Risk Weighted Amount
Total portfolios subject to the Advanced CVA capital charge		-	-
1 (i) VaR component (including the 3* multiplier)		-	-
2 (ii) Stressed VaR component (including the 3* multiplier)		-	-
3 All portfolios subject to the Standardised CVA capital charge		6,678	2,588
4 Total subject to the CVA capital charge		1,661	1,661

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

**X. Explanations on risk management (continued)**

**d. Counterparty credit risk (CCR) explanations:**

**4. Standardised approach – Credit Counterparty Risk Exposures by regulatory portfolio and risk weights:**

<b>Risk Portfolio (Current Period)</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>Other</b>	<b>Total Credit Risk<sup>(*)</sup></b>
Sovereigns and their central banks	-	-	-	-	-	-	-	-	-
Non-central government public sector entities	-	-	-	-	-	-	-	-	-
Regional governments or local authorities	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-	-
International organizations	-	-	-	-	-	-	-	-	-
Multilateral development banks	4,712	-	5,837	3,621	215	32,026	-	-	46,411
Corporate	-	-	-	-	-	31,980	-	-	31,980
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Investments on securities	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets <sup>(**)</sup>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4,712</b>	<b>-</b>	<b>5,837</b>	<b>3,621</b>	<b>215</b>	<b>64,006</b>	<b>-</b>	<b>-</b>	<b>78,391</b>

<b>Risk Portfolio (Prior Period)</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>Other</b>	<b>Total Credit Risk<sup>(*)</sup></b>
Sovereigns and their central banks	-	-	-	-	-	-	-	-	-
Non-central government public sector entities	-	-	-	-	-	-	-	-	-
Regional governments or local authorities	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-	-
International organizations	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	3,481	1,959	-	-	-	-	5,440
Corporate	-	-	-	-	-	936	-	-	936
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Investments on securities	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets <sup>(**)</sup>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,481</b>	<b>1,959</b>	<b>-</b>	<b>936</b>	<b>-</b>	<b>-</b>	<b>6,376</b>

(\*) Total credit risk amount related to the capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

(\*\*) Other assets includes amounts that not included in the counterparty credit risk reported in the table “Central counterparty risks.”

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

**X. Explanations on risk management (continued)**

**d. Counterparty credit risk (CCR) explanations:**

**5. Composition of collateral for CCR exposure:**

	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
<b>Current Period</b>						
Cash-local currency	-	-	33,522	-	-	-
Cash-foreign currency	-	-	141,425	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>			<b>174,947</b>			

	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
<b>Prior Period</b>						
Cash-local currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debts	1,995	-	-	29,701	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	<b>1,995</b>			<b>29,701</b>		

**6. Credit Derivative Exposures:**

None.

**7. Exposures to central counterparties (CCP):**

Counterparties consist of central counterparties, banks corporate and business firms. Central counterparty risks consist of guaranties given and the amount of guarantee fund paid.

**e. Securitization Explanations**

The bank has no securitization transaction

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

**X. Explanations on risk management (continued)**

**f. Market risk disclosures**

**1. Qualitative requirements for public disclosure on Market risk:**

Market risk is the risk that a Bank’s positions will experience a possible loss of value due to market fluctuations. Market risk is due to uncertainties arising from changes in market prices and ratios, correlations between them and volatility levels. In accordance with the Regulation on Measurement and Assessment of Capital Adequacy of Banks, market risks can be classified as follows:

**-General market risk:** The probability that the Bank will be exposed to interest rate risk and exposure to market risk due to the position of the position of the financial instruments in the trading accounts

**-Specific risk:** The probability of loss that may arise due to the problems that may arise from the management and financial structures of the institutions that issue or guarantee the financial instruments constituting these positions, except for extraordinary market movements, in the positions regarding the financial instruments included in the bank’s trading accounts,

**-Exchange risk:** The probability of loss that the Bank may incur as a result of changes that may occur in exchange rates due to all foreign currency assets and liabilities,

**-Commodity risk:** The probability of the loss that the Bank may incur due to positional conditions related to derivative and derivative financial instruments due to movements in commodity prices,

**-Compensation risk:** Exposure to the bank due to changes in the price of securities, foreign exchange or commodities subject to the processing of a securities, foreign exchange or commodity for the delivery of a certain price at the agreed price and foreseeing that both parties fulfil their obligations at the time of maturity probability of damage.

All market risks are monitored according to certain limits set by the Board of Directors. The above types of market risk are monitored by the Risk Management Unit. Types of risks undertaken by the Bank may include one or more of these types of market risk; Risk assessments are determined during the new product acceptance (LOI) process and at the time of application to purchase authorization certificates.

DB A.Ş. The Market Risks Management process outlines the following transactions:

- Identification of the market risk,
- Limit structure definition,
- The development and implementation of the policies of market risk and the principles of implementation,
- Analysis and monitoring of market risk,
- Control and reporting of market risk.



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

**X. Explanations on risk management (continued)**

**f. Market risk disclosures (continued)**

**1. Qualitative requirements for public disclosure on Market risk (continued)**

Market Risk Limits of DB A.Ş. are defined in “Market Risk Policy of DB A.Ş.”. Market risk limits, as a result of agreement reached with related parties, DB A.Ş. Presented to the Board of Directors for review by the Risk Management Unit. The Board of Directors reviews and approves market risk limits at least once a year.

Finance and Operations units are responsible for daily monitoring and reporting of defined limits. Limit overruns are monitored daily by the Risk Management Unit through limit overrun reports.

**2. Standardised approach:**

	<b>Current period</b>	<b>Prior period</b>
	<b>Risk Weighted Amount</b>	<b>Risk Weighted Amount</b>
<b>Outright products<sup>(*)</sup></b>	<b>56,077</b>	<b>5,013</b>
1 Interest rate risk (general and specific)	29,890	813
2 Equity risk (general and specific)	-	-
3 Foreign exchange risk	26,187	4,200
4 Commodity risk	-	-
<b>Options</b>	<b>-</b>	<b>-</b>
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitisation	-	-
<b>9 Total</b>	<b>56,077</b>	<b>5,013</b>

<sup>(\*)</sup>Outright products refer to positions in products that are not optional.

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

**X. Explanations on risk management (continued)**

**2. Standardised approach (continued)**

**g. Operational Risk**

In the calculation of the Bank’s operational risk, the “Basic Indicator Method” is used. The amount subject to operational risk is calculated once a year in accordance with the Regulation on “Measurement and Assessment of the Capital Adequacy of Banks” published in the Official Gazette numbered 25911 on 23 October 2015. In the basic indicator method, the operational risk base amount is calculated by multiplying the last three years by the average of fifteen percent of the year-end gross income amount realized by the last three years. The amount subject to operational risk is TL 494,749 for the current period (31 December 2019: TL 412,387).

	31.12.2017	31.12.2018	31.12.2019	Total / Number of years for which gross income is positive	Rate (%)	Total
Gross Income	185,654	285,782	320,162	263,866	15	<b>39,580</b>
<b>Amount subject to operational risk (Total*12,5)</b>						<b>494,749</b>

**h. Interest rate risk on banking books**

The interest rate risk of the banking books is measured and monitored within the scope of the Regulation about Measurement and Assessment of Interest Rate Risk in the Banking Accounts by Standard Shock Method.

