

**BANK MELLAT, HEAD OFFICE: TAHRAN-IRAN
İSTANBUL TURKEY MAIN,
ANKARA AND İZMİR BRANCHES**

**INDEPENDENT AUDITOR'S REPORT
FOR THE ACCOUNTING PERIOD OF
1 JANUARY–31 DECEMBER 2020,
UNCONSOLIDATED FINANCIAL STATEMENTS
AND FOOTNOTES ON THESE**



INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of Bank Mellat, Head Office: Tahran-Iran İstanbul Turkey Main, Ankara and İzmir Branches

Independent Auditing of Unconsolidated Financial Statements

Opinion

We have audited the accompanying unconsolidated financial statements of Bank Mellat, Head Office: Tahran-Iran İstanbul Turkey Main, Ankara and İzmir Branches (the "Branch") as of December 31st, 2020, which are comprise of unconsolidated statement of financial position, unconsolidated statement of income, unconsolidated statement of income and expense items under shareholders' equity, unconsolidated statement of changes in equity, unconsolidated statement of cash flows and with a summary of significant accounting policies and footnotes on unconsolidated financial statement.

In our opinion, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Branch as at 31 December 2020, and its unconsolidated financial performance and its 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.

Base of the Opinion

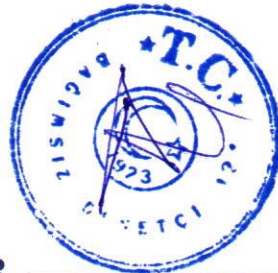
Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements" section of our report. We hereby declare that we are independent of the Branch in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the unconsolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



Key Audit Matters

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

Key Audit Matters	How Key Audit Matter Addressed in the Audit
Going Concern basis	
<p>The unconsolidated financial statements have been prepared assuming that the Branch will continue as a going concern on the basis that it will be able to realize its assets and discharge its liabilities in the normal course of business.</p> <p>As explained in the footnote regarding the brief information on the branch's services and areas of operation, some Iran-based financial and industrial institutions, including Bank Mellat, were included in the list of secondary sanctions on 17 October 2018. Requests for termination of business relations with the Branch were submitted by domestic banks working with the Branch. As of the date of this report, the effects of the mentioned issue on the operations and financial statements of the Branch have explained in the relevant footnote, management takes precautions for this situation.</p> <p>Appropriateness of going concern basis used by the Branch management for the preparation of unconsolidated financial statements and as a result the assessment of the Branch's ability to continue as a going concern basis is a key audit matter for our audit.</p>	<p>In relation to going concern assumptions, we inquired with the Branch management to understand their plans of the entity's ability to continue as a going concern and we obtained written representation from Branch management regarding their plans for future action and the feasibility of these plans for the next year. We evaluated management's plans for future actions in relation to its going concern assessment, whether management's plans are feasible in the circumstances.</p> <p>We evaluated Branch management's budget for one year after the balance sheet date and reliability of the assumptions underlying these forecast.</p> <p>We performed audit procedures as of the date of this report regarding subsequent events to identify those that either mitigate or otherwise affect the entity's ability to continue as a going concern.</p> <p>We evaluated the appropriateness and the adequacy of disclosures in relation to the events and conditions that may cast doubt on the Branch's ability to continue as a going concern and their plans assessing these events and conditions.</p>



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

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

In preparing the unconsolidated financial statements, management is responsible for assessing the Branch'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 Branch or to cease operations, or has no realistic alternative but to do so.

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

Responsibilities of the Independent Auditor Relative to Auditing of Unconsolidated Financial Statements

In an independent audit, as an independent auditor, our responsibilities are these:

Our purpose is to obtain reasonable guarantee as to whether the non-consolidated financial statements as a whole, contain material misstatements or not, based on errors or frauds. The reasonable assure given in consequence of an independent auditing conducted in accordance with Banking Regulation and Supervision Agency Audit Regulation and Independent Audit Standarts, is a high assurance level but, there is no guarantee against assessing always of an existing material misstatement. Misstatements might be based on error or fraud. These misstatements are deemed material if the misstatement within reason, expected to affect the economic decisions that the users of the financial statements will receive with reference to the table, alone or collectively.

By force of an independent audit conducted in accordance with Banking Regulation and Supervision Agency Audit Regulation and Independent Audit Standarts, we are in process of using our Professional judgement and suspiciousness.

In Addition :

The risks of "material misstatements" originating from errors or fraud in unconsolidated financial statements are identified and evaluated; audit procedures that respond to these risks are designed and implemented, and sufficient and appropriate audit evidence is obtained to provide a basis for the audit. Fraud could be includes collusion, forgery, wilful neglect, mispresentation or breach of internal control, because of that a material misstatements arising from frauds has higher level of risk than misstatements arising from errors.

The internal control relevant to the audit is evaluated to design audit procedures that are appropriate to the situation, but not for presenting an opinion about the effectiveness of the Bank's internal control.

It has been evaluated whether the accounting estimates made and conformity of accounting policies used by the management and relevant disclosures, are reasonable, or not.



Based on the audit evidence obtained, there have been decided about whether the management has reason to believe that there is a material uncertainty about the circumstances or events may cause serious doubt about the Bank's ability of continuing to its going concern, or not, and about the compatibility of using the going concern concept by the management. When we confirm that there is a significant uncertainty, in our report, we must point to the relevant disclosures that are in unconsolidated financial statements. If these disclosures are insufficient, we must issue another opinion rather than a positive opinion. The results obtained by us, are based on evidences obtained until the date of audit report. However, any future event or circumstance may terminate the continuity of the Bank.

There have been evaluated, including comments, whether unconsolidated financial statements, disclosures are included, and the underlying transactions and events of these tables are reflect the truths accordingly, with their general presentation, structure and content.

On top of the other issues, we are on report the material audit findings with the planned coverage and timing of the independent audit to those charged with governance, including any significant internal control deficiencies we have identified during the audit.

We have made a notice that we have complied with the ethical provisions relating to independence to those charged with governance. In addition, we have delivered all the relations and other considerations that could be considered to have an impact on independence, and if any, relevant measures, to those responsible for the senior management.

Among the items that are reported to those charged with governance, we specify the most important issues, namely the key audit issues, in the independent audit of the financial statements that are not present in the current period. Where the legislation does not allow announce the issue to the public or in quite exceptional circumstances where it is reasonably expected that the negative consequences of announcing the issue to the public will be likely to be exceed the public welfare that would arise from that announcement, we can decide not to report this issue in our independent audit report.

Other Liabilities Arising From the Legislation

No important issue was detected that the set of accounts of the Bank in 1 January - 31 December 2020 accounting period is out of keeping with the provisions of Turkish Commercial Code and with the Articles of Incorporation of the Bank, as per the fourth paragraph of 402nd Article of 6102 numbered Turkish Commercial Code.

The Executive Board has made the explanations and submitted the documents required in scope of the auditing, as per the fourth paragraph of 402nd Article of Turkish Commercial Code

Ankara, 01 April 2021 / 2021-31

**REHBER INDEPENDENT AUDIT AND
CHARTERED ACCOUNTANTS INC.**

ADIL ÖNER, Sworn-in CPA
Cap Auditor

**THE UNCONSOLIDATED FINANCIAL REPORT OF
BANK MELLAT, HEAD OFFICE: TAHRAN-IRAN İSTANBUL TURKEY MAIN,
ANKARA AND İZMİR BRANCHES AS OF 31 DECEMBER 2020**

Headquarter's Address : Taleghani Avenue. No: 276 Tahran – Iran
Turkey Main Branch Address : Büyükdere Cd. No:134 34330 1.Levent-Istanbul/Turkey
Telephone : 0850 288 63 63
Fax : (0212) 284 62 14
Website : www.mellatbank.com
E-mail address : mellat@mellatbank.com

The year end unconsolidated financial report designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE BRANCH AND HEAD OF BRANCH
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BRANCH
- CONSOLIDATED FINANCIAL STATEMENTS OF HEAD OF BRANCH
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BRANCH
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in **thousands of Turkish Lira**, in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been independently audited and presented as attached.



Bahman Eskandari
Chairman of the Board of
Managers



Aziz Akhondi Asl
Member of the Board of
Managers



MohammadHossein Abbasi
General Manager and Member of
the Board of Managers



Ahmad Jamehdor
Deputy General Manager and
Member of the Board of Managers



Abdulkadir Alper Ekşinar
Member of the Board of Manager
and Internal Systems Executive

Information related to responsible personnel for the questions can be raised about financial statements:

Name-Surname / Title : Nedim Karakuş / Senior Assistant Specialist
Phone No : 0850 288 63 63
Fax No : (0212) 284 62 14

SECTION ONE

General Information

I.	History of the Branch, including its establishment date, initial legal status and amendments to legal status, if any	1
II.	Explanation about the Branch's shareholding structure, shareholders who individually or jointly have power to control the management and audit directly or indirectly, changes regarding these subjects during the year, if any, and information about the controlling group of the Branch	1
III.	Explanation about the Branch's chairman and members of the board of managers, members of the audit committee, president and executive vice presidents, any changes, and the information about the Branch shares they hold	1
IV.	Information on shareholders having qualified shares	2
V.	Brief information on the Branch's services and areas of operation	2
VI.	Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods	3
VII.	Current or likely, actual or legal barriers to immediate transfer of equity or repayment of debts between Branch and its subsidiaries	3

SECTION TWO

Unconsolidated Financial Statements

I.	Balance sheet (Financial Position Statement)	4-5
II.	Statement of off balance sheet commitments	6
III.	Statement of profit or loss	7
IV.	Statement of profit or loss and other comprehensive income	8
V.	Statement of changes in equity	9-10
VI.	Statement of cash flows	11
VII.	Statement of profit appropriation	12
VIII.	Consolidated financial statements of the Branch's Headquarters	13

SECTION THREE

Explanations On Accounting Policies

I.	Explanations on the basis of presentation	14
II.	Explanations on strategy of using financial instruments and explanations on foreign currency transactions	14-15
III.	Explanations on investments in associates and subsidiaries	15
IV.	Explanations on forward transactions, options and derivative instruments	15
V.	Explanations on interest income and expense	15
VI.	Explanations on fee and commission income and expenses	16
VII.	Explanations on financial assets	16-17
VIII.	Explanations on impairment on financial assets	18
IX.	Explanations on offsetting financial instruments	18
X.	Explanations on sales and repurchase agreements and securities lending transactions	18
XI.	Explanations on assets held for resale and related to discontinued operations and explanations on liabilities related with these assets	18
XII.	Explanations on goodwill and other intangible assets	19
XIII.	Explanations on tangible fixed assets	19
XIV.	Explanations on leasing transactions	20
XV.	Explanations on provisions and contingent commitments	20
XVI.	Explanations on obligations related to the employee rights	20-21
XVII.	Explanations on taxation	21-22
XVIII.	Explanations on borrowings	22
XIX.	Explanations on issuance of share certificates	22
XX.	Explanations on acceptances and availed drafts	22
XXI.	Explanations on government grants	22
XXII.	Explanations on profit reserves and profit appropriation	22
XXIII.	Explanations on earnings per share	23
XXIV.	Explanations on related parties	23
XXV.	Explanations on cash and cash equivalent	23
XXVI.	Explanations on segment reporting	24-25
XXVII.	Reclassifications	25
XXVIII.	Other matters	25

SECTION FOUR

Information Related To Financial Structure and Risk Management Of The Branch

I.	Explanations on shareholders' equity	26-33
II.	Explanations on credit risk	34-42
III.	Explanations on currency risk	43-44
IV.	Explanations on interest rate risk	45-48
V.	Explanations on position risk of equity securities in banking book	49
VI.	Explanations on liquidity risk	50-55
VII.	Explanations on leverage ratio	56
VIII.	Explanations on fair values of financial assets and liabilities	56-57
IX.	Explanations on the activities carried out on behalf and account of other persons	57
X.	Explanations on risk management	58-72

SECTION FIVE

Explanatory Disclosures and Footnotes on Unconsolidated Financial Statements

I.	Explanations and notes related to assets	73-82
II.	Explanations and notes related to liabilities	83-88
III.	Explanations and notes related to off balance sheet accounts	89-91
IV.	Explanations and notes related to income statement	92-96
V.	Explanations and notes related to changes in shareholders' equity	97
VI.	Explanations and notes related to statement of cash flows	98
VII.	Explanations and notes related to the Branch's risk group	99-100
VIII.	Explanations related to the domestic, foreign, off-shore branches and foreign representatives of the Branch	100
IX.	Explanations and notes related to subsequent events	100

SECTION SIX

Other explanations and disclosures

I.	Other explanations on the Branch's operations	101
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SECTION SEVEN

Explanations on Independent Auditor's Report

I.	Explanations on independent auditor's report	102
II.	Explanations and notes prepared by independent auditor	102

**BANK MELLAT, HEAD OFFICE: TAHRAN-IRAN İSTANBUL TURKEY MAIN,
ANKARA AND İZMİR BRANCHES**

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

SECTION ONE

GENERAL INFORMATION

I. HISTORY OF THE BRANCH, INCLUDING ITS ESTABLISHMENT DATE, INITIAL LEGAL STATUS AND AMENDMENTS TO LEGAL STATUS, IF ANY:

Bank Mellat, Head Office: Tahrán-Iran İstanbul Turkey Main, Ankara and İzmir Branches ("the Branch"), which is based in Tahrán, Iran, established its branches in İstanbul, Ankara and İzmir on 18 August 1981, 23 February 1984 and 16 January 1992, respectively. The branches are registered under the scope of Foreign Capital Encouragement Law No. 6224, which permits the transfer of distributable profits to the Headquarter. The branches started operations after getting the approval from the Treasury Undersecretariat in April 1982, May 1985 and October 1992, respectively.

II. EXPLANATION ABOUT THE BRANCH'S SHAREHOLDING STRUCTURE, SHAREHOLDERS WHO INDIVIDUALLY OR JOINTLY HAVE POWER TO CONTROL THE MANAGEMENT AND AUDIT DIRECTLY OR INDIRECTLY, CHANGES REGARDING THESE SUBJECTS DURING THE YEAR, IF ANY, AND INFORMATION ABOUT THE CONTROLLING GROUP OF THE BRANCH:

The shareholding structure of the main shareholder of the Branch – Bank Mellat Tahrán, Iran, is as follows:

Shareholders	31 December 2020 Share Percentage (%) ^(*)	31 December 2019 Share Percentage (%) ^(**)
State-Edalet Share Investments(ESC)	11,20	30,00
State of Islamic Republic of Iran	11,16	17,00
Bank Mellat's Staff Future Security Fund	6,45	6,45
First Financial Intermediation Investment Fund	5,67	-
Fanavaran Petrochemical Company	4,47	-
Mellat Financial Group Company	4,30	3,14
Saba Tamin Insurance Company	3,91	-
Mellat Market Investment Fund(BFM)	3,70	6,23
Social Security Institution of Iran	-	3,81
Other Shares Quoted on Stock Exchange	49,14	33,37
Total	100,00	100,00

^(*) Shareholding structure as of 31 December 2020, announced by the Bank Mellat General Directorate of Financial Affairs, Stock Exchange and Shareholders of Iran.

^(**) Shareholding structure as of 31 December 2019, announced by the Bank Mellat General Directorate of Financial Affairs, Stock Exchange and Shareholders of Iran.

III. EXPLANATION ABOUT THE BRANCH'S CHAIRMAN AND MEMBERS OF THE BOARD OF MANAGERS, MEMBERS OF THE AUDIT COMMITTEE, PRESIDENT AND EXECUTIVE VICE PRESIDENTS, ANY CHANGES, AND THE INFORMATION ABOUT THE BRANCH SHARES THEY HOLD

Title	Name	Responsibility	Education
Chairman of the Board of Managers:	Bahman Eskandari	Chairman	Undergraduate
Members of the Board of Managers:	Aziz Akhondi Asl	Member	Undergraduate
	Mohammadhossein Abbasi	General Manager	Postgraduate
	Ahmad Jamehdor	Member	Undergraduate
Deputy General Manager / Vice General Managers	Abdulkadir Alper Ekşinar	Member Responsible For Internal Systems	Undergraduate
	Ahmad Jamehdor	Financial Controlling, Treasury, Accounting, Human Resources, Information Systems, Administrative and Operations Assistant Responsible General Manager	Undergraduate
	Mostafa Sharafi	Assistant General Manager Responsible for Current Accounts	Undergraduate

The individuals mentioned above do not possess any share of the Bank.