Current Period	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains/Equity- (Losses)/Equity
Type of Currency			
TL	(+) 500bp	(16,737)	(2.05%)
TL	(-) 400bp	14,127	1.73%
EUR	(+) 200bp	1,143	0.14%
EUR	(-) 200bp	(1,144)	(0.14%)
USD	(+) 200bp	(93)	(0.01%)
USD	(-) 200bp	95	0.01%
<b>Total (of positive shocks)</b>		<b>(15,687)</b>	<b>(1.91%)</b>
<b>Total (of negative shocks)</b>		<b>13,078</b>	<b>1.60%</b>

Prior Period	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains/Equity- (Losses)/Equity
Type of Currency			
TL	(+) 500bp	(11,149)	(1.52%)
TL	(-) 400bp	9,584	1.30%
EUR	(+) 200bp	137	0.02%
EUR	(-) 200bp	(143)	(0.02%)
USD	(+) 200bp	(179)	(0.02%)
USD	(-) 200bp	183	0.02%
<b>Total (of positive shocks)</b>		<b>(11,191)</b>	<b>(1.52%)</b>
<b>Total (of negative shocks)</b>		<b>9,624</b>	<b>1.30%</b>

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

**XI. Explanations on operating segments**

Information of operating segments for the years ended 31 December 2020 and 31 December 2019 is presented in the following table:

<b>Current period</b>	<b>Global Transaction</b>				<b>Bank's Total</b>
	<b>Banking</b>	<b>Markets</b>	<b>Other <sup>(1)</sup></b>	<b>Unallocated</b>	
<b>31 December 2020</b>					
Operating Profit	106,687	73,408	82,982	-	263,077
Net Operating Profit / (Loss)	22,870	3,365	82,439	-	108,674
Profit/(Loss) Before Tax	22,870	3,365	82,439	-	108,674
Tax Provision (-)	-	-	-	(23,695)	(23,695)
Net Period Profit/(Loss)	22,870	3,365	82,439	(23,695)	84,979
<b>31 December 2020</b>					
Segment Assets	1,886,744	713,239	1,806,599	-	4,406,582
Segment Liabilities	1,666,861	58,304	1,863,910	-	3,589,075
Equity	-	-	-	817,507	817,507
<b>Prior period</b>	<b>Global Transaction</b>				<b>Bank's Total</b>
	<b>Banking</b>	<b>Markets</b>	<b>Other <sup>(1)</sup></b>	<b>Unallocated</b>	
<b>31 December 2019</b>					
Operating Profit	159,276	39,567	121,319	-	320,162
Net Operating Profit / (Loss)	72,567	(4,102)	117,942	-	186,407
Profit/(Loss) Before Tax	72,567	(4,102)	117,942	-	186,407
Tax Provision (-)	-	-	-	(40,865)	(40,865)
Net Period Profit/(Loss)	72,567	(4,102)	117,942	(40,865)	145,542
<b>31 December 2019</b>					
Segment Assets	1,045,168	91,054	1,605,542	-	2,741,764
Segment Liabilities	1,038,685	-	962,454	-	2,001,139
Equity	-	-	-	740,625	740,625

<sup>(1)</sup> Consists of equity and treasury.

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
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**SECTION FIVE**

**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS**

**I. Explanations and notes related to assets**

**1. Information related to cash and balances with the Central Bank of the Republic of Turkey**

**1.a Information on cash and balances with the Central Bank of the Republic of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash / Effective	35	624	3,400	4,393
Central Bank of Turkey	95,218	723,579	21,325	541,738
Other	-	-	-	-
<b>Total</b>	<b>95,253</b>	<b>724,203</b>	<b>24,724</b>	<b>546,131</b>

**1.b Information on balances with the Central Bank of the Republic of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	94,163	225,198	21,313	199,518
Unrestricted Time Deposits	-	26,612	-	19,728
Restricted Time Deposits	1,055	471,769	12	322,492
<b>Total</b>	<b>95,218</b>	<b>723,579</b>	<b>21,325</b>	<b>541,738</b>

**1.c Information on reserve deposits**

As per the Communiqué no. 2013/15 "Reserve Deposits" of the Central Bank of the Republic of Turkey (CBRT), banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué. Required reserves can be kept in Turkish Lira, USD, EUR and standard gold according to the "Communiqué on Required Reserves" at the CBRT.

Effective from 27 November 2020, 12 percent interest rate/accretion is applied to required reserves in Turkish lira. The Bank pays an annual commission amount of 12.5 per ten thousandth over the required reserve amount to be kept for deposit liabilities denominated in foreign currencies other than US dollars. The differentiation according to credit growth has been abolished with the Communiqué numbered 2020/17 published in the Official Gazette dated 27/11/2020 and numbered 31317.

As of 31 December 2020, the rates for Turkish Lira required reserves are between 1% and 6% (31 December 2019: between 1% and 7%), depending on the maturity structure; the rates for foreign currency reserve requirements are between 5% and 21% (31 December 2019: between 5% and 21%) depending on the maturity structure.

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Explanations and notes related to assets**

**2. Information on financial assets at fair value through profit or loss**

**2.a Financial assets at fair value through profit or loss**

**2.a.1 Financial assets at fair value through profit/loss provided as collateral/blocked**

None (31 December 2019: None).

**2.a.2 Financial assets at fair value through profit/loss subject to repurchase agreements**

None (31 December 2019: None).

**2.b Positive differences on derivative financial assets held for trading**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	-	26,019	-	955
Swap Transactions	-	3,627	-	1,777
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>29,646</b>	<b>-</b>	<b>2,732</b>

**3. Information on banks**

**3.a. Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	100,280	358	684,675	323
Foreign	872	4,701	28,026	14,791
Foreign head offices and branches	-	-	-	-
<b>Total</b>	<b>101,152</b>	<b>5,059</b>	<b>712,701</b>	<b>15,114</b>

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Explanations and notes related to assets**

**3. Information on banks**

**3.b Information on foreign banks account**

	Unrestricted	Restricted	Unrestricted	Restricted
	amount	amount	amount	amount
	Current	Current	Prior	Prior
	Period	Period	Period	Period
EU Countries	4,262	-	32,802	-
USA, Canada	1,136	-	8,822	-
OECD Countries (*)	175	-	1,193	-
Off-shore Banking Regions	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>5,573</b>	<b>-</b>	<b>42,817</b>	<b>-</b>

(\*) OECD countries other than EU countries, USA and Canada

**4. Information on financial assets at fair value through other comprehensive income**

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	94,406	-	242,861	-
Listed	94,406	-	242,861	-
Unlisted	-	-	-	-
Stocks	-	-	-	-
Listed	-	-	-	-
Unlisted	-	-	-	-
Impairment Provision	2,238	-	568	-
<b>Total</b>	<b>92,168</b>	<b>-</b>	<b>242,293</b>	<b>-</b>

**4.a.1 Information financial assets at fair value through other comprehensive income given as collateral/blocked**

As of December 31, 2020, the amount of financial assets given as collateral / blocked, whose fair value difference is reflected in other comprehensive income, is TL 77,454 (31 December 2019: 14,039 TL).

**4.a.2 Information financial assets at fair value through other comprehensive income subject to repurchase agreements**

None (31 December 2019: None).

**5. Explanations on loans**

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

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct Lending to Shareholders	-	157,020	-	92,167
Corporate Shareholders	-	157,020	-	92,167
Individual Shareholders	-	-	-	-
Indirect Lending to Shareholders	60,499	-	78,494	-
Loans to Employees	-	-	-	-
<b>Total</b>	<b>60,499</b>	<b>157,020</b>	<b>78,494</b>	<b>92,167</b>

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Explanations and notes related to assets**

**5. Explanations on loans**

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

<b>Current Period</b>	<b>Standart loans</b>	<b>Loans under close monitoring</b>		
<b>Cash loans</b>		<b>Not under the scope of restructuring</b>	<b>Loans under restructuring</b>	
			<b>Modifications on agreement conditions</b>	<b>Refinancing</b>
Non-Specialized Loans	2,366,326	-	-	-
<i>Commercial loans</i>	1,295,122	-	-	-
<i>Export Loans</i>	469,950	-	-	-
<i>Import Loans</i>	-	-	-	-
<i>Loans Given to Financial Sector</i>	535,845	-	-	-
<i>Consumer Loans</i>	-	-	-	-
<i>Credit Cards</i>	-	-	-	-
<i>Other</i>	65,409	-	-	-
Specialized Lending	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>2,366,326</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Prior Period</b>	<b>Standart loans</b>	<b>Loans under close monitoring</b>		
<b>Cash loans</b>		<b>Not under the scope of restructuring</b>	<b>Loans under restructuring</b>	
			<b>Modifications on agreement conditions</b>	<b>Refinancing</b>
Non-Specialized Loans	1,041,585	-	-	-
<i>Commercial loans</i>	552,934	-	-	-
<i>Export Loans</i>	276,417	-	-	-
<i>Import Loans</i>	-	-	-	-
<i>Loans Given to Financial Sector</i>	135,996	-	-	-
<i>Consumer Loans</i>	-	-	-	-
<i>Credit Cards</i>	-	-	-	-
<i>Other</i>	76,238	-	-	-
Specialized Lending	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>1,041,585</b>	<b>-</b>	<b>-</b>	<b>-</b>

	<b>Current Period</b>	
	<b>Standard loans</b>	<b>Loans under close monitoring</b>
12 month provisions for possible losses	2,204	-
Significant increase in credit risk	-	-
<b>Total</b>	<b>2,204</b>	<b>-</b>

**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

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**I. Explanations and notes related to assets**

**5. Explanations on loans (continued)**

	Prior Period	
	Standard loans	Loans under close monitoring
12 month provisions for possible losses	222	-
Significant increase in credit risk	-	-
<b>Total</b>	<b>222</b>	<b>-</b>

**5.c Loans according to their maturity structure**

	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring	
		Loans and Other Receivables not Subject to Restructuring	Refinance
<b>Curent Period</b>			
Short Term Loans	1,860,407	-	-
Medium and Long Term Lans	505,919	-	-
<b>Total</b>	<b>2,366,326</b>	<b>-</b>	<b>-</b>

	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring	
		Loans and Other Receivables not Subject to Restructuring	Refinance
<b>Prior Period</b>			
Short Term Loans	1,041,585	-	-
Medium and Long Term Lans	-	-	-
<b>Total</b>	<b>1,041,585</b>	<b>-</b>	<b>-</b>



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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**II. Explanations and notes related to assets**

**5. Explanations on loans (continued)**

**5.d Information on consumer loans, individual credit cards, personnel loans and personnel credit cards**

The Bank has no consumer loans, consumer credit cards, personnel credit cards, short term personnel loans as of 31 December 2020 (31 December 2019: None).

**5.e Information on instalment based commercial loans and corporate credit cards**

The Bank’s overdraft account amount is TL 29,926 as of 31 December 2020 (31 December 2019: TL 2,228).

**5.f Information on allocation of loan customers**

	<b>Current Period</b>	<b>Prior Period</b>
Public Sector	505,919	-
Private Sector	1,860,407	1,041,585
<b>Total</b>	<b>2,366,326</b>	<b>1,041,585</b>

**5.g Distribution of domestic and foreign loans**

	<b>Current Period</b>	<b>Prior Period</b>
Domestic Loans	2,357,360	1,037,394
Foreign Loans	8,966	4,191
<b>Total</b>	<b>2,366,326</b>	<b>1,041,585</b>

**5.h Loans to associates and subsidiaries**

None (31 December 2019: None).

**5.i Specific provisions or allowance for expected credit losses (III. Stage) for loans**

None (31 December 2019: None).

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Explanations and notes related to assets**

**5. Explanations on loans (continued)**

**5.j Information on non-performing loans (Net)**

**5.j.1 Information on non-performing loans and receivables restructured or rescheduled**

None (31 December 2019: None).

**5.j.2 Information on the movement of total non-performing loans**

None (31 December 2019: None).

**5.j.3 Information on foreign currency non-performing loans and receivables**

None (31 December 2019: None).

**6. Financial assets measured at amortised cost**

None (31 December 2019: None).

**7. Information on investments in associates**

None (31 December 2019: None).

**8. Information on investments in subsidiaries**

None (31 December 2019: None).

**9. Information on investments in joint ventures**

None (31 December 2019: None).

**10. Information on lease receivables**

None (31 December 2019: None).

**11. Information on derivative financial assets held for risk management**

None (31 December 2019: None).

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Explanations and notes related to assets**

**12. Information on property and equipment**

<b>Current Period</b>	<b>Right of use Assets</b>	<b>Other Tangible Assets</b>	<b>Total</b>
<b>1 January 2020</b>			
Cost	26,698	29,178	55,876
Accumulated Depreciation (-)	(8,535)	(22,831)	(31,366)
<b>Net Carrying Value</b>	<b>18,163</b>	<b>6,347</b>	<b>24,510</b>

<b>31 December 2020</b>			
Net Carrying Value at the Beginning of the Period	18,163	6,347	24,510
Additions	25,259	7,909	33,168
Disposals (-) (net)	(11,039)	-	(11,039)
Depreciation (-)	(9,690)	(3,040)	(12,730)
Cost at the End of the Period	40,918	37,087	78,005
Accumulated Depreciation at the End of the Period (-)	(18,225)	(25,871)	(44,096)
<b>Net Carrying Value</b>	<b>22,693</b>	<b>11,216</b>	<b>33,909</b>

<b>Current Period</b>	<b>Right of use Assets</b>	<b>Other Tangible Assets</b>	<b>Total</b>
<b>1 January 2019</b>			
Cost	-	25,849	25,849
Accumulated Depreciation (-)	-	(21,044)	(21,044)
<b>Net Carrying Value</b>	<b>-</b>	<b>4,805</b>	<b>4,805</b>

<b>31 December 2019</b>			
Net Carrying Value at the Beginning of the Period	-	4,805	4,805
Additions	26,698	3,329	30,027
Disposals (-) (net)	-	-	-
Depreciation (-)	(8,535)	(1,787)	(10,322)
Cost at the End of the Period	26,698	29,178	55,876
Accumulated Depreciation at the End of the Period (-)	(8,535)	(22,831)	(31,366)
<b>Net Carrying Value</b>	<b>18,163</b>	<b>6,347</b>	<b>24,510</b>

As of 31 December 2020 and 31 December 2019, there is not impairment losses or reversal of impairment losses on tangible assets.

As of 31 December 2020 and 31 December 2019, there is no pledge on tangible assets.

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Information on property and equipment (continued)**

**13. Additionally necessary information on each intangible asset type:**

The Bank has intangible assets amounting to TL 4,178 as of 31 December 2020 (31 December 2019: TL 4,707). The Bank acquired the custody operations (customer list) of a local Bank in Turkey on 11 May 2007 and the transaction was settled on 2 July 2007. Purchase amount was amounting to TL 150,976, a provision of TL 59,823 has been recorded after revaluation in April 2010 because of changes in expected cash flows. These intangible assets are fully amortized on 30 June 2017. As of 31 December 2020 and 31 December 2019, there are any net carrying value of aforesaid intangible assets.

**13.a Carrying value and accumulated amortization balances at current and prior period**

	<b>Current Period</b>		
	<b>Carrying Value</b>	<b>Impairment</b>	<b>Accumulated Amortisation</b>
Intangible Assets	178,850	60,750	113,922

	<b>Prior Period</b>		
	<b>Carrying Value</b>	<b>Impairment</b>	<b>Accumulated Amortisation</b>
Intangible Assets	176,069	60,750	110,612

**13.b Movement table containing the following information between the beginning and end of the period**

	<b>Current Period</b>	<b>Prior Period</b>
Beginning of the Period	4,707	3,976
Additions due to Mergers, Transfers and Acquisitions	2,781	3,230
Amortization (-)	(3,310)	(2,499)
<b>End of the Period</b>	<b>4,178</b>	<b>4,707</b>

**14. Information on investment property**

None (31 December 2019: None).

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Information on property and equipment (continued)**

**15. Information on tax assets**

As of 31 December 2020, the Bank has no current tax assets (31 December 2019: None).