**BANK MELLAT, HEAD OFFICE: TAHRAN-IRAN İSTANBUL TURKEY MAIN,
ANKARA AND İZMİR BRANCHES**

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

GENERAL INFORMATION (Countinued)

IV. INFORMATION ON SHAREHOLDERS HAVING QUALIFIED SHARES

Explanations of shareholders and entities that have share in the capital of Bank Mellat Tahrn Iran, which has all of the capital of the company;

Name/Commercial Title	31 December 2020			
	Share amounts	Share percentage	Paid-in capital	Unpaid portion
State-Edalet Share Investments(ESC)	22.000	%11,20	22.000	-
State of Islamic Republic of Iran	22.000	%11,16	22.000	-
Name/Commercial Title	31 December 2019			
	Share amounts	Share percentage	Paid-in capital	Unpaid portion
Justice share recipients (provincial investors)	60.000	%30,00	60.000	-
Islamic Republic of Iran	34.000	%17,00	34.000	-

V. BRIEF INFORMATION ON THE BRANCH'S SERVICES AND AREAS OF OPERATION

The Branch operates in banking services and its core business activity is financing the commercial activities between The Republic of Turkey and Islamic Republic of Iran.

On 17 October 2018, it was announced by Foreign Assets Control Office ("OFAC"), operating under US Treasury Department, that some Iran-based financial and industrial institutions, including Bank Mellat, the main shareholder of the Branch, were included in the list of secondary sanctions. In addition, after the US announced sanctions, SWIFT, headquartered in Belgium, announced that some Iranian banks on the sanctions list would be suspended for access to the system. Access of the Branch to SWIFT has been cancelled.

Following the inclusion of the Branch in the secondary sanctions list, the Branch was removed from the Branch EFT system by the CBRT and the Branch accounts at the CBRT were closed except for the required reserves. Likewise, the closure of the placements of the Branch, which is located in domestic public banks and some domestic private banks, was requested by the relevant banks and the funds in question were largely withdrawn. The branch cannot enter treasury auctions and cannot evaluate the cash it holds as placements in other banks. Therefore, there is a significant decrease in the interest and commission income of the Branch. Branches in subsequent periods if needed although not foresee a problem relating to capital adequacy and liquidity ratios Branch sources in Iran Headquarters Turkey / capital is thought to be provided. No difficulty is envisaged to meet the current obligations of the Branch.

In the upcoming period, developments will be followed and alternative opportunities will continue to be explored, and efforts have been initiated to focus on other financial banking products that will have different operating income. Liquid allocations were made for growth purposes in loans.

The balance sheet amount of the Branch as of 31 December 2020 is TL 1.236.935, the balance sheet amount of 30 September 2020 is TL 1.194.085, the balance sheet amount of 30 June 2020 is TL 1.021.878, the balance sheet amount of 31 March 2020 is TL 1.002.235 and as of 31 December 2019 was realized as TL 1.023.390.

Capital adequacy ratio of the Branch was calculated as 84,29% as of December 31, 2020, 86,85% as of September 30, 2020, 89,08% as of June 2020, 89,78% as of March 2020, 90,86% as of December 31, 2019.

As of 31 December 2020, the Branch has 45 employees (31 December 2019: 49 employees).

Unless otherwise specified, the information in the financial statements and the related explanations and footnotes has been prepared in Thousand Turkish Lira.



**BANK MELLAT, HEAD OFFICE: TAHRAN-IRAN İSTANBUL TURKEY MAIN,
ANKARA AND İZMİR BRANCHES**

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

GENERAL INFORMATION (Continued)

- VI. DIFFERENCES BETWEEN THE COMMUNIQUE ON PREPARATION OF FINANCIAL STATEMENTS OF BANKS AND TURKISH ACCOUNTING STANDARDS AND SHORT EXPLANATION ABOUT THE ENTITIES SUBJECT TO FULL CONSOLIDATION OR PROPORTIONAL CONSOLIDATION AND ENTITIES WHICH ARE DEDUCTED FROM EQUITY OR ENTITIES WHICH ARE NOT INCLUDED IN THESE THREE METHODS**

The Branch does not have investments in subsidiaries and associates subject to consolidation.

- VII. CURRENT OR LIKELY, ACTUAL OR LEGAL BARRIERS TO IMMEDIATE TRANSFER OF EQUITY OR REPAYMENT OF DEBTS BETWEEN BRANCH AND ITS SUBSIDIARIES**

None.



**BANK MELLAT, HEAD OFFICE: TAHRAN-IRAN İSTANBUL TURKEY MAIN,
ANKARA AND İZMİR BRANCHES**

**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS
AS OF 31 DECEMBER 2019**

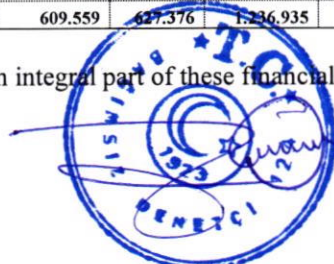
Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").

**SECTION TWO
UNCONSOLIDATED FINANCIAL STATEMENTS**

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

	Note (Section Five)	Audited			Audited		
		Current Period			Previous Period		
		31 December 2020			31 December 2019		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. FINANCIAL ASSETS (Net)		545.723	533.699	1.079.422	563.184	374.252	937.436
1.1 Cash and Cash Equivalents		545.334	533.699	1.079.033	562.770	374.252	937.022
1.1.1 Cash Assets and Central Bank	(I-a)	186.778	446.329	633.107	195.383	284.936	480.319
1.1.2 Banks	(I-c)	358.556	87.370	445.926	367.387	89.316	456.703
1.1.3 Receivables from Money Markets		-	-	-	-	-	-
1.2 Financial Assets at Fair Value Through Profit or Loss	(I-b)	389	-	389	414	-	414
1.2.1 Government Debt Securities		-	-	-	-	-	-
1.2.2 Equity Instruments		389	-	389	414	-	414
1.2.3 Other Financial Assets		-	-	-	-	-	-
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-d)	-	-	-	-	-	-
1.3.1 Government Debt Securities		-	-	-	-	-	-
1.3.2 Equity Instruments		-	-	-	-	-	-
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets		-	-	-	-	-	-
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		-	-	-	-	-	-
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	I-k)	-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		50.703	93.522	144.225	5.039	68.357	73.396
2.1 Loans	(I-e)	48.016	93.522	141.538	905	68.357	69.262
2.2 Lease Receivables	(I-j)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Loans Measured at Amortised Cost	(I-f)	-	-	-	-	-	-
2.4.1 Government Debt Securities		-	-	-	-	-	-
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Non-Performing Loans		8.082	-	8.082	8.316	-	8.316
2.6 Specific Provisions (-)		(5.395)	-	(5.395)	(4.182)	-	(4.182)
III. NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)	(I-p)	-	-	-	-	-	-
3.1 Held for Sale Purposes		-	-	-	-	-	-
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		-	-	-	-	-	-
4.1 Investments in Associates (Net)	(I-g)	-	-	-	-	-	-
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Investment in Subsidiaries (Net)	(I-h)	-	-	-	-	-	-
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)	(I-i)	-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. PROPERTY AND EQUIPMENT (Net)	(I-l)	10.819	-	10.819	11.011	-	11.011
VI. INTANGIBLE ASSETS (Net)	(I-m)	193	-	193	191	-	191
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		193	-	193	191	-	191
VII. INVESTMENT PROPERTY (Net)	(I-n)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	(I-o)	1.014	-	1.014	916	-	916
X. OTHER ASSETS	(I-r)	1.107	155	1.262	324	116	440
TOTAL ASSETS		609.559	627.376	1.236.935	580.665	442.725	1.023.390

The accompanying explanations and notes form an integral part of these financial statements



**BANK MELLAT, HEAD OFFICE: TAHRAN-IRAN İSTANBUL TURKEY MAIN,
ANKARA AND İZMİR BRANCHES**

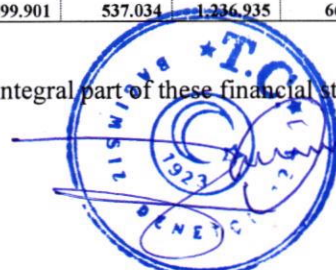
**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS
AS OF 31 DECEMBER 2019**

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

	Note (Section Five)	Audited			Audited		
		Current Period			Previous Period		
		31 December 2020			31 December 2019		
LIABILITIES		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	197.258	532.679	729.937	197.781	351.716	549.497
II. FUNDS BORROWED	(II-c)	-	-	-	-	-	-
III. MONEY MARKETS		-	-	-	-	-	-
IV. SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(II-b)	-	-	-	-	-	-
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	-	-	-	-	-
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(II-f)	-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES	(II-e)	-	-	-	-	-	-
X. PROVISIONS	(II-g)	8.828	2.460	11.288	7.289	2.154	9.443
10.1 General Loan Loss Provision		4.481	2.144	6.625	3.530	1.901	5.431
10.2 Provision for Restructuring		-	-	-	-	-	-
10.3 Reserves for Employee Benefits		4.319	-	4.319	3.731	-	3.731
10.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
10.5 Other Provisions		28	316	344	28	253	281
XI. CURRENT TAX LIABILITY	(II-h)	1.793	-	1.793	3.183	-	3.183
XII. DEFERRED TAX LIABILITY	(II-h)	-	-	-	-	-	-
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS"(Net)	(II-i)	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	(II-j)	-	-	-	-	-	-
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	(II-d)	2.458	1.895	4.353	2.101	328	2.429
XVI. SHAREHOLDERS' EQUITY	(II-k)	489.564	-	489.564	458.838	-	458.838
16.1 Paid-in capital		200.000	-	200.000	200.000	-	200.000
16.2 Capital Reserves		-	-	-	-	-	-
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		54	-	54	(103)	-	(103)
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		-	-	-	-	-	-
16.5 Profit Reserves		916	-	916	855	-	855
16.5.1 Legal Reserves		-	-	-	-	-	-
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		916	-	916	855	-	855
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or (Loss)		288.594	-	288.594	258.086	-	258.086
16.6.1 Prior Years' Income or (Loss)		258.025	-	258.025	223.379	-	223.379
16.6.2 Current Year Income or (Loss)		30.569	-	30.569	34.707	-	34.707
16.7 Minority Interests		-	-	-	-	-	-
TOTAL LIABILITIES		699.901	537.034	1.236.935	669.192	354.198	1.023.390

The accompanying explanations and notes form an integral part of these financial statements.



**BANK MELLAT, HEAD OFFICE: TAHRAN-IRAN İSTANBUL TURKEY MAIN,
ANKARA AND İZMİR BRANCHES**

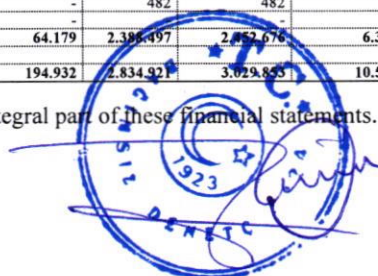
**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS
AS OF 31 DECEMBER 2019**

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

II. OFF-BALANCE SHEET COMMITMENTS

	Note (Section Five)	Audited			Audited		
		Current Period			Previous Period		
		31 December 2020			31 December 2019		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		514	4.671	5.185	149	1.049	1.198
I. GUARANTEES AND WARRANTIES	(III-a-2,3)	510	4.671	5.181	125	1.049	1.174
1.1. Letters of Guarantee		510	3.881	4.391	125	416	125
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		-	-	-	-	-	-
1.2. Bank Acceptances		510	3.881	4.391	125	416	541
1.2.1. Import Letter of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	790	790	-	633	633
1.3.1. Documentary Letters of Credit		-	790	790	-	633	633
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	-	-	-	-	-
1.9. Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	(III-a-1)	4	-	4	24	-	24
2.1. Irrevocable Commitments		4	-	4	24	-	24
2.1.1. Forward Asset Purchase Commitments		-	-	-	-	-	-
2.1.2. Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		-	-	-	-	-	-
2.1.5. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheques		4	-	4	24	-	24
2.1.8. Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10. Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		-	-	-	-	-	-
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(III-b)	-	-	-	-	-	-
3.1. Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1. Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2. Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2. Trading Transactions		-	-	-	-	-	-
3.2.1. Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1. Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.1.2. Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates		-	-	-	-	-	-
3.2.2.1. Foreign Currency Swap-Buy		-	-	-	-	-	-
3.2.2.2. Foreign Currency Swap-Sell		-	-	-	-	-	-
3.2.2.3. Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4. Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3. Foreign Currency, Interest Rate and Securities Options		-	-	-	-	-	-
3.2.3.1. Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2. Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3. Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5. Securities Options-Buy		-	-	-	-	-	-
3.2.3.6. Securities Options-Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1. Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2. Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		194.418	2.830.250	3.024.668	10.416	2.071.300	2.081.716
IV. ITEMS HELD IN CUSTODY		-	26	26	-	1.685	1.685
4.1. Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		-	-	-	-	-	-
4.3. Checks Received for Collection		-	26	26	-	1.685	1.685
4.4. Commercial Notes Received for Collection		-	-	-	-	-	-
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		-	-	-	-	-	-
4.8. Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		130.239	441.727	571.966	4.103	324.145	328.248
5.1. Marketable Securities		-	-	-	-	-	-
5.2. Guarantee Notes		94.792	131.370	226.162	2.471	96.026	98.497
5.3. Commodity		-	-	-	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Immovable		35.447	309.875	345.322	1.632	227.733	229.365
5.6. Other Pledged Items		-	482	482	-	386	386
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		64.179	2.388.497	2.452.676	6.313	1.745.470	1.751.783
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		194.932	2.834.921	3.029.855	10.565	2.072.349	2.082.914

The accompanying explanations and notes form an integral part of these financial statements.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

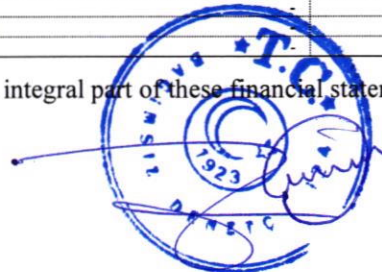
**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
KAR VEYA ZARAR TABLOSU**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

III. STATEMENT OF PROFIT OR LOSS

		Note	Audited Current Period 31 December 2020	Audited Previous Period 31 December 2019
	INCOME AND EXPENSE ITEMS	(Section Five)		
I.	INTEREST INCOME	(IV-a)	28.121	46.609
1.1	Interest on Loans	(IV-a-1)	6.925	2.295
1.2	Interest Received from Reserve Requirements		5.426	7.052
1.3	Interest Received from Banks	(IV-a-2)	15.397	16.949
1.4	Interest Received from Money Market Transactions		-	-
1.5	Interest Received from Marketable Securities Portfolio	(IV-a-3)	-	18.739
1.5.1	Financial Assets at Fair Value through Profit or (Loss)		-	-
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		-	18.739
1.5.3	Financial Assets at Measured at Amortised Cost		-	-
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		373	1.574
II.	INTEREST EXPENSE	(IV-b)	(389)	(832)
2.1	Interest on Deposits	(IV-b-3)	(3)	(3)
2.2	Interest on Funds Borrowed	(IV-b-1)	-	-
2.3	Interest Expense on Money Market Transactions		-	-
2.4	Interest on Securities Issued		-	-
2.5	Leasing Interest Expenses		-	-
2.6	Other Interest Expenses		(386)	(829)
III.	NET INTEREST INCOME (I + II)		27.732	45.777
IV.	NET FEES AND COMMISSIONS INCOME		4.579	10.469
4.1	Fees and Commissions Received		4.583	10.473
4.1.1	Non-Cash Loans		384	1.128
4.1.2	Other		4.199	9.345
4.2	Fees and Commissions Paid		(4)	(4)
4.2.1	Non-Cash Loans		-	-
4.2.2	Other		(4)	(4)
V.	DIVIDEND INCOME	(IV-c)	-	-
VI.	TRADING INCOME/(LOSS) (Net)	(IV-d)	25.774	8.589
6.1	Trading Gains / (Losses) on Securities		-	-
6.2	Trading Gains/(Losses) on Derivative Financial Instruments		-	-
6.3	Foreign Exchange Gains / (Losses)		25.774	8.589
VII.	OTHER OPERATING INCOME	(IV-e)	647	2.022
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII+VIII)		58.732	66.857
IX.	PROVISION FOR LOAN LOSSES (-)	(IV-f)	(2.307)	(4.727)
X.	PERSONNEL EXPENSES (-)		(11.150)	(10.311)
XI.	OTHER OPERATING EXPENSES (-)	(IV-g)	(5.917)	(6.174)
XII.	NET OPERATING INCOME/(LOSS) (IX-X-XI)		39.358	45.645
XIII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XIV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XV.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XVI.	INCOME/EXPENSE BEFORE TAXES FROM CONTINUING OPERATIONS (XII+...+XV)		39.358	45.645
XVII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(IV-i)	(8.789)	(10.938)
17.1	Current Tax Provision		(8.926)	(11.017)
17.2	Deferred Tax Income Effect (+)		(123)	(101)
17.3	Deferred Tax Expense Effect (-)		260	180
XVIII.	NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XVI±XVII)		30.569	34.707
XIX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
19.1	Income from Non-Current Assets Held for Resale		-	-
19.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures (Business Partners)		-	-
19.3	Income on other discontinued operations		-	-
XX.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
20.1	Loss from assets held for sale		-	-
20.2	Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-
20.3	Loss from other discontinued operations		-	-
XXI.	PROFIT /LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXII.	PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)		-	-
22.1	Current Tax Provision		-	-
22.2	Deferred Tax Income Effect (+)		-	-
22.3	Deferred Tax Provision (-)		-	-
XXIII.	NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIV.	NET PROFIT/LOSSES (XVII+XXII)	(IV-j)	30.569	34.707
24.1	Profit / Loss of Group		-	-
24.2	Profit / Loss of Minority Share(-)		-	-
	Earnings/(Loss) per share		-	-

The accompanying explanations and notes form an integral part of these financial statements.