As of 31 December 2020, the Bank has a deferred tax assets of TL 5,784 calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences (31 December 2019: TL 3,098 net deferred tax assets).

There is no deductible temporary differences that are not included in calculation of deferred tax asset and not reflected to financial statements in prior periods.

Detailed information on net deferred tax assets is as follows:

	Current Period		Prior Period	
	Accumulated temporary differences	Deferred tax asset/(liability)	Accumulated temporary differences	Deferred tax asset/(liability)
Provisions for employee rights	13,060	2,612	10,747	2,263
Derivative financial assets net expense accrual	10,708	2,142	292	64
Provisions	4,032	806	3,360	739
Differences between book values and tax values of leasing transactions	2,960	592	2,019	445
Other	1,030	207	506	112
<b>Deferred tax asset</b>	<b>31,790</b>	<b>6,359</b>	<b>16,924</b>	<b>3,623</b>
Difference between fair value of tangible and intangible assets and tax value	(2,873)	(575)	(2,583)	(525)
<b>Deferred tax liability</b>	<b>(2,873)</b>	<b>(575)</b>	<b>(2,583)</b>	<b>(525)</b>
<b>Deferred tax asset / (liability), net</b>	<b>28,917</b>	<b>5,784</b>	<b>14,341</b>	<b>3,098</b>

**16. Information on assets held for sale and discontinued operations**

None (31 December 2019: None).

**17. Information on other assets**

**17.a Information on prepaid expenses, tax and similar transactions**

	Current Period	Prior Period
Guarantees Given (**)	174,950	30,324
Income accruals (*)	58,549	41,249
Prepaid Expenses	491	470
Other	7,770	2,296
<b>Total</b>	<b>241,760</b>	<b>74,339</b>

(\*) TL 56,108 of income accruals comprise service income accruals (31 December 2019: TL 38,446) and TL 2,441 of income accruals comprise other accruals (31 December 2019: TL 2,803).

(\*\*) Includes collaterals given for derivative transactions.

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**II. Explanations and Notes Related to Liabilities**

**1. Information on maturity structure of deposits**

<b>Current Period</b>	<b>Demand</b>	<b>With 7 days notifications</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6 months-1 year</b>	<b>1 year and over</b>	<b>Total</b>
<b>Saving Deposits</b>	-	-	-	-	-	-	-	-
<b>Foreign Currency Deposits</b>	<b>633,059</b>	-	-	-	-	-	-	<b>633,059</b>
Residents in Turkey	601,950	-	-	-	-	-	-	601,950
Residents Abroad	31,109	-	-	-	-	-	-	31,109
<b>Public Sector Deposits</b>	-	-	-	-	-	-	-	-
<b>Commercial Deposits</b>	<b>176,363</b>	-	<b>339,925</b>	-	-	-	-	<b>516,288</b>
<b>Other Institutions Deposits</b>	<b>144</b>	-	<b>5,560</b>	-	-	-	-	<b>5,704</b>
<b>Precious Metal Deposits</b>	-	-	-	-	-	-	-	-
<b>Bank Deposits</b>	<b>530,767</b>	-	-	-	-	-	-	<b>530,767</b>
The Central Bank of Turkey	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-
Foreign Banks	530,767	-	-	-	-	-	-	530,767
Special Financial Institutions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,340,333</b>	-	<b>345,485</b>	-	-	-	-	<b>1,685,818</b>
<b>Prior Period</b>	<b>Demand</b>	<b>With 7 days notifications</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6 months-1 year</b>	<b>1 year and over</b>	<b>Total</b>
<b>Saving Deposits</b>	-	-	-	-	-	-	-	-
<b>Foreign Currency Deposits</b>	<b>328,282</b>	-	<b>39,216</b>	<b>57,199</b>	-	-	-	<b>424,697</b>
Residents in Turkey	296,050	-	39,216	57,199	-	-	-	392,465
Residents Abroad	32,232	-	-	-	-	-	-	32,232
<b>Public Sector Deposits</b>	-	-	-	-	-	-	-	-
<b>Commercial Deposits</b>	<b>158,047</b>	-	<b>271,511</b>	-	-	-	-	<b>429,558</b>
<b>Other Institutions Deposits</b>	<b>126</b>	-	<b>1,546</b>	-	-	-	-	<b>1,672</b>
<b>Precious Metal Deposits</b>	-	-	-	-	-	-	-	-
<b>Bank Deposits</b>	<b>676,942</b>	-	-	-	-	-	-	<b>676,942</b>
The Central Bank of Turkey	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-
Foreign Banks	676,942	-	-	-	-	-	-	676,942
Special Financial Institutions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,163,397</b>	-	<b>312,273</b>	<b>57,199</b>	-	-	-	<b>1,532,869</b>

**1.a Saving deposits covered by deposit insurance and total amount of deposits exceeding insurance coverage limit**

None (31 December 2019: None).

**1.b Saving deposits at domestic branches of foreign banks in Turkey under the coverage of foreign insurance**

None (31 December 2019: None).

**1.c Saving deposits out of the insurance coverage limits of Saving Deposit Insurance Fund**

None (31 December 2019: None).

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**II. Explanations and Notes Related to Liabilities (continued)**

**2. Information on derivative financial liabilities at fair value through profit or loss**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	-	10,697	-	1,583
Swap Transactions	-	29,513	-	1,441
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>40,210</b>	<b>-</b>	<b>3,024</b>

**3. Information on funds borrowed**

**3.a Information on banks and other financial institutions**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	-	-	-	-
Foreign Banks, Institutions and Funds	200,083	1,539,281	-	379,084
<b>Total</b>	<b>200,083</b>	<b>1,539,281</b>	<b>-</b>	<b>379,084</b>

**3.b Information on maturity structure of funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	200,083	1,034,475	-	379,084
Medium and Long-Term	-	504,806	-	-
<b>Total</b>	<b>200,083</b>	<b>1,539,281</b>	<b>-</b>	<b>379,084</b>

**3.c Additional information on the major concentration of the Bank’s liabilities**

The Bank funds its assets within the normal course of its banking business with bank deposits, funds borrowed and interbank money markets

**4. At least 20% of account of other liabilities on the balance sheet, exceeding 10% of the total liabilities excluding the off balance sheet items**

Account of other liabilities on the balance sheet does not exceed 10% of total liabilities excluding the off-balance sheet items.

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**II. Explanations and Notes Related to Liabilities (continued)**

**5. Information on financial lease payables (Net)**

	<b>31 December 2020</b>		<b>31 December 2019</b>	
	<b>TP</b>	<b>YP</b>	<b>TP</b>	<b>YP</b>
Less than 1 year	6,350	132	4,565	3,654
Between 1-4 years	11,967	-	-	13,110
More than 4 years	312	-	-	-
<b>Total</b>	<b>18,629</b>	<b>132</b>	<b>4,565</b>	<b>16,674</b>

**6. Information on derivative financial liabilities held for risk management**

None (31 December 2019: None).

**7. Information on provisions and subordinated loans**

**7.a Information on provisions on unindemnified non cash loans**

As of 31 December 2020, provisions on unindemnified non cash loans amounting to TL 83 (31 December 2019: TL 64).



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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**II. Explanations and Notes Related to Liabilities (continued)**

**7. Information on provisions and subordinated loans**

**7.b Reserve for employment benefits**

**Information on reserve for employment termination benefits**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel Bonus Provision	15,634	11,284
Provision for Employee Severance Indemnities	4,129	3,243
Vacation Pay Liability	1,969	1,598
<b>Total</b>	<b>21,732</b>	<b>16,125</b>

In accordance with the existing Turkish Labour Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct and this amount is limited by the termination indemnity upper limit.

Employee severance indemnities are not subject to legal funding requirements.