**BANK MELLAT, HEAD OFFICE: TAHRAN-IRAN İSTANBUL TURKEY MAIN,
ANKARA AND İZMİR BRANCHES**

**UNCONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Audited Current Period 31 December 2020	Audited Previous Period 31 December 2019
I.	CURRENT PERIOD INCOME/LOSS	30.569	34.707
II.	OTHER COMPREHENSIVE INCOME	156	2.008
2.1	Not Reclassified Through Profit or Loss	156	203
2.1.1	Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	156	203
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.2	Reclassified Through Profit or Loss	-	1.805
2.2.1	Foreign Currency Translation Differences	-	-
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	-	1.805
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
III.	TOTAL COMPREHENSIVE INCOME (I+II)	30.725	36.715

The accompanying explanations and notes form an integral part of these financial statements.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN ÖZKAYNAK DEĞİŞİM TABLOSU
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	CHANGES IN SHAREHOLDERS EQUITY	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Year Profit / (Loss)	Net profit Profit/ (Loss)	Total Equity	
						1	2	3	4	5	6					
	Audited															
	Current Year															
	31 December 2020															
I.	Prior Period End Balance	200.000	-	-	-	-	(103)	-	-	-	-	855	223.379	34.707	458.838	
II.	Corrections According to Turkish Accounting Standard No.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1	Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	Adjusted Beginning Balance (I+II)	200.000	-	-	-	-	(103)	-	-	-	-	855	223.379	34.707	458.838	
IV.	Total Comprehensive Income	-	-	-	-	-	156	-	-	-	-	-	-	30.569	30.725	
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Increase/Decrease by Other Changes	-	-	-	-	-	1	-	-	-	-	-	-	-	1	
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	61	34.646	(34.707)	-	
11.1	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	61	34.646	(34.707)	-	
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Period End Balance (III+IV+.....+X+XI)	200.000	-	-	-	-	54	-	-	-	-	916	258.025	30.569	489.564	

1. Increase/Decrease of Accumulated Revaluation Reserve on Tangible,
2. Accumulated Gains/Losses on Remeasurement of Defined Benefit Plans,
3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted with Equity Method That Will Not Be Reclassified at Profit and Loss and Other Accumulated Amounts of Other Comprehensive Income Items That Will Not Be Reclassified at Profit or Loss,
4. Exchange Differences on Translation Reserve,
5. Accumulated Revaluation and/or Classification Gains / (Losses) of Financial Assets at Fair Value through Other Comprehensive Income,
6. Other (Cash Flow Hedge Gains/Losses, Other Comprehensive Income of Associates and Joint Ventures Accounted with Equity Method That Will Be Reclassified at Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items That Will Be Reclassified at Profit or Loss).

The accompanying explanations and notes form an integral part of these financial statements.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN ÖZKAYNAK DEĞİŞİM TABLOSU

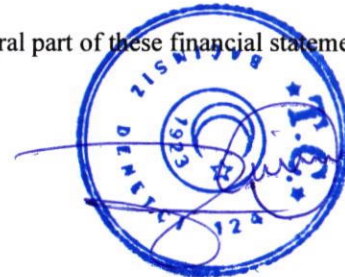
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası (“TL”) olarak ifade edilmiştir.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

	ÖZKAYNAK KALEMLERİNDEKİ DEĞİŞİKLİKLER	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Year Profit / (Loss)	Net profit Profit/ (Loss)	Total Equity	
						1	2	3	4	5	6					
	Audited															
	Current Year															
	31 December 2019															
I.	Prior Period End Balance	200.000	-	-	-	-	(306)	-	-	(1.805)	-	662	92.621	130.951	422.123	
II.	Corrections According to Turkish Accounting Standard No.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1	Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	Adjusted Beginning Balance (I+II)	200.000	-	-	-	-	(306)	-	-	(1.805)	-	662	92.621	130.951	422.123	
IV.	Total Comprehensive Income	-	-	-	-	-	203	-	-	1.805	-	-	-	34.707	36.715	
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	193	130.758	(130.951)	-		
11.1	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-		
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	193	130.758	(130.951)	-		
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Period End Balance (III+IV+.....+X+XI)	200.000	-	-	-	-	(103)	-	-	-	855	223.379	34.707	458.838		

1. Increase/Decrease of Accumulated Revaluation Reserve on Tangible,
2. Accumulated Gains/Losses on Remeasurement of Defined Benefit Plans,
3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted with Equity Method That Will Not Be Reclassified at Profit and Loss and Other Accumulated Amounts of Other Comprehensive Income Items That Will Not Be Reclassified at Profit or Loss,
4. Exchange Differences on Translation Reserve,
5. Accumulated Revaluation and/or Classification Gains / (Losses) of Financial Assets at Fair Value through Other Comprehensive Income,
6. Other (Cash Flow Hedge Gains/Losses, Other Comprehensive Income of Associates and Joint Ventures Accounted with Equity Method That Will Be Reclassified at Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items That Will Be Reclassified at Profit or Loss)

The accompanying explanations and notes form an integral part of these financial statements



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
ŞUBE'NİN MERKEZİNİN KONSOLİDE FİNANSAL TABLOLARI**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

VI. STATEMENT OF CASH FLOW

			Audited Current Period	Audited Previous Period
		Notes (Section Five)	31 December 2020	31 December 2019
A.	CASH FLOWS FROM BANKING OPERATIONS			
I.1	Operating Profit Before Changes in Operating Assets and Liabilities		11.953	46.769
1.1.1	Interest Received		17.604	63.937
1.1.2	Interest Paid		(389)	(832)
1.1.3	Dividend Received		-	-
1.1.4	Fees and Commissions Received		4.583	10.473
1.1.5	Other Income		75	74
1.1.6	Collections From Previously Written-Off Loans and Other Receivables		234	137
1.1.7	Cash Payments to Personnel and Service Suppliers		(11.150)	(10.311)
1.1.8	Taxes paid		(11.258)	(17.244)
1.1.9	Other		12.254	535
I.2	Changes in Operating Assets and Liabilities Subject to Banking Operations		(112.052)	(66.737)
1.2.1	Net (Increase)/Decrease in Financial Assets at Fair Value Through Profit or Loss		25	78
1.2.2	Net (Increase)/Decrease in Due From Banks		-	-
1.2.3	Net (Increase)/Decrease in Loans		(69.867)	(65.866)
1.2.4	Net (Increase)/Decrease in other assets		(746)	2.169
1.2.5	Net Increase/(Decrease) in Bank Deposits		266.703	(72.045)
1.2.6	Net Increase/(Decrease) in Other Deposits		(86.263)	72.690
1.2.7	Net Increase/(Decrease) in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8	Net Increase/(Decrease) in Funds Borrowed		-	-
1.2.9	Net Increase/(Decrease) in Matured Payables		-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities		2.200	(3.763)
I.	Net cash provided from banking operations		124.005	(19.968)
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net Cash Provided From Investing Activities		190	229.386
2.1	Cash Paid for the Purchase of Associates, Subsidiaries and Joint Ventures		-	-
2.2	Cash Obtained from the Sale of Associates, Subsidiaries and Joint Ventures		-	-
2.3	Cash Paid for the Purchase of Tangible and Intangible Asset		(347)	(3.075)
2.4	Cash Obtained from the Sale of Tangible and Intangible Asset		537	731
2.5	Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		-	(25.412)
2.6	Cash Obtained from the Sale of Financial Assets at Fair Value Through Other Comprehensive Income		-	257.142
2.7	Cash Paid for Purchase of Financial Assets at Amortised Cost		-	-
2.8	Cash Obtained From Sale of Financial Assets at Amortised Cost		-	-
2.9	Other		-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities		-	-
3.1	Cash Obtained From Funds Borrowed and Securities Issued		-	-
3.2	Cash Outflow From Funds Borrowed and Securities Issued		-	-
3.3	Equity Instruments Issued		-	-
3.4	Dividends Paid		-	-
3.5	Payments for Finance Lease Liabilities		-	-
3.6	Other		-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		8.495	3.474
V.	Net increase in cash and cash equivalents	(V-a)	132.690	212.892
VI.	Cash and cash equivalents at beginning of the period		936.779	723.887
VII.	Cash and cash equivalents at end of the period		1.069.469	936.779

The accompanying explanations and notes form an integral part of these financial statements.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
ŞUBE'NİN MERKEZİNİN KONSOLİDE FİNANSAL TABLOLARI**

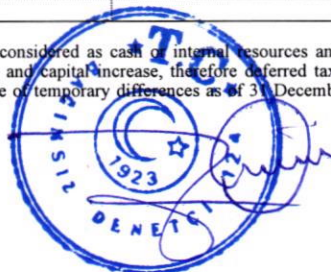
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

VII. PROFIT DISTRIBUTION TABLE

		(*) CURRENT PERIOD (01/01/2020 - 31/12/2020)	PRIOR PERIOD (01/01/2019 - 31/12/2019)
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	Current Year Income	39.358	45.645
1.2	Taxes And Duties Payable (-)	(8.789)	(10.938)
1.2.1	Corporate Tax (Income tax)	(8.926)	(11.017)
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties (**)	137	79
A.	NET INCOME FOR THE YEAR (1.1-1.2)	30.569	34.707
1.3	Prior Year Losses (-)	-	-
1.4	First Legal Reserves (-)	-	-
1.5	Other Statutory Reserves (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A+(1.3+1.4+1.5))]	30.569	34.707
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 (Preemptive 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 (Preemptive 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	Extraordinary Reserves	-	-
1.13	Other Reserves	-	-
1.14	Special Funds	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	Distributed Reserves	-	-
2.2	Second Legal Reserves (-)	-	-
2.3	Dividends To Shareholders (-)	-	-
2.3.1	To Owners Of Ordinary Shares	-	-
2.3.2	To Owners Of Preferred Shares	-	-
2.3.3	To Owners Of Preferred Shares	-	-
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 (-)	-	-
III.	EARNINGS PER SHARE		
3.1	To Owners Of Ordinary Shares	-	-
3.2	To Owners Of Ordinary Shares (%)	-	-
3.3	To Owners Of Preferred Shares	-	-
3.4	To Owners Of Preferred Shares (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	To Owners Of Ordinary Shares	-	-
4.2	To Owners Of Ordinary Shares (%)	-	-
4.3	To Owners Of Preferred Shares	-	-
4.4	To Owners Of Preferred Shares (%)	-	-

(*) As at date of these financial statements, profit distribution has not yet been determined.

(**) Since it is considered that the income amounts related to deferred tax assets will not be considered as cash or internal resources and therefore the portion of the profit attributable to the subject matter of the period should not be subject to profit distribution and capital increase, therefore deferred tax assets will not be subject to profit distribution. The Branch calculated net deferred tax income of TL 137 due to the occurrence of temporary differences as of 31 December 2020 (31 December 2019: TL 79 deferred tax expense).



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
ŞUBE'NİN MERKEZİNİN KONSOLİDE FİNANSAL TABLOLARI**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

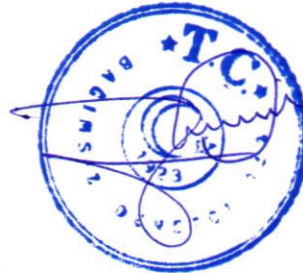
VIII. CONSOLIDATED FINANCIAL STATEMENTS OF THE BRANCH'S HEADQUARTER

As of 20 March 2020, the financial statements issued by the Headquarters of the Branch is presented below.

BANK MELLAT (IRAN) CONSOLIDATED COMPARATIVE BALANCE SHEET (THOUSANDS OF USD)		
	CURRENT PERIOD (*) (20 March 2020)	PRIOR PERIOD (**) (20 March 2019)
Cash and cash equivalents	5.167.196	3.673.051
Central bank	3.816.982	2.958.948
Other assets	98.796.799	76.127.018
Total Assets	107.780.977	82.759.017
Deposits	29.183.187	21.668.962
Other liabilities	68.835.547	56.313.426
Shareholders' equity	9.762.243	4.776.629
Total Liabilities	107.780.977	82.759.017
BANK MELLAT (IRAN) CONSOLIDATED COMPARATIVE STATEMENT OF INCOME (THOUSANDS OF USD)		
	CURRENT PERIOD (*) (20 March 2020)	PRIOR PERIOD (**) (20 March 2019)
Interest and investment income	6.020.924	5.066.175
Interest expense on deposits	(3.676.104)	(3.578.278)
Other expenses	(1.834.870)	(1.368.908)
Other income	5.196.903	6.573.782
Total net income	5.706.853	6.692.771
Personnel and operating expenses	(3.531.152)	(3.480.475)
Profit before tax	2.175.701	3.212.296
Taxes payables	(1.095.818)	(113.524)
Net Profit/Loss	1.079.883	3.098.772

(*) The financial statements prepared by the headquarters of the Branch dated 20 March 2020 are presented.

(**) The prior period has been revised



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS ON THE BASIS OF PRESENTATION

The unconsolidated financial statements are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish Financial Reporting Standards ("TFRS") and related appendices and interpretations (referred as "Turkish Accounting Standards" or "TAS") put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA") (all referred as "Reporting Standards"). The Branch maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

In accordance with the "Communiqué amending the Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public by the Banks" published in the Official Gazette dated 1 February 2019 and numbered 30673, the previous period's financial statements were made compatible with the new financial statement formats.

The accounting policies and valuation principles used in the preparation of the financial statements have been determined in accordance with the regulations, communiqués, explanations, and circulars published by the BRSA regarding the accounting and financial reporting principles. Where not arranged, it has been determined according to the principles within the scope of TAS / TFRS (all of which are "BRSA Accounting and Financial Reporting Legislation") put into effect by POA.

The Branch complied with the provisions of TFRS 9 Financial Instruments ("TFRS 9"), which came into force to be effective as of January 1, 2018, on the classification and measurement of financial assets, and is an exception to the impairment provisions. The current period financial statements of the Branch are shown in the format of the financial statements valid for banks that do not apply TFRS 9 as announced by the BRSA.

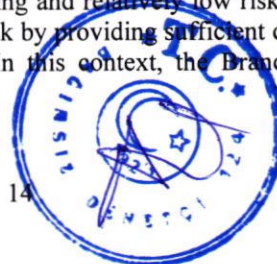
Explanations on TFRS 16 Leasing Transactions

TFRS 16 standard eliminates the bilateral accounting model, which is the current practice for tenants, showing financial leasing transactions on the balance sheet and operational leasing transactions off-balance sheet. Instead, a single balance sheet-based accounting model is introduced, similar to the current lease accounting. Accounting for tenants continues substantially similar to existing practices. TFRS 16 has no impact on the financial statements of the Branch.

II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS

The Branch's operation scope involves all commercial banking operations and business lines described in the banking legislation.

The Branch invests the funds obtained through fixed rate deposits, loans from Head Office and cash guarantees to short-term, high interest bearing and relatively low risk bank placements and credit for banks. The Branch manages the liquidity risk by providing sufficient cash and cash equivalent sources for its current and contingent liabilities. In this context, the Branch aims at ensuring a liquidity structure which matches liabilities due.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

**II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND
FOREIGN CURRENCY TRANSACTIONS (Continued)**

The Branch protects itself from interest rate risk, currency risk and price fluctuations by its investments in short-term placements and provides cash collaterals.