The provision has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans. Accordingly, assumptions on discount rate, expected rate of salary increase and employee turnover rate is used in the calculation of the total liability. Each assumption is reviewed on an annual basis. The major actuarial assumptions used in the calculation of the total liability are as follows:

	<b>Current Period</b>	<b>Prior Period</b>
Net discount rate	3.74%	4.36%
Rate of expected inflation increase	9.50%	10.20%
Turnover rate to estimate the probability of retiremet	92.40%	92.40%

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**II. Explanations and Notes Related to Liabilities (continued)**

**7. Information on provisions and subordinated loans (continued)**

**7.b Reserve for employment benefits (continued)**

Movement of provision for severance indemnities during the year is presented below:

	<b>Current Period</b>	<b>Prior Period</b>
Balance at the beginning of the period	1,598	1,235
The provision of the current year	206	152
Interest Cost	257	186
The provision is paid during the period (-)	(189)	(277)
Actuarial gains/(losses) <sup>(1)</sup>	97	302
<b>Total</b>	<b>1,969</b>	<b>1,598</b>

<sup>(1)</sup> Actuarial losses and gains are classified under equity or other comprehensive income (loss) that will not be reclassified in profit or loss.

**7.c Information on other provisions**

**7.c.1 General reserve for possible losses**

None (31 December 2019: None).

**7.c.2 Information on other provisions exceeding 10% of total provisions**

As of 31 Decemler 2020, other provisions amounting to TL 29,650 (31 December 2019: TL 21,485) includes provisions amounting to TL 28,386 (31 December 2019: TL 18,736) that will be paid in accordance with the service agreement signed with Deutsche Bank Group.

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**II. Explanations and Notes Related to Liabilities (continued)**

**8. Information on tax liability**

**8.a.1 Information on tax liability**

As of 31 December 2020, the Bank’s corporate tax payable is amounting to TL 19,919 (31 December 2019: TL 12,072).

**8.a.2 Information on taxes payable**

	<b>Current period</b>	<b>Prior period</b>
Corporate Taxes Payable	9,633	4,559
Banking Insurance Transaction tax (BITT)	4,042	2,511
Value Added Tax Payable	3,324	2,388
Taxation on Securities Income	341	474
Foreign Exchange transaction tax	43	234
Other <sup>(*)</sup>	1,887	1,371
<b>Total</b>	<b>19,270</b>	<b>11,537</b>

<sup>(1)</sup> Includes withholding income taxes amounting to TL 1,793 (31 December 2019: TL 1,335).

**8.a.3 Information on premium payables**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums-Employee	277	227
Social Security Premiums-Employer	313	260
Bank Pension Fund Premium-Employees	-	-
Bank Pension Fund Premium-Employer	-	-
Pension Fund Membership Fee and Provisions-Employee	-	-
Pension Fund Membership Fee and Provisions-Employer	-	-
Unemployment Insurance-Employee	20	16
Unemployment Insurance-Employer	39	32
Others	-	-
<b>Total</b>	<b>649</b>	<b>535</b>

**8.b Information on deferred tax liability**

The Bank has no deferred tax liability in the current period (31 December 2019: None).

Detailed information on the net deferred tax asset / liability is presented in Section Five Note 13.

**9. Information on liabilities related to assets held for sale and discontinued operations**

None (31 December 2019: None).

**10. Explanations on the number of subordinated loans the group used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any**

None (31 December 2019: None).

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**II. Explanations and Notes Related to Liabilities (continued)**

**11. Information on shareholders’ equity**

**11.1 Presentation of paid-in capital**

	<b>Current Period</b>	<b>Prior Period</b>
Common Stock	135,000	135,000
Preferred Stock	-	-
<b>Total</b>	<b>135,000</b>	<b>135,000</b>

**11.2 Paid-in capital amount, explanation as to whether the registered share capital system ceiling is applicable at bank, if so amount of registered share capital**

The Bank is not subject to registered share capital system.

**11.3 Information on the share capital increases during the period and their sources**

None (31 December 2019: None).

**11.4 Information on share capital increases from revaluation funds**

None (31 December 2019: None).

**11.5 Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and estimated resources required to meet these commitments**

None (31 December 2019: None).

**11.6 Information on privileges given to shares representing the capital**

None (31 December 2019: None).

**11.7 Information on securities value increase fund**

	<b>Current Period</b>		<b>Prior Period</b>	
	TL	FC	TL	FC
<b>From associates, subsidiaries, and joint ventures</b>				
Valuation differences	-	-	-	-
Foreign exchange difference	-	-	-	-
<b>Financial assets at fair value through other comprehensive income loans</b>	<b>(2,238)</b>	<b>-</b>	<b>7,172</b>	<b>-</b>
Valuation differences	(2,238)	-	7,172	-
Foreign exchange difference	-	-	-	-
<b>Total</b>	<b>(2,238)</b>	<b>-</b>	<b>7,172</b>	<b>-</b>

**11.8 Information on profit sharing bonds**

Explanations are presented at Section 5 Note V.4.

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Explanations and Notes Related to Off-Balance Sheet Items**

**1. Information on off balance sheet liabilities**

**1.a The amount and type of irrevocable commitments**

<b>Type of irrevocable commitments</b>	<b>Current Period</b>	<b>Prior Period</b>
Forward asset purchase commitments	212,013	-
Loan Granting Commitments	49,626	914,199
Tax and Fund Liabilities from Export Commitments	770	431
<b>Total</b>	<b>262,409</b>	<b>914,630</b>

**1.b Possible losses and commitments resulted from off-balance sheet items including the following**

**1.b.1 Non-cash loans including guarantees, bank acceptances, letters of guarantee substitute for financial guarantees and other letters of credit**

As of 31 December 2020, amount of letters of guarantee, letters of credit, import letter of acceptance and sureties are amounting to TL 504,467 and TL 9,068, respectively. (31 December 2019: TL 252,628 and TL 1,490 respectively).

**1.b.2 Certain guarantees, tentative guarantees, sureties and similar transactions**

None except the items explained above in note 1.b.1.

**1.c Non-cash loans**

**1.c.1 Total Non-cash loans**

	<b>Current Period</b>	<b>Prior Period</b>
Non-Cash Loans for Cash Loans	-	-
With Original Maturity up to 1 Year	-	-
With Original Maturity of More Than 1 Year	-	-
Other Non-Cash Loans	513,535	254,118
<b>Total</b>	<b>513,535</b>	<b>254,118</b>

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Explanations and Notes Related to Off-Balance Sheet Items (continued)**

**1. Information on off balance sheet liabilities (continued)**

**1.c Non-cash loans (continued)**

**1.c.2 Sector risk concentration of non-cash loans**

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	-	-	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
Manufacturing	53,766	44	25,154	6	32,078	41	22,610	13
Mining	-	-	-	-	-	-	-	-
Production	53,766	44	25,154	6	32,078	41	22,610	13
Electricity, Gas, Water	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Services	67,456	54	358,304	92	44,844	57	149,401	86
Wholesale and Retail Trade	2,417	2	29,884	8	3,646	5	20,458	12
Hotel, Food and Beverage Services	-	-	-	-	-	-	-	-
Transportation and Telecommunication	2,724	2	3,094	1	2,106	3	882	1
Financial Institutions	57,315	46	325,326	83	33,941	43	128,061	73
Real Estate and Renting Services	5,000	4	-	-	5,000	6	-	-
“Self-Employment” Type Services	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	151	-	-	-
Other	2,917	2	5,938	2	1,970	2	3,215	1
<b>Total</b>	<b>124,139</b>	<b>100</b>	<b>389,396</b>	<b>100</b>	<b>78,892</b>	<b>100</b>	<b>175,226</b>	<b>100</b>

**1.c.3 Non-cash loans classified under Group I and II**

	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	124,139	380,328	-	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	9,068	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Commitments and Contingencies	-	-	-	-
<b>Total</b>	<b>124,139</b>	<b>389,396</b>	<b>-</b>	<b>-</b>