The Branch takes a position according to the currency basket of the Central Bank of the Republic of Turkey ("CBRT") in order to hedge itself against possible foreign exchange risks. The Branch with the change in the currency system to floating currency, limits the total foreign currency position in accordance with the legal limits because of the increasing uncertainties in the changing currency path.

As of 31 December 2020, rates used for conversion of foreign currency balances into Turkish Lira are TL 7,4194 for USD, TL 9,1164 for Euro and TL 0,071805 for Yen.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

As of 31 December 2020 and 31 December 2019, the Branch has no investments in associates and subsidiaries.

**IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE
INSTRUMENTS**

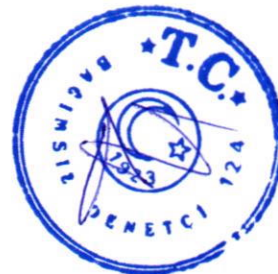
Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values. Derivative instruments are initially recorded at their fair values at the date of occurrence. If the fair value of derivative financial instruments is positive, it is disclosed under the main account "Derivative financial assets at fair value through profit or loss"; and if the fair value difference is negative, it is disclosed under "Derivative financial liabilities at fair value through profit or loss". Fair value changes for derivatives are recorded in the account of "Profit/losses from derivative financial transactions" within the income statement.

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

The Branch has no option contracts or derivative instruments for risk protection. The Branch has no forward transactions, options and derivative instruments.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

Interest income and expenses are recognised in the income statement on an accrual basis using the effective interest method. The Branch, ceases accruing interest income on non-performing loans according to the related regulation.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES

Fees and commission income/expenses are accounted according to the principles of TFRS 15 "Revenue from Contracts with Customers", except for the integral part of the effective interest rate of financial instruments measured at amortized cost.

Income on banking services which are not related to periodic services are recorded as income when they are collected. In order to classify the fees and commissions collected from customers as income on banking services or as other non-interest income, they shouldn't be related with a credit transaction.

All type of fees and commissions collected from customers regarding cash loans are deferred in "commissions on cash loans" account and are recognized as income over the period of the loan by discounting with effective interest rate.

The commissions related with non-cash loans or periodic banking services, are deferred and recorded as income over the period according to the cut-off principle. Credit fee and commission expenses which are paid to other companies and institutions regarding financial liabilities and which create operational costs are discounted by effective interest rate and are recorded as expenses in the relevant period according to the cut-off principle.

VII. EXPLANATIONS ON FINANCIAL ASSETS

The Branch categorizes its financial assets as fair value through profit/loss, fair value through other comprehensive income or measured at amortized cost. Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 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 Branch recognize 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 Branch management and the nature of contractual cash flows of the financial asset are taken into consideration.

a. Financial assets at fair value through profit or loss

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

Marketable securities that are classified as financial assets at fair value through profit or loss are accounted with their fair values.

Accounting policies related to derivative financial instruments at fair value through profit or loss are explained in Section III. Footnote IV.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS 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. Accumulated fair value differences under equity are reflected to the income statement when such securities are collected or disposed.

During initial recognition the Branch can choose in an irrevocable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

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

c. Financial Assets Measured at Amortized Cost

Financial assets measured at amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

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

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 amortised cost using the "Effective Interest Rate (internal rate of return) Method".



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

Within the scope of the authorization granted to the Branch from BRSA numbered 32521522-101.02.02.-E.225 and dated 5 January 2018, the Branch has not applied the provisions regarding the impairment of TFRS 9 effective as of 1 January 2018.

The Branch calculated and accounted allowances for impairment of financial assets in accordance with the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside " published in the Official Gazette No. 29750 dated 22 June 2016 and effective as of 1 January 2018, "General and specific provisions to be allocated to banks that do not apply TFRS 9 ".

IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS

In cases where the fair values of financial assets at fair value through other comprehensive income are less than their recorded values, a provision for impairment is allocated, and the net value is shown on the balance sheet.

The Branch provides specific allowances for loan and other receivables in accordance with "Methods and Principles for the Determination of Loans and other Receivables to be Reserved for and Allocation of Reserves" and offset against overdue loans in the assets.

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

X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS

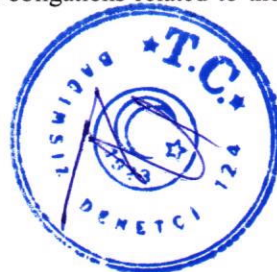
Securities sold under repurchase agreements, are followed in accordance with the Uniform Chart of Accounts according to the purposes of keeping in the Branch portfolio. Funds obtained in return for repo contracts are recorded in liabilities. The expense accrual is calculated according to the "effective interest (internal efficiency) rate method" for the part of the difference between selling and repurchase prices determined by the relevant repo agreements.

Funds given against securities purchased under agreements ("reverse repo") to resell are accounted under "Receivables from Reverse Repurchase Agreements" in 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 Branch has no sales and repurchase agreements and securities lending transactions as of 31 December 2020 and 31 December 2019.

XI. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS AND EXPLANATIONS ON OBLIGATIONS RELATED TO THESE ASSETS

The Branch has no discontinued operations and obligations related to these assets as at the balance sheet date (31 December 2019: None).



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

The Branch has no goodwill as of 31 December 2020 and 31 December 2019.

Intangible assets consist of softwares. The intangible assets are amortized in their useful lives, between 3 years, on a straight-line basis. At the balance sheet date TL 110 of amortization expense (31 December 2019: TL 216).

XIII. EXPLANATIONS ON TANGIBLE FIXED ASSETS

Property and equipment is measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment is carried at cost less accumulated depreciation and impairment, if any.

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

Buildings	50 year
Furniture, fixture and vehicles	5 year

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written-down immediately to its recoverable amount and the impairment for the diminution in value is charged to the income statement.

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

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 over 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 pledges, mortgages or purchase commitments on property and equipment as of 31 December 2020 and 31 December 2019.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS

The branch records the right of use and the lease obligation in financial statements on the date when the leasing actually begins. The right of use asset is initially measured at its cost value and then measures over accumulated depreciation and accumulated impairment losses and corrected according to the reassessment of the lease liability. With the "IFRS 16 Leases" Standard, effective as of January 1, 2019, the difference between operational lease and financial lease has disappeared. Leasing transactions were started to be displayed by the tenants under the item "Tangible Fixed Assets" in assets as assets (right to use assets) and under "Liabilities from Leasing Operations" in liabilities. As a lessee, the branch will reflect the right of use and the lease obligations to financial statements.

Accounting for the lessor is similar to previous accounting policies.

The Branch has no leasing transactions as of 31 December 2020 and 31 December 2019.

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS

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

Provisions are recognised when the Branch 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 Branch, it is considered that a "contingent" liability exists and it is disclosed in the related notes to the financial statements.

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

a. Defined Benefit Plans

Under the Turkish Labour Law, the Branch is obliged to pay a certain employment termination benefit to the employees who have been retired or whose employment is terminated other than the reasons specified in the Turkish Labour Law.

In accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") the reserve for employment termination benefits is calculated by using Projection Method based on personnel service completion time and previous experience gained. The reserve for employment termination benefits is discounted by the rate of return of the government bonds at the balance sheet date.

Branch Management has evaluated the impact of the actuarial profit/loss for calculating the employment termination benefit on the current balance sheets and recognized the effect in the statement of income, since it's not material for the financial statements.

The Branch has no employees who are members of any foundation or likewise corporations.

b. Defined Contribution Plans

In accordance with the law the Branch is obliged to pay a contribution fee to Social Security Institution ("SSI") on behalf of the employees. The Branch has no other payment obligations to employees or "SSI". These contribution fees are reflected to personnel expenses at the date of accrual.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS (Continued)

c. Short-Term Benefits to Employees

Vacation fees defined as "Short-Term Benefits to Employees" in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") are accrued in the periods that they were entitled to and they cannot be discounted.

XVII. EXPLANATIONS ON TAXATION

a. Current tax

In Turkey, corporate tax rate is 20%. However, 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, corporate tax rate will be applied as 22% for the three year period between 2018 and 2020. 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 are 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

Corporations are required to pay advance corporate tax quarterly on their corporate income with current rate. Advance tax is declared by the 17th day and paid by the same 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

Affiliate shares that held for at least two years and profits arising from the sale of the real estates are tax-exempt on the conditions that adding of 75% portion of the affiliate shares that held for at least two years and 50% portion of profits arising from the sale of the real estates to the capital as prescribed by the Corporate Tax Law or keeping of these in a special fund account for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Tax 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. Companies file their tax returns until the last day of the following fourth month after the closing of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year following the date of filing during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings. Current tax, related to items recognized directly in equity is also credited or charged directly to equity.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

b. Deferred Tax:

The Branch 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.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized. The calculated deferred tax assets and deferred tax liabilities are presented on a net basis in these financial statements.

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

Deferred tax benefit balance resulting from netting of deferred tax assets and liabilities should not be used in dividend distribution and capital increase.

XVIII. EXPLANATIONS ON BORROWINGS

Trading financial liabilities and derivative instruments are valued at the fair value and other financial liabilities are carried at amortised cost using the "effective interest method".

The Bank utilises various hedging techniques to minimise the liquidity, interest rate and currency risks of its financial liabilities. The Branch has no marketable securities issued and convertible bonds.

XIX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES

Direct transaction costs regarding the issuance of share certificates are recorded under shareholders' equity after eliminating the tax effects. The Branch has no share certificates issued as of 31 December 2020 and 31 December 2019.

XX. EXPLANATIONS ON ACCEPTANCES AND AVALIED DRAFTS

Avalied drafts and acceptances are the contingent liabilities of the Branch and are included in the off-balance sheet commitments.

XXI. EXPLANATIONS ON GOVERNMENT GRANTS

The Branch has no government grants at as of 31 December 2020 and 31 December 2019.

XXII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT APPROPRIATION

Retained earnings are available for profit distribution, subject to the written permission of BRSA.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXIII. EXPLANATIONS ON EARNINGS PER SHARE

Earnings per share disclosed in the income statement is calculated by dividing net profit for the year to the weighted average number of shares outstanding during the period concerned. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares "bonus shares" to existing shareholders from retained earnings. Such "bonus shares" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations is determined by taking into account the retrospective effects of such share issuances. If the issued share price increases after the balance sheet date but only because of the distribution of the bonus shares prior to the preparation date of the financial statements, the calculation of earnings per share is made considering the total new share name. Earnings per share have not been calculated since the branch is not publicly traded.

XXIV. EXPLANATIONS ON RELATED PARTIES

For the purpose of these financial statements, shareholders, key management personnel and board members together with their families and companies controlled by/affiliated with them, and associated companies are considered and referred to as related parties in accordance with "Turkish Accounting Standard for Related Parties" ("TAS 24"). The transactions with related parties are disclosed in detail in Note VII of Section Five.

XXV. EXPLANATIONS ON CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash includes cash, effectives and demand deposits including balances with the Central Bank; and cash equivalents include interbank money market placements and time deposits at banks with original maturity periods of less than three months.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXVI. EXPLANATIONS ON SEGMENT REPORTING

Information related with areas of operations of the bank prepared in line with the organizational and internal reporting structure of the branch and in accordance with "Turkish Financial Reporting Standards related with Segment Reporting" ("TFRS 8") are disclosed.

The Branch manages its banking operations through three strategic business units: Retail banking, Corporate and Commercial banking and Treasury operations.

Retail banking provides deposits and loans to individual and small business customers. Other products and services include foreign currency exchange, cheques and bills and money orders.

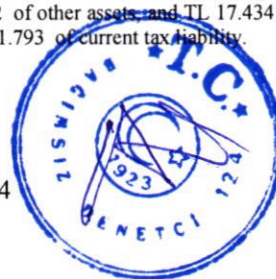
Corporate and Commercial banking provided corporate and commercial customers financial solutions and banking services. Products and services include FC and TL loans, foreign trade finance, domestic and international non-cash credit line facilities such as letters of credit and guarantees, foreign exchange and deposits.

Treasury operations are managed by the Treasury Department. The Treasury Department has transactions such as purchases-sales of domestic marketable securities and TL and FC placement transactions.

Informations about the operating segments as of 31 December 2020 are presented on the table below:

	Retail Banking	Corporate and Commercial Banking	Treasury	Other ⁽¹⁾	Total operations of the Branch
1 January - 31 December 2020					
Interest Income	33	7.265	20.823	-	28.121
Net Fees and Commissions Income	-	4.579	-	-	4.579
Other Operating Income and Trading Income/(Loss) (Net)	-	26.421	-	-	26.421
Operating Revenue	33	38.265	20.823	-	59.121
Interest Expense	0	(3)	(386)	-	(389)
Other Operating Expenses and Provision for Impairment of Loans and Other Receivables	(2.583)	(12.916)	(3.875)	-	(19.374)
Operating Expense	(2.583)	(12.919)	(4.261)	-	(19.763)
Operating Profit	(2.550)	25.346	16.562	-	39.358
Profit Before Tax	-	-	-	39.358	39.358
Corporate Tax	-	-	-	(8.789)	(8.789)
Net Profit	-	-	-	30.569	30.569
31 December 2020					
Segment Assets ⁽¹⁾	141.538	2.687	1.079.422	13.288	1.236.935
Total Assets	141.538	2.687	1.079.422	13.288	1.236.935
Segment Liabilities ⁽¹⁾	59.398	62.449	608.090	17.434	747.371
Shareholders' Equity	-	-	-	489.564	489.564
Total Liabilities	59.398	62.449	608.090	506.998	1.236.935

⁽¹⁾ Segment assets in the other column amount to TL 13.288; TL 10.819 includes tangible fixed assets, TL 193 of intangible assets, TL 1.014 of deferred tax asset and TL 1.262 of other assets and TL 17.434 of other liabilities comprise TL 4.353 of other liabilities, TL 11.288 of provisions and TL 1.793 of current tax liability.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXVI. EXPLANATIONS ON SEGMENT REPORTING (Continued)

	Retail Banking	Corporate and Commercial Banking	Treasury	Other ⁽¹⁾	Total operations of the Branch
1 January - 31 December 2019					
Interest Income	21	3.848	42.740	-	46.609
Net Fees and Commissions Income	-	10.469	-	-	10.469
Other Operating Income and Trading Income/(Loss) (Net)	-	10.611	-	-	10.611
Operating Revenue	21	24.928	42.740	-	67.689
Interest Expense	-	(3)	(829)	-	(832)
Other Operating Expenses and Provision for Impairment of Loans and Other Receivables	(2.597)	(14.286)	(4.329)	-	(21.212)
Operating Expense	(2.597)	(14.289)	(5.158)	-	(22.044)
Operating Profit	(2.576)	10.639	37.582	-	45.645
Profit Before Tax	-	-	-	45.645	45.645
Corporate Tax	-	-	-	(10.938)	(10.938)
Net Profit	-	-	-	34.707	34.707
31 December 2019					
Segment Assets ⁽¹⁾	69.262	4.134	937.436	12.558	1.023.390
Total Assets	69.262	4.134	937.436	12.558	1.023.390
Segment Liabilities ⁽¹⁾	43.477	164.632	341.388	15.055	564.552
Shareholders' Equity	-	-	-	458.838	458.838
Total Liabilities	43.477	164.632	341.388	473.893	1.023.390

(1) Segment assets in the other column amount to TL 12.558; TL 11.011 includes tangible fixed assets, TL 191 of intangible assets, TL 916 of deferred tax asset and TL 440 of other assets, and TL 15.055 of other liabilities comprise TL 2.429 of other liabilities, TL 9.443 of provisions and TL 3.183 of current tax liability.

XXVI. RECLASSIFICATIONS

There are no reclassifications to the 31 December 2020 financial statements in order to be in conformity with the financial statements of previous period.

XXVII. OTHER INFORMATION

None.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

SECTION FOUR

INFORMATION RELATED TO FINANCIAL STRUCTURE OF THE BRANCH

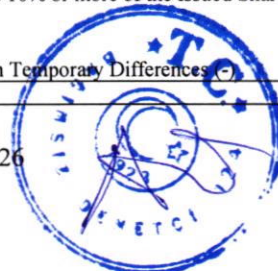
I. EXPLANATIONS ON SHAREHOLDERS' EQUITY

Total capital 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".

The capital adequacy ratio of the Branch %84,29 (31 December 2019: %90,86)

a. Information on shareholders' equity:

	31 December 2020	Amount for application before 1/1/2014 (*)
Common Equity Tier I Capital		
Paid-in Capital to be Entitled for Compensation after All Creditors	200.000	
Share Premiums	-	
Reserves	916	
Gains reflected to equity according to Turkish Accounting Standards (TAS)	54	
Profit	288.594	
Current Period Profit	30.569	
Prior Period Profit	258.025	
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-	
Common Equity Tier I Capital Before Deductions	489.564	-
Deductions From Common Equity Tier I Capital	-	-
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	-	-
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	-	-
Leasehold Improvements on Operational Leases (-)	-	-
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	(193)	(193)
Net Deferred Tax Asset/Liability (-)	(1.014)	-
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-	-
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Securitization gains	-	-
Unrealized gains and losses from changes in bank's liabilities' fair values due to changes in creditworthiness	-	-
Net amount of defined benefit plans	-	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
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 Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-	-
Mortgage Servicing Rights not deducted (-)	-	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-	-



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT
OF THE BRANCH (Continued)**

I. EXPLANATIONS ON SHAREHOLDERS' EQUITY (Continued)

	31 December 2020	Amount for application before 1/1/2014 (*)
Total Deductions from Common Equity Tier I Capital	(1.207)	
Total Common Equity Tier I Capital	488.357	
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-	
Other items to be defined by the BRSA (-)	-	
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-	
Total Deductions from Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	488.357	
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	3.535	
Total Deductions from Tier II Capital	3.535	
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-	



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

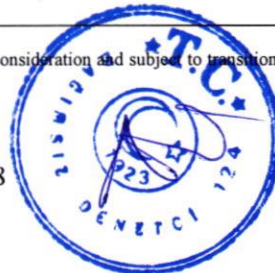
**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT
OF THE BRANCH (Continued)**

I. EXPLANATIONS ON SHAREHOLDERS' EQUITY (Continued)

	31 December 2020	Amount for application before 1/1/2014 (*)
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	3.535	-
Total Equity (Total Tier I and Tier II Capital)	491.892	-
Total Tier I Capital and Tier II Capital (Total Equity)		
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 (-)	-	-
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	491.892	-
Total Risk Weighted Assets	583.592	-
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	83,68	-
Tier I Capital Adequacy Ratio (%)	83,68	-
Capital Adequacy Ratio (%)	84,29	-
BUFFERS		
Bank-specific total CET1 Capital Ratio(a+b+c)	2,5	-
a) Capital Conservation Buffer Ratio (%)	2,5	-
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	-	-
c) Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	-	-
Amounts Lower Than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	-	-
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per ten thousand)	3.535	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	3.535	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	-	-

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

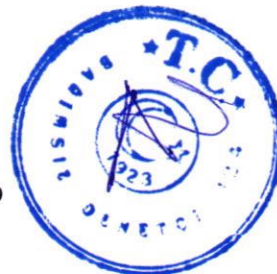
**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF
THE BRANCH (Continued)**

I. EXPLANATIONS ON SHAREHOLDERS' EQUITY (Continued)

	31 December 2019	Amount for application before 1/1/2014 (*)
Common Equity Tier I Capital		
Paid-in Capital to be Entitled for Compensation after All Creditors	200.000	
Share Premiums	-	
Reserves	855	
Gains reflected to equity according to Turkish Accounting Standards (TAS)	-	
Profit	258.086	
Current Period Profit	34.707	
Prior Period Profit	223.379	
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-	
Common Equity Tier I Capital Before Deductions	458.941	
Deductions From Common Equity Tier I Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	-	-
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	(103)	-
Leasehold Improvements on Operational Leases (-)	-	-
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	(192)	(192)
Net Deferred Tax Asset/Liability (-)	(916)	-
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-	-
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Securitization gains	-	-
Unrealized gains and losses from changes in bank's liabilities' fair values due to changes in creditworthiness	-	-
Net amount of defined benefit plans	-	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
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 Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-	-
Mortgage Servicing Rights not deducted (-)	-	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-	-



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF
THE BRANCH (Continued)**

I. EXPLANATIONS ON SHAREHOLDERS' EQUITY (Continued)

	31 December 2019	Amount for application before 1/1/2014 (*)
Total Deductions from Common Equity Tier I Capital	(1.211)	
Total Common Equity Tier I Capital	457.730	
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)		
Additional Tier I Capital before Deductions		
Deductions from Additional Tier I Capital		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)		
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation		
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)		
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)		
Other items to be defined by the BRSA (-)		
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)		
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)		
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)		
Total Deductions from Additional Tier I Capital		
Total Additional Tier I Capital		
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	457.730	
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)		
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	2.769	
Total Deductions from Tier II Capital	2.769	
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)		
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation		
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)		
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)		
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II Capital of Unconsolidated 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 (-)		
Total Deductions from Tier II Capital		
Total Tier II Capital	2.769	
Total Equity (Total Tier I and Tier II Capital)	460.499	



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

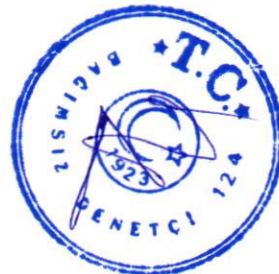
**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF
THE BRANCH (Continued)**

I. EXPLANATIONS ON SHAREHOLDERS' EQUITY (Continued)

	31 December 2019	Amount for application before 1/1/2014 (*)
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	460.499	
Total Risk Weighted Assets	506.803	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	90,32	-
Tier I Capital Adequacy Ratio (%)	90,32	-
Capital Adequacy Ratio (%)	90,86	-
BUFFERS		
Bank-specific total CET1 Capital Ratio	2,5	-
Capital Conservation Buffer Ratio (%)	2,5	-
Bank-specific Counter-Cyclical Capital Buffer Ratio (%)		
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	-	-
Amounts Lower Than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	-	-
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per ten thousand)	2.769	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	2.769	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT
OF THE BRANCH (Continued)**

I. EXPLANATIONS ON SHAREHOLDERS' EQUITY(Continued)

b. Items included in capital calculation

None.

c. Reconciliation of capital items to balance sheet

<i>Current Period</i>	<i>Carrying value</i>	<i>Amount of correction</i>	<i>Value of the capital report</i>	<i>Explanation of differences</i>
Paid-in capital	200.000	-	200.000	
Capital Reserves	-	-	-	
Other Comprehensive Income According to TAS	-	-	-	
Securities Value Increase Fund	-	-	-	
Revaluation Surplus on Tangible Assets	-	-	-	
Revaluation Surplus on Intangible Assets	-	-	-	
Revaluation Surplus on Investment Property	-	-	-	
Hedging Funds (Effective Portion)	-	-	-	
Accumulated valuation differences from assets held for sale and from discontinued operations	-	-	-	
Other Capital Reserves	54	-	54	
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures (Business Partners)	-	-	-	
Share Premium	-	-	-	
Profit Reserves	916	-	916	
Profit or Loss	288.594	-	288.594	
Prior Periods Profit/Loss	258.025	-	258.025	
Current Period Net Profit/Loss	30.569	-	30.569	
Minority Shares	-	-	-	
Deductions from Common Equity Tier I Capital (-)	(1.207)	-	(1.207)	
Common Equity Tier I Capital	488.357	-	488.357	

<i>Current Period</i>	<i>Carrying value</i>	<i>Amount of correction</i>	<i>Value of the capital report</i>	<i>Explanation of differences</i>
Subordinated Debts	-	-	-	
Deductions from Tier I Capital (-)	-	-	-	
Tier I Capital	-	-	-	
Subordinated Debts	-	-	-	
General Provisions	-	-	3.535	
Deductions from Tier II Capital (-)	-	-	-	
Tier II Capital	-	-	3.535	
Deductions from Total Capital (-)	-	-	-	
Total	-	-	491.892	



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF
THE BRANCH (Continued)**

c. Reconciliation of capital items to balance sheet (Continued)

<i>Previous Period</i>	<i>Carrying value</i>	<i>Amount of correction</i>	<i>Value of the capital report</i>	<i>Explanation of differences</i>
Paid-in capital	200.000	-	200.000	
Capital Reserves	-	-	-	
Other Comprehensive Income According to TAS	-	-	-	
Securities Value Increase Fund	-	-	-	
Revaluation Surplus on Tangible Assets	-	-	-	
Revaluation Surplus on Intangible Assets	-	-	-	
Revaluation Surplus on Investment Property	-	-	-	
Hedging Funds (Effective Portion)	-	-	-	
Accumulated valuation differences from assets held for sale and from discontinued operations	-	-	-	
Other Capital Reserves	(103)	-	(103)	
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures (Business Partners)	-	-	-	
Share Premium	-	-	-	
Profit Reserves	855	-	855	
Profit or Loss	258.086	-	258.086	
Prior Periods Profit/Loss	223.379	-	223.379	
Current Period Net Profit/Loss	34.707	-	34.707	
Minority Shares	-	-	-	
Deductions from Common Equity Tier I Capital (-)	(1.108)	-	(1.108)	
Common Equity Tier I Capital	457.730		457.730	

<i>Previous Period</i>	<i>Carrying value</i>	<i>Amount of correction</i>	<i>Value of the capital report</i>	<i>Explanation of differences</i>
Subordinated Debts			-	
Deductions from Tier I Capital (-)			-	
Tier I Capital			-	
Subordinated Debts			-	
General Provisions			2.769	
Deductions from Tier II Capital (-)			-	
Tier II Capital			2.769	
Deductions from Total Capital (-)			-	
Total			460.499	

d. Approaches applied to assess the adequacy of internal capital requirement in terms of current and future activities

The Branch prepares 'Internal Capital Assessment Process' document on the basis of 'Risk Management Policies and Implementation Procedures' approved by the Board of Managers on 27 November 2012 and updated on 27 April 2018. It has been aimed to determine the needed capital size in the period of next one year by evaluating and calculating effectively all risks that Branch will be met due to this document. Branch prepared taking into account the latest information 2018 "2019, 2020, 2021 Internal Capital Requirement Analysis" 28 March 2019, No. 7 was accepted by the Board of Managers. Branch prepared taking into account the latest information 2019 "2020, 2021, 2022 Internal Capital Requirement Analysis" 18 March 2020, No. 7 was accepted by the Board of Managers.

In the Analysis of Internal Capital Requirement, the Branch's activities and services, the main and sub-risk elements that may be exposed to them and the current legal capital requirement are analyzed based on the recent developments over the financial data of the previous year and the forecasts and anticipations calculated for the next three years of operation within the scope of the scenario submitted by BRSA. Besides of these matters, the main and sub-types of risk that has been considered for Branch, and the quantification of these risks are included in the calculation of internal capital requirements for these risks has been placed. In the Analysis of Internal Capital Requirement for 2018 and 2019 credit risk (in general, country), market risk (currency and interest rate) and operational risk in addition to banking accounts that cannot quantify with re-pricing risk with reputational risk has been considered.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK
MANAGEMENT OF THE BRANCH (Continued)**

II. EXPLANATIONS ON CREDIT RISK

- a. The Branch tries to reduce credit risk by classifying the credibility with high banks and financial institutions. The Branch requires additional guarantees from the real persons and entities that the Branch extends loans to who were assessed as high risk after performing detailed risk ratings on individual loans. Due to the imposed sanctions, the credit transactions of the Branch decreased after 2014. Following that some Iran-based financial and industrial institutions, including Bank Mellat, the main shareholder of the branch, were included in the list of secondary sanctions on 17 October 2018, the decrease in the credit transactions of the Branch has continued.

The credit worthiness of borrowers is monitored regularly. Audited information is obtained for the new rendered loans if possible. Unaudited information is examined in detail by loan department of the Branch.

- b. At 31 December 2020, the Branch has no forward and option contracts or any other similar agreements.
- c. At 31 December 2020, the Branch has been faced with an insignificant amount of credit risk exposure.
- d. The Branch subjects the non-cash loans which are reimbursed, to the same risk weight as the loans which are passed due but not collected. Rescheduled or restructured loans are monitored by the Branch according to the risk management and monitoring principles of the Branch. The financial conditions and commercial operations of the related customers are continuously analysed where interest and capital payments according to new payment plans are closely monitored.
- e. The Branch's transactions in foreign countries with regard to banking operations and credit facilities are mainly held with corporations based in Islamic Republic of Iran, where the head office of the Branch is also based.
- f. The Branch is not active in international banking market.
- g. 1. The proportion of the largest 100 cash loan balances in the total cash loan portfolio of the Branch is 100% (31 December 2019: 100%).
2. The proportion of the largest 100 non-cash loan balances in the total non-cash loan portfolio of the Branch is 100% (31 December 2019: 100%).
3. The proportion of the cash and non-cash loan balances in the total assets and non-cash loans is 12,03% (31 December 2019: 7,28 %).
- h. The general loan loss provision amount provided for credit risk is TL 6.625 (31 December 2019: TL 5.431).



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT
OF THE BRANCH (Continued)**

II. EXPLANATIONS ON CREDIT RISK (Continued)

	Current Period Risk Amount (*)	Current Period Average Risk Amount (**)
Exposure Categories (Current Year)		
Conditional and unconditional receivables from central governments or central banks	193.159	187.751
Conditional and unconditional receivables from regional or local governments	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	445.926	462.523
Conditional and unconditional receivables from corporates	144.228	95.762
Conditional and unconditional retail receivables	1.700	1.577
Conditional and unconditional receivables secured by mortgages	-	-
Past due receivables	3.161	4.310
Items in regulatory high-risk categories	-	-
Exposures in the form of bonds secured by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-
Exposures in the form of collective investment undertakings	-	-
Shares	389	385
Other items	460.801	345.461
Total	1.249.364	1.097.769

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

(**) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared according to "the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

	Current Period Risk Amount (*)	Current Period Average Risk Amount (**)
Exposure Categories (Previous Year)		
Conditional and unconditional receivables from central governments or central banks	188.573	270.736
Conditional and unconditional receivables from regional or local governments	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	456.703	457.853
Conditional and unconditional receivables from corporates	69.138	27.414
Conditional and unconditional retail receivables	665	1.080
Conditional and unconditional receivables secured by mortgages	-	-
Past due receivables	8.949	9.021
Items in regulatory high-risk categories	-	-
Exposures in the form of bonds secured by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-
Exposures in the form of collective investment undertakings	-	-
Shares	1.237	1.237
Other items	317.553	254.693
Total	1.042.818	1.022.033

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

(**) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared according to "the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası (“TL”) olarak ifade edilmiştir.)

INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BRANCH (Continued)

II. EXPLANATIONS ON CREDIT RISK (Continued)

i. Profile of significant exposures in major regions:

31 December 2020 Current Period	Exposure Categories (*)														Total		
	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from corporates	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralized by mortgages	Securitization positions	Short-term receivables from banks, brokerage houses and corporates		Investments similar to collective investment funds	Other receivables
1. Domestic	193.159	-	-	-	-	397.627	70	50.111	-	3.161	-	-	-	-	-	461.187	1.105.315
2. European Union (EU)	-	-	-	-	-	46.741	-	-	-	-	-	-	-	-	-	-	46.741
3. OECD Countries (**)	-	-	-	-	-	68	-	-	-	-	-	-	-	-	-	-	68
4. Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. USA, Canada	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Other Countries	-	-	-	-	-	1.490	93.551	-	-	-	-	-	-	-	-	-	95.041
7. Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	193.159	-	-	-	-	445.926	93.621	50.111	-	3.161	-	-	-	-	-	461.187	1.247.165

(*) The risk classes in the Regulation on Measurement and Evaluation of Capital Adequacy of Banks shall be taken into consideration.

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

(***) Includes asset and liability items that can not be allocated on a consistent basis.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası (“TL”) olarak ifade edilmiştir.)

INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BRANCH (Continued)

II. EXPLANATIONS ON CREDIT RISK (Continued)

i. Profile of significant exposures in major regions: (Continued)

31 December 2019(****) Period	Exposure Categories (*)														Total		
	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from corporates	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralized by mortgages	Securitization positions	Short-term receivables from banks, brokerage houses and corporates		Investments similar to collective investment funds	Other receivables
1. Domestic	188.573	-	-	-	-	398.666	731	665	-	8.949	-	-	-	-	-	318.790	916.374
2. European Union (EU)	-	-	-	-	-	56.881	-	-	-	-	-	-	-	-	-	-	56.881
3. OECD Countries (**)	-	-	-	-	-	50	-	-	-	-	-	-	-	-	-	-	50
4. Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. USA, Canada	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Other Countries	-	-	-	-	-	1.106	68.407	-	-	-	-	-	-	-	-	-	69.513
7. Associates, Subsidiaries and Joint – Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	188.573	-	-	-	-	456.703	69.138	665	-	8.949	-	-	-	-	-	318.790	1.042.818

(*) The risk classes in the Regulation on Measurement and Evaluation of Capital Adequacy of Banks shall be taken into consideration.