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Explanations and Notes Related to Off-Balance Sheet Items (continued)**

**2. Information on financial derivative instruments**

	Derivative Transactions per Their Purposes			
	Trading		Risk Management	
	Current Period	Prior Period	Current Period	Prior Period
<b>Derivatives Held for Trading</b>				
Foreign Currency Related Derivative Transactions (I)	3,276,663	783,142	-	-
Currency Forwards	1,147,045	294,124	-	-
Currency Swaps	2,129,618	489,018	-	-
Currency Futures	-	-	-	-
Currency Options	-	-	-	-
Interest Rate Related Derivative Transactions (II)	-	-	-	-
Interest Rate Forwards	-	-	-	-
Interest Rate Swaps	-	-	-	-
Interest Rate Futures	-	-	-	-
Interest Rate Options	-	-	-	-
Other Derivatives Held for Trading (III)	-	-	-	-
<b>A. Total Derivatives Held for Trading (I+II+III)</b>	<b>3,276,663</b>	<b>783,142</b>	-	-
<b>Derivatives Held for Risk Management</b>	-	-	-	-
Fair Value Hedge (1)	-	-	-	-
Cash Flow Hedge (2)	-	-	-	-
Net Foreign Investment Hedge	-	-	-	-
<b>B. Total Derivatives Held for Risk Management</b>	-	-	-	-
<b>Total Derivative Transactions(A+B)</b>	<b>3,276,663</b>	<b>783,142</b>	-	-

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Explanations and Notes Related to Off-Balance Sheet Items (continued)**

**3. Information on credit derivatives and risk exposures on credit derivatives**

None (31 December 2019: None).

**4. Explanations on contingent liabilities and assets**

As of December 31, 2020, there are ongoing lawsuits against the Bank, and the Bank management did not deem it necessary to make a provision due to the low probability of loss and cash outflow.

**5. Explanations on services provided on behalf of third parties**

The Bank provides purchase and sales of the financial instruments and custody services on behalf of the third parties. Financial instruments (notional values) held on behalf of the individuals and corporates by the Bank are as follows:

	<b>Current Period</b>	<b>Prior Period</b>
Treasury Bonds- TL	-	-
Government Bonds-TL	14,431,771	33,313,480
Government Bonds- FC	3,603,160	-
Private Sector Bonds-TL	170,800	171,300
Warrants	-	8,697,743
Issued Eurobonds from Treasury - USD	-	-
Issued Eurobonds from Treasury - EURO	-	-
Stocks-TL	7,347,066	8,344,043
Stocks-FC	-	-
Cheques in Portfolio-TL	225,592	94,219
Cheques in Portfolio-FC	-	-
Other	73,405	59,402
<b>Total</b>	<b>25,851,794</b>	<b>50,680,187</b>



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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Explanations and Notes Related to Income Statement**

**1. Information on interest income:**

**1.a Information on interest income on loans <sup>(1)</sup>**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term Loans	71,457	10,179	136,961	17,763
Medium/Long-Term Loans	-	6,834	-	86
Interest on Non-Performing Loans	-	-	-	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
<b>Total</b>	<b>71,457</b>	<b>17,013</b>	<b>136,961</b>	<b>17,849</b>

<sup>(1)</sup> Includes also the fee and commission income on cash loans.

**1.b Information on interest income on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Banks	99,696	7	108,265	157
Central Bank of Turkey	1,055	-	3,285	-
Foreign Banks	3,080	497	14,486	858
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>103,831</b>	<b>504</b>	<b>126,036</b>	<b>1,015</b>

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**IV. Explanations and notes related to income statement (continued)**

**1. Information on interest income (continued)**

**1.c Information on interest income on marketable securities**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss	3,638	-	10,871	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	13,916	-	13,103	-
Financial Assets Measured at Amortised Cost	-	-	-	-
<b>Total</b>	<b>17,554</b>	<b>-</b>	<b>23,974</b>	<b>-</b>

**1.d Information on interest income received from associates and subsidiaries**

None (31 December 2019: None).

**2. Information on interest expenses**

**2.a Information on interest expense on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>45,593</b>	<b>981</b>	<b>-</b>	<b>2,314</b>
Central Bank of Turkey	-	-	-	-
Domestic Banks	-	-	-	-
Foreign Banks	45,593	981	-	2,314
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>45,593</b>	<b>981</b>	<b>-</b>	<b>2,314</b>

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Explanations and notes related to income statement (continued)**

**2. Information on interest expenses (continued)**

**2.b Information on interest expense paid to associates and subsidiaries**

None (31 December 2019: None).

**2.c Interest expense on securities issued**

None (31 December 2019: None).

**2.d Maturity structure of the interest expense on deposits**

Current Period	Time Deposits						Total
	Demand Deposits	Up to1 Month	1-3 Months	3-6 Months	6-12 Months	1 year and over	
<b>TL</b>							
Bank Deposits	502	4,164	-	-	-	-	4,666
Saving Deposits	-	-	-	-	-	-	-
Public Sector Deposits	-	-	-	-	-	-	-
Commercial Deposits	111	19,685	2,405	3	-	-	22,204
Other Deposits	-	321	-	-	-	-	321
“7 Days Notice” Deposits	-	-	-	-	-	-	-
<b>Total</b>	<b>613</b>	<b>24,170</b>	<b>2,405</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>27,191</b>
<b>Foreign Currency</b>							
Foreign Currency Deposits	-	60	46	-	-	-	106
“7 Days Notice” Deposits	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-
Bank Deposits	-	11	-	-	-	-	11
<b>Total</b>	<b>-</b>	<b>71</b>	<b>46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117</b>
<b>Grand Total</b>	<b>613</b>	<b>24,241</b>	<b>2,451</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>27,308</b>

Prior Period	Time Deposits						Total
	Demand Deposits	Up to1 Month	1-3 Months	3-6 Months	6-12 Months	1 year and over	
<b>TL</b>							
Bank Deposits	522	3,586	-	-	-	-	4,108
Saving Deposits	-	-	-	-	-	-	-
Public Sector Deposits	-	-	-	-	-	-	-
Commercial Deposits	100	62,653	3,277	-	-	-	66,030
Other Deposits	-	198	-	-	-	-	198
“7 Days Notice” Deposits	-	-	-	-	-	-	-
<b>Total</b>	<b>622</b>	<b>66,437</b>	<b>3,277</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,336</b>
<b>Foreign Currency</b>							
Foreign Currency Deposits	-	1,017	200	-	-	-	1,217
“7 Days Notice” Deposits	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-
Bank Deposits	-	172	-	-	-	-	172
<b>Total</b>	<b>-</b>	<b>1,189</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,389</b>
<b>Grand Total</b>	<b>622</b>	<b>67,626</b>	<b>3,477</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,725</b>

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Explanations and notes related to income statement (continued)**

**3. Information on dividend income**

None (31 December 2019: None).

**4. Information on trading loss/income (Net)**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Profit</b>	<b>2,332,049</b>	<b>1,416,579</b>
Capital Market Transactions	23,046	7,653
Derivative Financial Transactions (*)	311,003	213,971
Foreign Exchange Gains	1,998,000	1,194,955
<b>Losses (-)</b>	<b>2,303,909</b>	<b>1,440,740</b>
Capital Market Transactions	15,063	8,134
Derivative Financial Transactions (*)	366,337	258,734
Foreign Exchange Losses	1,922,509	1,173,872
<b>Net Income/(Losses) (Net)</b>	<b>28,140</b>	<b>(24,161)</b>

(1) Foreign exchange gain from derivative transactions is amounting to TL 57,448 (31 December 2019: TL 42,799).

**5. Information on other operating income**

As of 31 December 2020, the Bank’s other operating income is amounting to TL 22,756 (31 December 2019: TL 16,793).

	<b>Current Period</b>	<b>Prior Period</b>
<b>Other Service Income</b>		
Service Income – FC	6,658	8,588
Provision reversal expense (*)	3,247	3,671
Service Income – TL	1,920	3,053
Other	10,931	1,481
<b>Total</b>	<b>22,756</b>	<b>16,793</b>

(\*) 10.120 TL of other income is due to the cancellation of foreign currency denominated debts due to the termination of the current lease contract.

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Explanations and notes related to income statement (continued)**

**6. Provisions for losses on loans and receivables**

	<b>Current Period</b>	<b>Prior Period</b>
Expected Credit Loss	2,690	1,630
12 month expected credit loss (stage 1)	2,690	1,630
Significant increase in credit risk (stage 2)	-	-
Non-performing loans (stage 3)	-	-
Marketable Securities Impairment Provisions	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Other Impairment Losses	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	-	-
<b>Total</b>	<b>2,690</b>	<b>1,630</b>

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Explanations and notes related to income statement (continued)**

**7. Information on other operational expenses**

	<b>Current Period</b>	<b>Prior Period</b>
Reserve for Employee Termination Benefits	274	61
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	12,730	10,322
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	3,310	2,499
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	-	-
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	59,609	48,113
Leasing Expenses on TFRS 16 Exceptions	-	-
Maintenance Expenses	1,476	1,219
Advertisement Expenses	-	-
Other Expenses <sup>(*)</sup>	58,133	46,894
Loss on Sales of Assets	2	-
Other	11,081	10,361
<b>Total</b>	<b>87,006</b>	<b>71,356</b>

<sup>(\*)</sup> Other expenses included communication expenses amounting to TL 7,954 (31 December 2019: TL 7,720) received benefits from the outside and service costs amounting to TL 3,507 (31 December 2019: TL 2,888), Information systems and technology expenses amounting to TL 10,296 (31 December 2019: TL 8,662), Deutsche Bank Group Management Service expenses amounting to TL 3,908 (31 December 2019: TL 8,706) and other expenses amounting to TL 32,468 (31 December 2019: TL 18,918).

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Explanations and notes related to income statement (continued)**

**8. Profit/loss before taxes from continuing and discontinued operations**

As of December 31, 2020 the Bank has a profit before tax amounting to TL 108,674 (December 2019: profit of TL 186,407).

**9. Information on provision for taxes from continuing and discontinued operations**

**9.a Information on current tax income/ expense and deferred tax income/expense from continuing and discontinued operations**

As of 31 December 2020 the Bank has deferred tax income amounting to TL 2,466 (31 December 2019: deferred tax expense amounting to TL 641) and current tax expense amounting to TL 26,161 (31 December 2019: TL 40,224).

**9.b Deferred tax income or expense from temporary differences of continuing and discontinued operations**

Deferred tax income amounting to TL 2,466 (31 December 2019: deferred tax expense amounting to TL 641) is arising from timing differences resulting from the temporary differences between applied accounting policies and tax regulations.

**9.c Deferred tax income/expense from the temporary differences tax losses or tax exemptions of continuing and discontinued operations**

As of 31 December 2020 deferred tax income presented in the income statement includes the net amount remaining after netting of tax deductible timing differences and taxable timing differences. The Bank does not have prior years' losses.

**10. Information on net operating profit/loss after taxes of continuing operations and discontinued operations**

As of 31 December 2020 the Bank has profit after tax amounting to TL 84,979 (31 December 2019: TL 145,542).

**11. Information on net profit or loss for the period**

**11.1 The nature and amount of certain income and expense items from ordinary operation is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period**

The main operations of the Bank are interbank money market transactions, marketable securities transactions, foreign currency transactions, custody services and providing collateralised non-cash loans. Therefore; net interest income, net trading income, net foreign exchange gain and fees and commission income from custody services are the most important captions of the Bank's income statement.

	<b>Current Period</b>	<b>Prior Period</b>
Interest Income/(Expense), Net	152,095	274,942
Income/(Loss) from Capital Market Transactions, Net	7,983	(481)
Gain/(Loss) from Derivative Financial Transactions, Net	(55,334)	(44,763)
Foreign Exchange Gains/(Losses), Net	75,491	21,083
Commissions from Custody Operations	33,450	39,140
Commissions from Intermediary Services	34,894	25,305
Commissions from Non-cash loans	3,015	2,429
Other Commission Income	873	1,941

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Explanations and notes related to income statement (continued)**

**11. Information on net operating profit/loss after taxes of continuing and discontinued operations**

**11.2 Effects of changes in accounting estimates on the current and following periods’ profit/loss**

There is no significant change in accounting estimates which would affect the current or following period.

**12. Components of other items in income statement, as each sub-account exceeding 20% of the total separately, exceeding 10% of total income statement**

Other fee and commission income:

	Current Period		Prior Period	
	TL	FC	TL	FC
Commissions from Custody Operations	33,448	2	39,138	2
Commissions from Intermediary Services	-	34,894	-	25,305
Other Fee and Commissions	545	328	1,217	724
<b>Total</b>	<b>33,993</b>	<b>35,224</b>	<b>40,355</b>	<b>26,031</b>

Other fee and commission expense:

	Current Period		Prior Period	
	TL	FC	TL	FC
Commissions due to Custody Operations	7,826	-	10,468	-
Commissions Paid to Intermediary Services	-	526	-	52
Commissions Paid to Correspondent Banks	-	1,521	-	1,015
Other Fee and Commissions	558	1,715	171	4,521
<b>Total</b>	<b>8,384</b>	<b>3,762</b>	<b>10,639</b>	<b>5,588</b>



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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**V. Explanations and Notes Related to Changes in Shareholders’ Equity**

**1. Information on increases due to cash flow hedges**

None (31 December 2019: None).

**2. Reconciliation of foreign exchange differences at beginning and end of current period**

None (31 December 2019: None).

**3. Information on decrease due to revaluation of fair value through other comprehensive income**

“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 “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

**4. Information on distribution of profit**

BRSA, in the article dated 12 December 2019 which forwarded to the Turkey Banks Union, stated that it is necessary to maintain continuation of the banks’ conservative policy which provides to keep banks’ equity structures strong, considering the continued rebalancing process for the overall economy of Turkey despite the very strong progress of banks’ capital structures. Also it is stated that the profits to be made in 2019 and the profits and reserves that were obtained before 2019 but were not subject to distribution and kept under equity, should not be distributed in a way that would cause cash outflow. In this context, it was decided to transfer the net profit of TL 145,542 of the year ended 31 December 2019 to extraordinary reserves at the Ordinary General Assembly meeting held on 31 March 2020.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020**

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

**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**VI. Explanations and Notes Related to Statement of Cash Flows**

**1. Information on other items and effect of exchange rate on cash and cash equivalents in Cash Flow Statement;**

The “others” account included in “operating profit before changes in operating assets and liabilities” are comprised of net trading gain/loss, impairment loss provision on loans and receivables and other operating income/loss. The “net increase/ (decrease) in other liabilities” account in “changes in operating assets and liabilities” is comprised of the changes in miscellaneous liabilities, other liabilities, provision expenses, lease payables and tax liabilities. The effect of change in foreign exchange rate on cash and cash equivalents as of 31 December 2020 is approximately realized as increase amounting to TL 74,632 (31 December 2019: increase of TL 11,645). The exchange rates in the last five working days have been taken into consideration as of the balance sheet dates, while the exchange rate changes are calculated.

**2. Cash and cash equivalents at the beginning of the period**

As of 31 December 2020 and 31 December 2019, cash equivalents include cash and effective storage balances, cash equivalents TC Central Bank accounts, bank deposits with original maturities of less than three months and receivables from the interbank money market.