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

(***) Includes asset and liability items that can not be allocated on a consistent basis.

(****) Previous period is readjusted.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

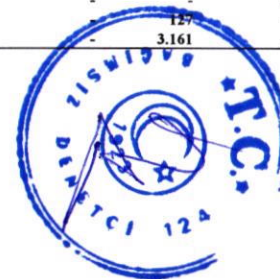
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BRANCH (Continued)

II. EXPLANATIONS ON CREDIT RISK (Continued)

j. Risk profile by sectors or counterparties:

Current Period	Exposure Categories (*)																TL	FC	Total			
	Conditional and unconditional receivables from central governments or central	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from banks and brokerage houses						
Agriculture	149.269	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	149.269	149.269		
Farming and Stockbreeding	149.269	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	149.269	149.269		
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Manufacturing	-	-	-	-	-	-	93.522	18.856	-	582	-	-	-	-	-	-	-	-	19.438	93.522	112.960	
Mining and Quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Production	-	-	-	-	-	-	-	18.856	-	582	-	-	-	-	-	-	-	-	19.438	-	19.438	
Electricity, Gas and Water	-	-	-	-	-	-	93.522	-	-	-	-	-	-	-	-	-	-	-	-	93.522	93.522	
Construction	-	-	-	-	-	-	-	500	-	1.978	-	-	-	-	-	-	-	-	2.478	-	2.478	
Services	43.890	-	-	-	-	-	445.926	69	11.695	474	-	-	-	-	-	-	-	389	412.511	89.932	502.443	
Wholesale and Retail Trade	-	-	-	-	-	-	-	-	2.730	-	474	-	-	-	-	-	-	-	1.100	2.104	3.204	
Accommodation and Dining	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transportation and Telecom.	-	-	-	-	-	-	-	69	8.285	-	-	-	-	-	-	-	-	-	8.285	69	8.354	
Financial Institutions	43.890	-	-	-	-	-	445.926	-	-	-	-	-	-	-	-	-	-	-	389	402.446	87.759	490.205
Real Estate and Rental Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Professional Services	-	-	-	-	-	-	-	680	-	-	-	-	-	-	-	-	-	-	680	-	680	
Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	30	19.060	-	127	-	-	-	-	-	-	-	-	460.798	19.192	460.823	480.015
Total	193.159	-	-	-	-	-	445.926	93.621	50.111	3.161	-	-	-	-	-	-	-	-	461.187	453.619	793.546	1.247.165



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 HESAP DÖNEMİNE AİT
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

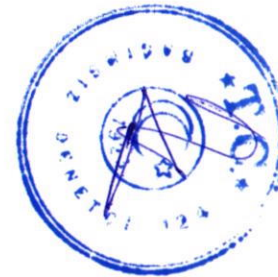
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BRANCH (Continued)

II. EXPLANATIONS ON CREDIT RISK (Continued)

Previous Period	Exposure Categories (*)																	Total	
	Conditional and unconditional receivables from central governments	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralized by mortgages	Securitization positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Other receivables	TL		FC
Agriculture	-	-	-	-	-	-	-	-	-	108	-	-	-	-	-	-	108	-	108
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	108	-	-	-	-	-	-	108	-	108
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-	1.199	-	-	-	-	-	-	1.199	-	1.199
Mining and Quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production	-	-	-	-	-	-	-	-	-	1.199	-	-	-	-	-	-	1.199	-	1.199
Electricity, Gas and Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-	6.766	-	-	-	-	-	-	6.766	-	6.766
Services	99.424	-	-	-	-	398.805	701	-	-	633	-	-	-	-	-	1.237	468.382	32.418	500.800
Wholesale and Retail Trade	-	-	-	-	-	-	506	-	-	633	-	-	-	-	-	-	240	899	1.139
Accommodation and Dining	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation and Telecom.	-	-	-	-	-	-	100	-	-	-	-	-	-	-	-	-	-	100	100
Financial Institutions	99.424	-	-	-	-	398.805	-	-	-	-	-	-	-	-	-	1.237	468.047	31.419	499.466
Real Estate and Rental Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	95	-	-	-	-	-	-	-	-	-	95	-	95
Others	89.149	-	-	-	-	57.898	68.437	651	-	258	-	-	-	-	-	317.552	122.588	411.357	533.945
Total	188.573	-	-	-	-	456.703	69.138	651	-	8.964	-	-	-	-	-	318.789	599.043	443.775	1.042.818

31/12/2020



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

II. EXPLANATIONS ON CREDIT RISK (Continued)

k. Distribution of risk bearing maturities according to the remaining maturities

31 December 2020 Exposure Classifications (*) (**)	Term to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments or central banks	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	-	-	-
Conditional and unconditional receivables from corporates	68	476	2.767	10.945	127.973
Conditional and unconditional retail receivables	-	4	42	1.017	218
Conditional and unconditional receivables secured by mortgages	-	-	-	-	-
Past due receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	-	-	-	-	-
TOTAL	68	480	2.809	11.962	128.191

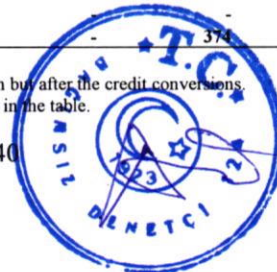
(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

(**) Credit risk amounts which have no maturities do not comprise in the table.

31 December 2019 Exposure Classifications (*) (**)	Term to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments or central banks	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	-	-	-
Conditional and unconditional receivables from corporates	-	351	-	255	68.357
Conditional and unconditional retail receivables	-	23	27	233	382
Conditional and unconditional receivables secured by mortgages	-	-	-	-	-
Past due receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	-	-	-	-	-
TOTAL	-	374	27	488	68.739

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

(**) Credit risk amounts which have no maturities do not comprise in the table.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK
MANAGEMENT OF THE BRANCH (Continued)**

II. EXPLANATIONS ON CREDIT RISK (Continued)

I. Exposure Categories:

External risk ratings are not used to determine the risk weights of the risk categories as per the Article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

m. Exposures by risk weights:

Current Period		%0	%10	%20	%50	%75	%100	%150	%200	%1250	Deductions from Equity
Risk weights											
Exposures before Credit Risk Mitigation		640.668	-	403.128	2.196	295	200.878	-	-	-	-
Exposures after Credit Risk Mitigation		640.668	-	403.128	2.196	295	200.878	-	-	-	-

Prior Period		%0	%10	%20	%50	%75	%100	%150	%200	%1250	Deductions from Equity
Risk weights											
Exposures before Credit Risk Mitigation		349.480	-	362.534	-	692	160.723	-	-	-	-
Exposures after Credit Risk Mitigation		349.927	-	362.534	-	692	160.723	-	-	-	-

n. Information by major sectors and type of counterparties:

The Branch, provides specific provisions for the non performing loans not less than the determined minimum rates according to 10th, 11th, 13th and 15th articles of the "Regulation on Procedures and Principles for Determination of Qualifications of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 and numbered 29750. In addition to the non-performing loans, the Branch provides general loan loss provisions for the loans and receivables which are defined in the same communique.

Impaired Credits; are the credits that either overdue more than 90 days as of the reporting date or are treated as impaired due to their creditworthiness. For such credits, "specific provisions" are allocated as per the Provisioning Regulation.

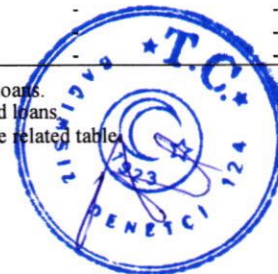
Past Due Credits; are the credits that overdue up to 90 days but not impaired. For such credits, "general provisions" are allocated as per the Provisioning Regulation.

31 December 2020	Credits			
	Impaired Credits	Past Due Credits	Impaired Credits (*)	Past Due Credits (**)
Agriculture	108	-	-	108
Farming and Stockbreeding	108	-	-	108
Forestry	-	-	-	-
Fishery	-	-	-	-
Manufacturing	1.011	-	-	428
Mining and Quarrying	-	-	-	-
Production	1011	-	-	428
Electricity, Gas and Water	-	-	-	-
Construction	-	-	-	-
Services	6.751	-	-	4.774
Wholesale and Retail Trade	6.751	-	-	4.774
Accommodation and Dining	-	-	-	-
Transportation and Telecom.	-	-	-	-
Financial Institutions	-	-	-	-
Real Estate and Rental Services	-	-	-	-
Professional Services	-	-	-	-
Educational Services	-	-	-	-
Health and Social Services	-	-	-	-
Others	212	-	-	85
Total	8.082	-	-	5.395

(*) The figures represent the general provision amount for past due loans.

(**) The figures represent the specific provisions amount for impaired loans.

(***) The figures represent the non-cash loan risk is not included in the related table.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

II. EXPLANATIONS ON CREDIT RISK (Continued)

n. Information by major sectors and type of counterparties (Continued)

31 December 2020	Credits			
	Impaired Credits	Past Due Credits	Impaired Credits (*)	Past Due Credits (**)
Agriculture	108	-	-	108
Farming and Stockbreeding	108	-	-	108
Forestry	-	-	-	-
Fishery	-	-	-	-
Manufacturing	1.199	-	-	507
Mining and Quarrying	-	-	-	-
Production	1.199	-	-	507
Electricity, Gas and Water	-	-	-	-
Construction	-	-	-	-
Services	6.751	-	-	3.455
Wholesale and Retail Trade	6.751	-	-	3.455
Accommodation and Dining	-	-	-	-
Transportation and Telecom.	-	-	-	-
Financial Institutions	-	-	-	-
Real Estate and Rental Services	-	-	-	-
Professional Services	-	-	-	-
Educational Services	-	-	-	-
Health and Social Services	-	-	-	-
Others	258	-	-	112
Total	8.316	-	-	4.182

(*) The figures represent the general provision amount for past due loans.

(**) The figures represent the specific provisions amount for impaired loans.

(***) The figures represent the non-cash loan risk is not included in the related table.

o. Movements in value adjustments and provisions:

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other	
				Adjustments	Closing Balance
Specific Provisions	4.182	1.321	108	-	5.395
General Provisions	5.431	1.194	-	-	6.625

Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other	
				Adjustments	Closing Balance
Specific Provisions	3.577	664	59	-	4.182
General Provisions	3.074	2.357	-	-	5.431



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

III. EXPLANATIONS ON CURRENCY RISK

The Branch with the change in the currency system to floating currency, limits the total foreign currency position in accordance with the legal limits because of the increasing uncertainties in the changing currency path. The Branch does not hedge its foreign exchange debt instruments and net foreign exchange investments by the hedging derivatives.

The Branch holds position in line with the currency basket of CBRT to hedge the currency risk. Foreign Exchange asset-liability management has been effected as such all rates may be kept to be within liquidity and credit risks determined within the framework of risk-return profile of the Branch and in a way to ensure the sustainable profitability. Measurable and manageable risks have been undertaken as per the ratios that must be adhered to.

The foreign currency position risk of the Branch is monitored as per the limits and measured by "standard method".

The Branch's foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date are presented below:

	US Dollar	Euro	100 Japanese Yen	U.A.E. Dirham
Balance Sheet Evaluation	7,4194	9,1164	7,1805	2,0217
31 December 2020	7,3405	9,0079	7,0930	2,0002
30 December 2020	7,4063	9,0697	7,1273	2,0182
29 December 2020	7,4738	9,1370	7,2026	2,0365
28 December 2020	7,5517	9,2037	7,2793	2,0579
25 December 2020	7,6190	9,2948	7,3353	2,0761

The simple arithmetical averages of the Branch's foreign exchange bid rates for the last thirty days are:

USD:	7,7329 TL
EUR:	9,3999 TL
100 Japanese Yen	7,4284 TL
U.A.E. Dirham	2,1097 TL



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

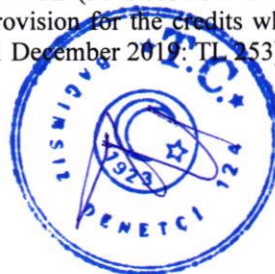
III. EXPLANATIONS ON CURRENCY RISK (Continued)

Information on the foreign currency exchange rate risk of the Branch:

	Euro	USD	Other FC	Total
31 December 2020				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	367.252	78.976	101	446.329
Banks	52.275	34.901	194	87.370
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-
Loans	93.522	-	-	93.522
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held to Maturity Securities	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	9	146	-	155
Total Assets	513.058	114.023	295	627.376
Liabilities				
Bank Deposits	351.668	61.276	4	412.948
Foreign Currency Deposits	103.223	15.483	1.025	119.731
Funds from Interbank Money Market	-	-	-	-
Borrowings	-	-	-	-
Marketable Securities Issued	-	-	-	-
Sundry Creditors	1.823	63	-	1.886
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	7	2	-	9
Total Liabilities	456.721	76.824	1.029	534.574
Net On-Balance Sheet Position	56.337	37.199	(734)	92.802
Net Off Balance Sheet Position				
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans	3.818	537	-	4.355
31 December 2019				
Total Assets	322.983	119.510	232	442.725
Total Liabilities	265.675	85.560	809	352.044
Net On-Balance Sheet Position	57.308	33.950	(577)	90.681
Net Off Balance Sheet Position				
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans	366	431	-	797

The table above shows the foreign currency position of the Branch on the basis of important foreign currency types. In accordance with the Uniform Chart of Accounts, foreign currency indexed assets are shown in the financial statements as Turkish currency, not foreign currency.

As of 31 December 2020, the Branch has no foreign currency indexed loans (31 December 2019: None) Besides, general provisions amounting to TL 2.144 TL (31 December 2019: TL 1.901 has also not been included in the table above. TL 316 amounted provision for the credits which are uncompensated and not turned into cash are netting from contingencies. (31 December 2019: TL 253).



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

IV. EXPLANATIONS ON INTEREST RATE RISK

"Interest rate risk" is defined as the impact of interest rate changes on interest-sensitive assets and liabilities of the Branch.

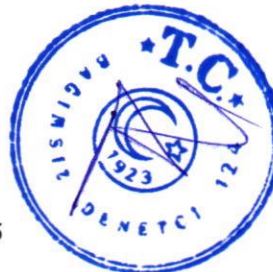
The Branch evaluates interest rate in two dimensions. This is maturity risk originating from the differences of maturity structures and repricing risk originating from the fluctuations of net interest margin. Interest rate risk is managed using natural hedges that arise from offsetting interest rate sensitive assets with interest rate sensitive liabilities.

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

31 December 2020	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 years	Over 5 years	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	140.694	-	-	-	-	492.413	633.107
Banks	248.161	-	-	-	-	197.765	445.926
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	389	389
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-	-	-	-
Loans and Receivables	4	4	13.700	127.830	-	2.687	144.225
Held to Maturity Securities	-	-	-	-	-	-	-
Other Assets (*)	1	-	-	-	-	13.287	13.288
Total Assets	388.860	4	13.700	127.830	-	706.541	1.236.935
Liabilities							
Bank Deposits	-	-	-	-	-	608.091	608.091
Other Deposits	82	-	-	-	-	121.764	121.846
Funds From Interbank Money Market	-	-	-	-	-	-	-
Sundry Creditors	-	-	-	-	-	2.099	2.099
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	443	-	-	-	-	504.456	504.899
Total Liabilities	525	-	-	-	-	1.236.410	1.236.935
Balance Sheet Long Position	388.335	4	13.700	127.830	-	-	529.869
Balance Sheet Short Position	-	-	-	-	-	(529.869)	(529.869)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	388.335	4	13.700	127.830	-	(529.869)	-

(*) "Other Assets" line includes Deferred Tax Assets, Tangible and Intangible Assets and Other Assets.

(**) Shareholders' equity, provisions and tax liability is presented under "Other liabilities" item in "Non-interest bearing".



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

IV. EXPLANATIONS ON INTEREST RATE RISK (Continued)

**a. Interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):
(Continued)**

31 December 2019	Up to 1 Month	1 – 3 Months	3 – 12 Months	1– 5 years	Over 5 years	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	79.734	-	-	-	-	400.585	480.319
Banks	216.021	-	-	-	-	240.682	456.703
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	414	414
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-	-	-	-
Loans and Receivables	-	23	419	68.820	-	4.134	73.396
Held to Maturity Securities	-	-	-	-	-	-	-
Other Assets (*)	1	-	-	-	-	12.557	12.558
Total Assets	295.756	23	419	68.820	-	658.372	1.023.390
Liabilities							
Bank Deposits	-	-	-	-	-	342.361	342.361
Other Deposits	79	-	-	-	-	207.057	207.136
Funds From Interbank Money Market	-	-	-	-	-	-	-
Sundry Creditors	-	-	-	-	-	407	407
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	711	-	-	-	-	472.775	473.486
Total Liabilities	790	-	-	-	-	1.022.600	1.023.390
Balance Sheet Long Position	294.966	23	419	68.820	-	-	364.228
Balance Sheet Short Position	-	-	-	-	-	(364.228)	(364.228)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	294.966	23	419	68.820	-	(364.228)	-

(*) "Other Assets" line includes Deferred Tax Assets, Tangible and Intangible Assets and Other Assets.