	<b>1 January 2020</b>	<b>1 January 2019</b>
Cash	7,793	3,974
Cash Equivalents	998,673	783,771
Balances with Central Bank of Turkey	220,843	99,113
Banks’ Demand Deposits and Time Deposits Whose Original Maturities Up to 3 Months	727,815	684,658
Receivables from money market	50,015	-
<b>Total</b>	<b>1,006,466</b>	<b>787,745</b>

**3. Cash and cash equivalents at the end of the period**

	<b>31 December 2020</b>	<b>31 December 2019</b>
Cash	659	7,793
Cash Equivalents	1,135,393	998,673
Balances with Central Bank of Turkey	319,361	220,843
Banks’ Demand Deposits and Time Deposits Whose Original Maturities Up to 3 Months	106,032	727,815
Money market placements	710,000	50,015
<b>Total</b>	<b>1,136,052</b>	<b>1,006,466</b>

**4. Restricted cash and cash equivalents due to legal requirements or other reasons**

There are no cash and cash equivalents restricted for the usage of the Bank by legal limitations and other reasons (31 December 2019: None).

There is no additional information that needs to be disclosed in addition to those disclosed in Note 1.

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**VII. Explanations and Notes Related to Bank’s Risk Group**

**1. Transactions with the Bank’s risk group; lendings and deposits and other related party transactions outstanding at period end and income and expenses from such transactions incurred during the period**

**1.1 Current period**

Bank’s Risk Group	Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Receivables						
Balance at the Beginning of the Period	-	-	78,148	87,167	346	5,000
Balance at the End of the Period	-	-	60,267	152,020	232	5,000
Funds Borrowed						
Balance at the Beginning of the Period	-	-	379,084	-	-	-
Balance at the End of the Period	-	-	1,739,364	-	-	-
Interest and Commission Income	-	-	37,052	1,425	-	-
Interest and Commission Expense	-	-	49,376	-	2,659	-

**1.2 Prior Period**

Bank’s Risk Group	Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Receivables						
Balance at the Beginning of the Period	-	-	61,342	94,184	742	5,000
Balance at the End of the Period	-	-	78,148	87,167	346	5,000
Funds Borrowed						
Balance at the Beginning of the Period	-	-	1,004,274	-	-	-
Balance at the End of the Period	-	-	379,084	-	-	-
Interest and Commission Income	-	-	32,529	1,097	-	-
Interest and Commission Expense	-	-	7,747	-	6,660	-

**1.3 Information on deposits of the Bank’s risk group**

Bank’s Risk Group	Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	-	-	474,503	68,976	44,028	35,881
Balance at the End of the Period	-	-	13,098	474,503	34,881	44,028
Interest Expenses	-	-	281	335	2,659	6,660

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**VII. Explanations and Notes Related to Bank’s Risk Group (continued)**

**1. Transactions with the Bank’s risk group; lendings and deposits and other related party transactions outstanding at period end and income and expenses from such transactions incurred during the period (continued)**

**1.4 Information on forward and option agreements and other similar agreements with the Bank’s risk group**

Bank’s Risk Group	Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Components in 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	-	-	305,670	784,552	-	-
End of the Period	-	-	571,081	305,670	-	-
Total Profit / Loss	-	-	(5,995)	(38,588)	29	2
Transactions for hedging purposes						
Beginning of the Period		-	-	-	-	-
End of the Period		-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020**

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**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**VII. Explanations and Notes Related to Bank’s Risk Group (continued)**

**2. Information on the Bank’s risk group**

**2.1 The relations with entities that are included in the Bank’s risk group and controlled by the Bank**

The Bank performs various transactions with the group companies as a part of the banking transactions in accordance with the ordinary bank-client relationship and market conditions within the limitations determined by the Banking Law.

**2.2 The type of transaction, the amount and its ratio to total transaction volume, the amount of significant items and their ratios to total items, pricing policy and other issues**

	Current Period		Prior Period	
	Amount	According to the Amounts in the Financial Statements%	Amount	According to the Amounts in the Financial Statements%
Banks	4,391	4%	40,029	5%
Loans and Other Receivables	56,108	2%	38,465	4%
Non-cash Loans	157,020	31%	92,167	36%
Deposits	47,979	3%	518,531	34%
Interest Income on Loans	2,158	2%	7,225	5%
Interest Expense on Deposits	2,940	11%	6,995	10%
Interest Expense on Funds Borrowed	46,574	100%	2,314	100%
Funds Borrowed	1,739,364	100%	379,084	100%
Fees and Commissions Received	36,319	60%	26,401	50%
Fees and Commissions Paid	2,520	4%	5,098	8%
Other Operating Income	8,579	38%	10,511	63%
Other Operating Expense	10,794	12%	15,482	22%
Derivative Financial Instruments	571,081	35%	305,670	78%

Terms of transactions made with group companies are set in accordance with the market prices, if market prices do not exist cost plus method is used. Except for the situations requiring separate disclosure, there is not any account balance that is similar in nature and presented as an aggregate line.

**EXPLANATIONS AND NOTES TO FINANCIAL STATEMENTS (continued)**

**VII. Explanations and Notes Related to Bank’s Risk Group (continued)**

**2. Information on the Bank’s risk group (continued)**

**2.3 Transactions recognized according to equity pick-up method**

The Bank has no transactions recognized according to equity pick-up method.

**2.4 Information on transactions such as purchase-sale of immovable and other assets, purchase-sale of service, agent agreements, financial lease agreements, transfer of the information gained as a result of research and development, licence agreements, financing (including loans and cash or in kind capital), guarantees, collaterals and management contracts**

The Bank has no agreement signed for asset purchases/sales, service rendering, agencies, finance lease contracts, research and development and licences with the group companies as of 31 December 2020.

The Bank is involved in information technology and software services from Deutsche Bank Group companies.

Within the scope of the service agreements signed with Deutsche Bank AG, the Bank obtains service revenue through the methods specified in the transfer pricing agreements with respect to the brokerage services of other group banks provided by the Bank’s sales personnel.

In accordance with the agreement signed with Deutsche Bank AG, which is valid since January 2004, the Bank pays a service fee to Deutsche Bank AG in return of global and regional management, leadership and coordination activities provided to the Bank by the top management of Deutsche Bank AG.

In accordance with the agreement signed with Deutsche Bank AG, which is valid since January 2005, Deutsche Bank AG pays a service fee to the Bank in return for the services related to financial sector cash management products.

Tasfiye Halinde Deutsche Securities Menkul Değerler A.Ş. is paying service fee to the Bank for the services and services it uses due to it is benefiting from the support services provided by the Bank itself.

In order to carry out an effective and coordinated Corporate Banking service, the Bank receives support services in the areas of cash management and custody services from group companies experienced in Global Corporate Banking functions, specialized in their field and with sufficient infrastructure, and pays a certain fee for the services received.

The Bank receives consultancy and group standards compliance services from group companies in the fight against financial crimes and compliance.

**2.5 Information on benefits provided to top management**

Benefits paid to key management personnel in the current period amounting to TL 21,896 (31 December 2019: TL 26,305).

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

The Bank has no domestic, foreign or off-shore branches.

**IX. Explanations and notes related to subsequent events**

**1. Significant events and matters arising subsequent to reporting date and their financial statement effects**

None.

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020**

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**SECTION SIX**

**OTHER EXPLANATIONS AND NOTES**

**I. Other explanations related to the Bank’s operations**

None.

**DEUTSCHE BANK ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020**

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**SECTION SEVEN**

**EXPLANATIONS ON AUDITORS’ REPORT**

**I. Explanations on the auditors’ report**

The unconsolidated financial statements for the year ended 31 December 2020 were audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Ernst&Young Global Limited) and Auditors’ Report dated 11 March 2021 is presented in the introduction of this report.

**II. Explanations and notes prepared by the independent auditor**

None.



# Our Purpose

This is why we're here. This is what we do.

We are here to enable economic growth and societal progress, by creating positive impact for our clients, our people, our investors and our communities.