(**) Shareholders' equity, provisions and tax liability is presented under "Other liabilities" item in "Non-interest bearing".



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

IV. EXPLANATIONS ON INTEREST RATE RISK (Continued)

b. Effective average interest rates for monetary financial instruments

Interest rates in the below tables are the weighted average rates of the related balance sheet items.

31 December 2020	Euro (%)	USD (%)	Yen (%)	TL (%)
Assets				
Cash and Central Bank of Turkey	-	-	-	9,79
Banks and Other Institutions	-	-	-	14,50
Financial Assets at Fair Value Through Profit / Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	-
Loans and Receivables	7,00	-	-	11,13
Financial Assets Measured at Amortised Cost	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	4,00
Funds From Interbank Money Market	-	-	-	-
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-

31 December 2019	Euro (%)	USD (%)	Yen (%)	TL (%)
Assets				
Cash and Central Bank of Turkey	-	-	-	8,78
Banks and Other Institutions	-	-	-	7,00
Financial Assets at Fair Value Through Profit / Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	-
Loans and Receivables	7,00	-	-	8,16
Financial Assets Measured at Amortised Cost	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	4,00
Funds From Interbank Money Market	-	-	-	-
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

IV. EXPLANATIONS ON INTEREST RATE RISK (Continued)

c. Interest rate risk resulting from banking book

According to "Regulation on Equities of Banks" published in the official gazette no 28756 dated 5 September 2013 and items followed in the trading book; interest rate risk is arising from all balance sheet and off-balance sheet items which are sensitive to interest except subordinated debts which are taken into account when equity is calculated. The interest rate risk resulting repricing risk, yield-curve risk, base risk and option risk.

Repricing Risk

The repricing risk is defined as probable loss from bank's net interest income and negative economic value caused by the interest rate fluctuations. On demand assets and liabilities in the Branch's balances sheet are not affected the fluctuations of interest rate change. Assets and liabilities, which having a fixed term, are sensitive to the repricing risk.

Yield Curve Risk

The yield curve risk is defined as probable loss from bank's net interest income and negative economic value caused by the alteration of yield curve. The Branch has not used financial instruments which are exposed to the yield curve risk. The Branch has not exposed to the yield curve risk.

Base Risk

The base risk is defined as probable loss from bank's net interest income and negative economic value caused by the base of interest rate increase or decrease in the Bank's operations. The Branch has not used the different base of the operations.

Option risk

The option risk is defined as probable loss from bank's net interest income and negative economic value caused by the option right/liability included embedded. The Branch has not used derivative instruments. There is no interest sensitive items including option except time deposit and the part of amount is immaterial.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

V. EXPLANATIONS ON POSITION RISK OF EQUITY SECURITIES IN BANKING BOOK

Position risk of equity shares on banking book

- a) Relation of risks with gains accounted under equity and analyzing according to their aims including strategic reasons and the accounting policies applied and general information about valuation techniques with assumptions in this application, the elements that manipulate valuation and important changes:

The branch does not have stocks that are not traded on the stock exchange.

- b) For balance sheet values of equity investments, fair value and for those traded on the stock exchange, the comparison with the market price if the market value differs significantly from the fair value.

31 December 2020	Balance Sheet Value	Comparison	
		Fair Value	Market Value
Equity Investments			
Financial Assets at Fair Value Through Profit /			
1 Loss	389	389	-
Traded on Stock Exchange	389	389	-
2 Associates	-	-	-
Traded on Stock Exchange	-	-	-
3 Subsidiaries	-	-	-
Traded on Stock Exchange	-	-	-

31 December 2019	Balance Sheet Value	Comparison	
		Fair Value	Market Value
Equity Investments			
Financial Assets at Fair Value Through Profit /			
1 Loss	414	414	-
Traded on Stock Exchange	414	414	-
2 Associates	-	-	-
Traded on Stock Exchange	-	-	-
3 Subsidiaries	-	-	-
Traded on Stock Exchange	-	-	-

- c) Realized gains/losses, revaluation surpluses and unrealized gains/losses on equity securities and results included in core and supplementary capital:

None.



**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

VI. EXPLANATIONS ON LIQUIDITY RISK

The liquidity risk of the Branch is the risk of being unable to fulfill its payment obligations on time due to not having enough cash sources or cash inflows to finance its cash outflows fully and on time due to cash flow instabilities. It has been evaluated in two main categories:

Funding Liquidity Risk: It is a kind of risk which does not meet the any unexpected loss and non defaulting debts and liabilities.

Market Liquidity Risk: It is a kind of risk which consists of the position that cannot be sold without affecting market price due to insufficient market depth or market conditions' deterioration or that cannot be completed with the position of market price for any reasons.

- a. Information on liquidity risk management, including the risk capacity of the branch, the responsibilities and structure of the liquidity risk management, the reporting of the liquidity risk within the bank, the liquidity risk strategy, and how the policies and practices are communicated to the board and lines of business:**

The applications and responsibilities related to the liquidity risk has been determined according to the Treasury Liquidity and Market Management Policies and Practices approved by Board of Managers. The Branch's liquidity policy is to own sufficient liquidity reserve and opportunities to meet its liabilities even in cases of stress, resulting from the market conditions or other conditions specific to the Branch.

Branch has a high-risk coverage ratio due to its capital and asset / liability structure. The liquidity coverage ratio of the Branch which is able to meet the cash outflows with high quality liquid asset stake is considered to be well above the market averages and quite high. There are also ready-to-use limits for the CBRT.

In the daily / weekly / periodically structured meetings of the Assets and Liabilities Committee and the Risk Committee attended by the senior management, the indicators related to the liquidity status are examined and the liquidity risk is addressed. In addition, the Board of Managers is informed through the regular reports prepared by the Risk Management Department and the Audit Committee.

For liquidity risk management, the Risk Management Unit monitors the funding and liquidity risk, market conditions, the distribution of accounts in different foreign currency types, the maturity structure, costs and expected future cash flow obligations.

The Risk Management Unit monitors the limits on liquidity risk determined by the Board of Managers. In addition to these, the Risk Management Unit implements periodic liquidity stress tests to measure the effects of adverse scenarios on the liquidity situation of the Branch. The Fund Management Department manages the funding and liquidity risk to prevent inadequate funding at any time or any source and regularly reports on the liquidity position of the Assets and Liabilities Committee and the Branch's liquidity position. The General Accounting Unit Financial Reporting Service monitors the liquidity coverage ratio and regularly reports to the BRSA.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

VI. EXPLANATIONS ON LIQUIDITY RISK (Continued)

b. Information on the centralization degree of liquidity management and funding strategy and the functioning between the Bank and the Bank's subsidiaries

The Branch's liquidity management is performed by the Asset and Liability Management. The branch has no subsidiary subject to consolidation.

c. Information on the Bank's funding strategy including the policies on funding types and variety of maturities

Branch spread to the base of demand current and time deposit accounts and that a stable, long-term diversification and aims to be the source of the funds used. Ratio of liquid assets to total assets ratio and risk indicators related to liquidity, credit and the ratio of funds, issues such as the concentration in provided funds are being closely monitored.

ç. Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Branch's total liabilities

The total liabilities of branches are in Turkish Lira, Euro or US Dollar, and GBP and Iranian Riyal are in foreign currency. TL liquidity of the branch is managed by cash and cash convertible securities held by CBRT and Banks. TL assets are used for funding TL assets and FC liabilities are used for funding of FX assets. Foreign currency funds are provided from foreign currency denominated borrowings and foreign bank deposits held in our Branch. Foreign currency liquidity is held in correspondent bank accounts within limits.

d. Information on liquidity risk mitigation techniques

Liquidity risk is mitigated by using techniques such as maintaining high quality liquid asset buffer to cover possible fund outflows, diversification of funding sources so far as possible and inclusion to the base, homogenizing the maturity distribution of repayments as far as possible, obtaining limits from funding institutions to use when necessary and ensuring that a determined portion of funding sources are comprised of deposits. In addition, core deposit analysis is performed and concentration on collected funds are closely monitored.

e. Information on the use of stress tests

In order to analyze the source of the possible liquidity insufficiencies and whether comfortably move exists on existing off-balance sheet and balance sheet positions relevant with liquidity risk expectation, the scenarios are implemented by Risk Management Directorate and 3 types liquidity stress tests are prepared by Banking Regulation and Supervision Agency (BRSA). These includes stress test scenarios are special to the Branch, related with the overall market or scenarios take in consideration both of the situations. Stress tests related with liquidity risk are repeated at monthly periods. Results are tracked with key risk indicators and monitored by Senior Management.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

VI. EXPLANATIONS ON LIQUIDITY RISK (Continued)

f. General information on urgent and unexpected liquidity situation plans

Necessary strategy and procedures for the management of possible liquidity crisis are determined with the Liquidity Contingency Plan, which is approved and reviewed by the Board of Managers. The plan ultimately aims to protect current and participating account holders, lenders and shareholders. The basic indicators of the Liquidity Emergency Action Plan have been identified, and if the unexpected developments in the liquidity situation or other indicators are triggered, the plan is put into practice. The Risk Committee is responsible for monitoring the plan, and the Asset and Liability Committee is responsible for its implementation.

Presentation of financial liabilities by remaining contractual maturities:

The following table is prepared before the Branch's liabilities are undiscounted and based on the earliest date to the payment.

31 December 2020	Demand and Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Months	Over 5 Years	Total
Liabilities						
Deposits	729.937	-	-	-	-	729.937
Borrowings	-	-	-	-	-	-
Total	729.937	-	-	-	-	729.937

31 December 2019	Demand and Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Months	Over 5 Years	Total
Liabilities						
Deposits	549.497	-	-	-	-	549.497
Borrowings	-	-	-	-	-	-
Total	549.497	-	-	-	-	549.497



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

VI. EXPLANATIONS ON LIQUIDITY RISK (Continued)

Liquidity Coverage Ratio

31 December 2020	Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
	TL+FC	FC	TL+FC	FC
High-Quality Liquid Assets				
1 Total high-quality liquid assets (HQLA)			630.755	442.713
Cash Outflows				
2 Retail deposits and deposits from small business customers	61.356	61.278	5.962	5.958
3 Stable deposits	3.472	3.396	174	170
4 Less stable deposits	57.884	57.882	5.788	5.788
5 Unsecured wholesale funding	663.434	466.281	617.782	421.818
6 Operational deposits	1.518	1.502	379	376
7 Non-operational deposits	74.189	72.229	29.676	28.892
8 Unsecured funding	587.727	392.550	587.727	392.550
9 Secured wholesale funding			-	-
10 Other cash outflows of which:				
11 Outflows related to derivative exposures and other collateral requirements	-	-	-	-
12 Outflows related to restructured financial instruments	-	-	-	-
13 Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14 Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15 Other irrevocable or conditionally revocable off-balance sheet obligations	3.260	2.764	577	528
16 Total Cash Outflows			624.321	428.304
Cash Inflows				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	-	-	-	-
19 Other cash inflows	458.293	92.221	458.293	92.221
20 Total Cash Inflows	458.293	92.221	458.293	92.221
21 Total HQLA			630.755	442.713
22 Total Net Cash Outflows			174.383	336.082
23 Liquidity Coverage Ratio (%)			361,71	131,73

(1) The average of the liquidity coverage ratio calculated by taking the simple monthly arithmetic average for the last three months, average of the liquidity coverage ratio calculated by taking the simple weekly arithmetic average for the last three months

The table below presents lowest, highest and average liquidity coverage ratios as of 31 December 2020:

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	418,01	13.10.2020	306,76	14.12.2020	368,95
FC	139,28	4.11.2020	126,69	21.12.2020	132,05



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

VI. EXPLANATIONS ON LIQUIDITY RISK (Continued)

Liquidity Coverage Ratio(Continued)

31 December 2019	Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
	TL+FC	FC	TL+FC	FC
High-Quality Liquid Assets				
1 Total high-quality liquid assets (HQLA)			482.156	262.237
Cash Outflows				
2 Retail deposits and deposits from small business customers	69.627	69.536	5.308	5.304
3 Stable deposits	33.088	33.001	1.654	1.650
4 Less stable deposits	36.539	36.535	3.654	3.653
5 Unsecured wholesale funding	452.651	259.311	384.017	191.982
6 Operational deposits	1.017	1.016	254	254
7 Non-operational deposits	113.119	110.945	45.247	44.378
8 Unsecured funding	338.516	147.350	338.516	147.350
9 Secured wholesale funding			-	-
10 Other cash outflows of which:				
11 Outflows related to derivative exposures and other collateral requirements	-	-	-	-
12 Outflows related to restructured financial instruments	-	-	-	-
13 Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14 Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15 Other irrevocable or conditionally revocable off-balance sheet obligations	1.074	947	288	275
16 Total Cash Outflows			389.613	197.561
Cash Inflows				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	-	-	-	-
19 Other cash inflows	422.682	94.765	422.682	94.765
20 Total Cash Inflows	422.682	94.765	422.682	94.765
21 Total HQLA			482.156	262.237
22 Total Net Cash Outflows			97.404	102.797
23 Liquidity Coverage Ratio (%)			495,01	255,10

(1) The average of the liquidity coverage ratio calculated by taking the simple monthly arithmetic average for the last three months, average of the liquidity coverage ratio calculated by taking the simple weekly arithmetic average for the last three months

The table below presents lowest, highest and average liquidity coverage ratios as of 31 December 2019:

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	545,30	6.11.2019	463,79	22.10.2019	495,38
FC	551,69	27.10.2019	217,52	18.12.2019	268,00



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

VI. EXPLANATIONS ON LIQUIDITY RISK (Continued)

Breakdown of assets and liabilities according to their outstanding maturities

	Demand	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 years	Over 5 years	Unclassified (*)	Total
31 December 2020								
Assets								
Cash and the Central Bank of the Republic of Turkey	495.440	137.667	-	-	-	-	-	633.107
Banks	445.926	-	-	-	-	-	-	445.926
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	389	389
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	-	-	-	-	-
Loans and Receivables	-	4	4	13.700	127.830	-	2.687	144.225
Financial Assets Measured at Amortised Cost	-	-	-	-	-	-	-	-
Other Assets (*)	1	-	-	715	-	-	12.830	13.288
Total Assets	941.367	137.671	4	14.157	127.830	-	15.906	1.236.935
Liabilities								
Bank Deposits	608.091	-	-	-	-	-	-	608.091
Other Deposits	121.764	82	-	-	-	-	-	121.846
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	2.099	-	-	-	-	-	-	2.099
Other Liabilities (**)	-	443	-	-	-	-	504.456	504.899
Total Liabilities	731.954	525	-	-	-	-	504.456	1.236.935
Liquidity Gap	209.413	137.146	4	14.157	127.830	-	(488.550)	-
Off-Balance Sheet Position (Net)								
Receivables from financial derivative instruments	-	-	-	-	-	-	-	-
Payables to financial derivative instruments	-	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-	-
Total Assets	857.288	79.735	280	419	68.820	0	16.848	1.023.390
Total Liabilities	549.825	790	-	-	-	-	472.775	1.023.390
Liquidity Gap	307.463	78.945	280	419	68.820	-	(455.927)	-
Off-Balance Sheet Position (Net)								
Receivables from financial derivative instruments	-	-	-	-	-	-	-	-
Payables to financial derivative instruments	-	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-	-

- (1) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as tangible assets, subsidiaries, stationary, pre-paid expenses and non-performing loans, are classified in this column.
(2) Shareholders' Equity is presented under the "Other Liabilities" item in the "Unallocated" column.

Information on securitization positions

None.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

VII. EXPLANATIONS ON LEVERAGE RATIO

As of 31 December 2020, the leverage ratio calculated by three-month average amounts is 38,99 % (31 December 2019: 44,27%).

The leverage ratio table prepared in accordance with the communiqué "Regulation on Measurement and Assessment of Leverage Ratios of Banks" published in the Official Gazette no. 28812 dated 5 November 2013 is presented below.

	31 December 2020 ^(*)	31 December 2019 ^(*)
On-balance sheet assets		
On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	1.249.640	1.028.123
1		
2 (Assets deducted in determining Tier I capital)	(1.200)	(1.097)
3 Total on-balance sheet risks (sum of lines 1 and 2)	1.248.440	1.027.026
Derivative financial instruments and credit derivatives		
Replacement cost associated with all derivative instruments and credit derivatives	-	-
4		
Add-on amounts for PFE associated with all derivative instruments and credit derivatives	-	-
5		
Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	-	-
6		
Securities or commodity financing transactions (SCFT)		
7 Risks from SCFT assets (excluding on-balance sheet)	-	-
8 Risks from brokerage activities related exposures	-	-
9 Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	-	-
Other off-balance sheet transactions		
10 Gross notional amounts of off-balance sheet transactions	5.320	1.277
11 (Adjustments for conversion to credit equivalent amounts)	-	-
12 Total risks of off-balance sheet items (sum of lines 10 and 11)	5.320	1.277
Capital and total risks		
13 Tier I capital	488.820	455.281
14 Total risks (sum of lines 3, 6, 9 and 12)	1.253.760	1.023.303
Leverage ratio		
15 Leverage ratio	38,99	44,27

(*) Amounts in the table are three-month average amounts.

VIII. EXPLANATIONS ON FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The estimated fair value of demand deposits refers to the amount to be paid on demand. Estimated fair value of fixed rate deposits is calculated by using discounted cash flow using market interest rates applied to similar loans and other debts.

Fair values of loans are calculated discounting future cash flows at current market interest rates for fixed rateloans. The carrying values of floating-rate loans are deemed an approximation for their fair values.

The table summarizes the book value and fair value of the financial assets and liabilities that were not accounted by the values in Bank's financial statements. Book value is the sum of the acquisition value and accumulated profit share accruals.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

VIII. EXPLANATIONS ON FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

TFRS 7 the standard of "Financial Instruments: Disclosures" requires to be classified according to certain levels, with items presented with fair values on the financial statements. These levels are based on the observability of the data used to calculate the fair value. The classification of the fair value is as follows:

	Book Value	Fair Value
	31 December 2020	31 December 2020
Financial Assets	587.853	526.379
Interbank Money Market Placements	-	-
Banks	445.926	456.703
Financial Assets at Fair Value Through Profit or Loss	389	414
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Loans (*)	141.538	69.262
Financial Liabilities	732.036	550.003
Bank Deposits	608.091	341.388
Other Deposits	121.846	208.209
Miscellaneous Payables	2.099	406

(*) It is observed that the fair value approximates to the recorded value.

	Book Value	Fair Value
	31 December 2019	31 December 2019
Financial Assets	526.379	526.379
Interbank Money Market Placements	-	-
Banks	456.703	456.703
Financial Assets at Fair Value Through Profit or Loss	414	414
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Loans (*)	69.262	69.262
Financial Liabilities	550.003	550.003
Bank Deposits	341.388	341.388
Other Deposits	208.209	208.209
Miscellaneous Payables	406	406

(*) It is observed that the fair value approximates to the recorded value.

**IX. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF
OTHER PERSONS**

The Branch does not perform purchases, sales and custody services in the name of others. The Branch has no fiduciary based transactions.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT

The footnotes and related explanations prepared in accordance with the "Communiqué on Public Disclosures by the Banks" published in the Official Gazette No. 29511 on 23 October 2015 and entered into force on 31 March 2016 are given in this section. Since the standard approach is used for credit risk in calculating the capital adequacy of the Branch, the tables that should be prepared within the scope of the internal rating based approach are not provided.

Risk Management System, created for the systematic management of the risks the Branch is exposed to; It refers to the Board of Managers, the Audit Committee, the Risk Committee and the Risk Management Unit. The Board of Managers owns the Risk Management System in the Branch; It ensures the establishment of an efficient, sufficient and appropriate risk management system within the branch and the continuity of this system. The main purpose of the Branch Risk Management System is through the policies, implementation procedures and limits determined to monitor, control and change the risk-return structure of the Branch's future cash flows, accordingly, the nature and level of the activities. to ensure that risks are identified, measured, monitored and controlled.

Risk management aim and policies

Risk is defined as the probability of a reduction in economic benefit in the event of a monetary loss or an expense or loss related to a transaction or activity.

The branch is exposed to some risks due to the activities it carries out to achieve its goals. The purpose of risk management is to define, measure, report, monitor and control the risks exposed through determined implementation procedures and limits, and determine the internal capital requirement compatible with the risk profile to be adopted in this context.

The following points are taken into account in determining the risk management policy and implementation procedures:

- Branch's vision, mission, strategy and goals,
- Primary and weighted fields of activity of the Branch, products, and their volume and characteristics,
- Organizational structure of the Branch, human resources,
- Past incidents and experiences related to risks to be exposed,
- Database coverage and quality for risk management,
- Technological competence of the branch and its level of contribution to risk monitoring and management activities,
- Internal capital requirement and actual equity level and corresponding risk level

Risk management policies and procedures are determined and developed by considering factors such as the size of the branch, the scope and complexity of the activities, and the variety of products used. When evaluated from these angles, management of credit risk is of great importance.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

a. Explanation on risk management and risk weighted amounts

1. Risk weighted amounts

	Risk Weighted Amounts		Minimum Capital Requirements
	31 December 2020	31 December 2019	31 December 2020
1 Credit risk (excluding counterparty credit risk) (CCR)	282.823	221.552	22.626
2 Of which standardised approach (SA)	282.823	221.552	22.626
3 Of which internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	-	-	-
5 Of which standardised approach for counterparty credit risk (SA-CCR)	-	-	-
6 Of which internal model method (IMM)	-	-	-
7 Equity position in banking book under basic risk weighting or internal rating-based	-	-	-
8 Equity investments in funds – look-through approach	-	-	-
9 Equity investments in funds – mandate-based approach	-	-	-
10 Equity investments in funds – 1250% risk weighting approach	-	-	-
11 Settlement risk	-	-	-
12 Securitisation exposures in banking book	-	-	-
13 Of which IRB ratings-based approach (RBA)	-	-	-
14 Of which IRB supervisory formula approach (SFA)	-	-	-
15 Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	93.927	91.677	7.514
17 Of which standardised approach (SA)	93.927	91.677	7.514
18 Of which internal model approaches (IMM)	-	-	-
19 Operational risk	206.843	193.575	16.547
20 Of which basic indicator approach	206.843	193.575	16.547
21 Of which standardised approach	-	-	-
22 Of which advanced measurement approach	-	-	-
23 Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	583.593	506.804	46.687



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

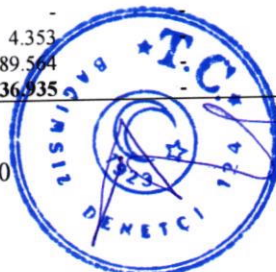
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

**2. Differences and matching between asset and liabilities' carrying values in financial statements
and risk amounts in capital adequacy calculation**

	<i>Carrying values of items in accordance with Turkish Accounting Standards</i>				
	<i>Carrying values in financial statements prepared as per TAS</i>	<i>Subject to credit risk</i>	<i>Counterparty subject to credit risk</i>	<i>Subject to market risk</i>	<i>Not subject to capital liability or deducted from capital</i>
31 December 2020					
Assets					
Cash and Cash Equivalents	1.079.033	1.079.033	-	-	-
Financial Assets at Fair Value Through Profit or Loss	389	389	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	-	-
Financial Assets measured at Amortised Cost	-	-	-	-	-
Derivative Financial Assets	-	-	-	-	-
Non-Performing Financial Assets	-	-	-	-	-
Expected Loss Provision	-	-	-	-	-
Loans (Net)	144.225	144.225	-	-	-
<i>Loans</i>	141.538	141.538	-	-	-
<i>Lease Receivables</i>	-	-	-	-	-
<i>Factoring Receivables</i>	-	-	-	-	-
<i>Non-Performing Loans</i>	8.082	8.082	-	-	-
<i>Specific Provisions (-)</i>	5.395	5.395	-	-	-
Non-current Assets or Disposal Groups "Held for Sale" and "Held from Discontinued Operations" (net)	-	-	-	-	-
Equity Investments	-	-	-	-	-
Tangible Assets (net)	10.819	10.819	-	-	-
Intangible Assets (net)	193	-	-	-	193
Investment Property (net)	-	-	-	-	-
Current Tax Asset	-	-	-	-	-
Deferred Tax Asset	1.014	-	-	-	1.014
Other Assets	1.262	1.262	-	-	-
Total Assets	1.236.935	1.235.728	-	-	1.207
Liabilities					
Deposits	729.937	-	-	-	729.937
Derivative Financial Liabilities Held for Trading	-	-	-	-	-
Interbank Money Markets	-	-	-	-	-
Securities Issued	-	-	-	-	-
Funds	-	-	-	-	-
Financial Liabilities at Fair Value through Profit or Loss	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-
Factoring liabilities	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Provisions	11.289	-	-	-	11.289
Current tax liability	1.792	-	-	-	1.792
Deferred tax liability	-	-	-	-	-
Liabilities for Assets Held for Sale and Assets of Discontinued Operations	-	-	-	-	-
Subordinated Debt	-	-	-	-	-
Other Liabilities	4.353	-	-	-	4.353
Shareholders' Equity	489.564	-	-	-	489.564
Total Liabilities	1.236.935	-	-	-	1.236.935



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

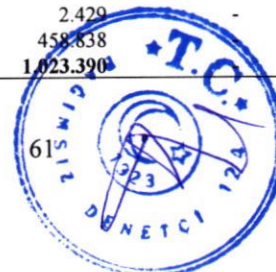
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**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

2. Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation (continued):

	<i>Carrying values of items in accordance with Turkish Accounting Standards</i>				
	<i>Carrying values in financial statements prepared as per TAS</i>	<i>Subject to credit risk</i>	<i>Counterparty subject to credit risk</i>	<i>Subject to market risk</i>	<i>Not subject to capital liability or deducted from capital</i>
31 December 2019					
Assets					
Cash and Cash Equivalents	937.022	148.773	-	-	788.040
Financial Assets at Fair Value Through Profit or Loss	414	-	-	-	414
Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	-	-
Financial Assets measured at Amortised Cost	-	-	-	-	-
Derivative Financial Assets	-	-	-	-	-
Non-Performing Financial Assets	-	-	-	-	-
Expected Loss Provision	-	-	-	-	-
Loans (Net)	73.396	77.992	-	-	3.768
<i>Loans</i>	<i>69.262</i>	<i>69.262</i>	-	-	-
<i>Lease Receivables</i>	-	-	-	-	-
<i>Factoring Receivables</i>	-	-	-	-	-
<i>Non-Performing Loans</i>	<i>8.316</i>	<i>5.164</i>	-	-	<i>3.152</i>
<i>Specific Provisions (-)</i>	<i>4.182</i>	<i>3.567</i>	-	-	<i>615</i>
Non-current Assets or Disposal Groups "Held for Sale" and "Held from Discontinued Operations" (net)	-	-	-	-	-
Equity Investments	-	-	-	-	-
Tangible Assets (net)	11.011	11.011	-	-	-
Intangible Assets (net)	191	191	-	-	-
Investment Property (net)	-	-	-	-	-
Current Tax Asset	916	916	-	-	-
Deferred Tax Asset	-	-	-	-	-
Other Assets	440	440	-	-	-
Total Assets	1.023.390	239.324	-	-	792.222
Liabilities					
Deposits	549.496	-	-	-	-
Derivative Financial Liabilities Held for Trading	-	-	-	-	-
Interbank Money Markets	-	-	-	-	-
Securities Issued	-	-	-	-	-
Funds	-	-	-	-	-
Financial Liabilities at Fair Value through Profit or Loss	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-
Factoring liabilities	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Provisions	9.443	-	-	-	9.443
Current tax liability	3.184	-	-	-	3.184
Deferred tax liability	-	-	-	-	-
Liabilities for Assets Held for Sale and Assets of Discontinued Operations	-	-	-	-	-
Subordinated Debt	-	-	-	-	-
Other Liabilities	2.429	-	-	-	2.429
Shareholders' Equity	458.838	-	-	-	458.838
Total Liabilities	1.023.390	-	-	-	1.023.390



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

**3. Main sources of differences between regulatory exposure amounts and carrying values in
financial statements:**

	Total	Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterpart y credit risk framework	Items subject to market risk framework
31 December 2020					
1- Carrying Value of Assets in Accordance with TAS (as per template 1B)	1.236.619	1.235.728	-	-	-
2- Carrying Value of Liabilities in Accordance with TAS (as per template 1B)	-	-	-	-	-
3- Total net amount	1.236.619	1.235.728	-	-	-
4- Off-balance sheet amounts	4.869	1.717	-	-	-
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	-	-	-	-	-
9- Risk Amount	1.241.488	1.237.445	-	-	-

	Total	Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterpart y credit risk framework	Items subject to market risk framework
31 December 2019(*)					
1- Carrying Value of Assets in Accordance with TAS (as per template 1B)	1.023.390	1.022.283	-	-	-
2- Carrying Value of Liabilities in Accordance with TAS (as per template 1B)	-	-	-	-	-
3- Total net amount	1.023.390	1.022.283	-	-	-
4- Off-balance sheet amounts	1.198	873	-	-	-
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	-	-	-	-	-
9- Risk Amount	1.023.956	1.023.156	-	-	-

(*) The prior period has been reorganized.



**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

b. General qualitative information on credit risk

1. How the business model translates into the components of the Branch's credit risk profile

The business model of the Branch basically consists of two main business fields: collecting funds by means of demand current accounts, scattered customer time deposit accounts, especially with Bank Mellat Iran and other foreign Iranian banks repo accounts subject to the interest-free banking rules, and using those funds and equity funds to make funds available to customers. Because of these main business fields, the branch's assets have a low credit-weighted structure. Reflecting this business model, its total assets consist mainly of government bonds and domestic marketable bond securities, while the loans provided to customers remain in small proportions. The branch aims to increase the loan amount, taking into account the risk-return balance, and thus to achieve a sustainable growth.

The risk profile of the Branch indicates the types of risks to which it is exposed or expects to be exposed, and its risk level by type of risk. The largest type of risk to which the Branch is exposed or expects to be exposed within its current and target business model is not the SME or commercial customer credit risk. Although the credits remain in the active ratios, the sectoral concentration and maturity structure are followed in the scope of the risk of concentration. Conversion rates and limitations are followed for exposure risk. Intrinsic limits have been set for borrowers and credit risk groups in terms of credit risk intensities, taking into account the coherent size orders. Country limits have been established in order to prevent concentration in the countries determined within the scope of the country risk. Although it is a branch status and ownership structure is naturally higher country risk is Iran, it is considered to include a reasonably low risk. In legal reporting, risks in Iran and other countries are monitored in accordance with BRSA regulations.

2. Criteria and approach used for defining credit risk policy and for setting credit risk limits:

The main purpose of the credit risk policy is to measure the counterparty risk undertaken as part of a credit transaction, to monitor the risk against the legal limits and the Branch's internal limits, to research new techniques and applications for measuring and controlling the risk, to monitor overdue receivables, to analyze the reason of overdue, and to take measures to prevent such reasons from repeating. The term 'credit risk' refers to the potential loss the branch might be exposed to because of credit borrowers' partial or full default of the credit agreements they signed with the branch. This term also includes the loss of market value because of the breakdown of the counterparty's financial position. This term includes on-balance sheet and off-balance sheet transactions too.

Risk limits; as part of the risk appetite structure, are determined by considering the size of the branch in the capital structure and the financial system. In this context the appetite for risk approved by the Board of Managers are divided between and allocated to other levels considered necessary by type of risk. The uses of the limits are closely monitored, and overdrafts are reported to the executive management for ensuring the necessary measures to be taken.



**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
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**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

b. General qualitative information on credit risk (Continued)

3. Structure and organization of the credit risk management and control function

Risk Management, by Internal Control - Compliance and Internal Audit Units, works under the Audit Committee is affiliated to the Board of Managers. Risk Management Unit to which it is affiliated are responsible for implementing the strategies and policies approved by the Branch Management Board and for carrying out other duties assigned by the Internal Systems Supervisor performing the Audit Committee mission.

4. Relations between the credit risk management, risk control, compliance and internal audit functions

The units within the scope of the internal systems were established in accordance with the Board of Managers within the branch organization structure. The board of managers has delegated its duties and responsibilities within internal systems to the Audit Committee, which is designated as Internal Systems Responsible. These units carry out their activities under the supervision of the Internal Systems Supervisor.

The internal control function of the Branch is performed by the Internal Control Department. Internal Control System has been founded in such a manner to be capable and efficient to mitigate, manage, monitor and control the exposure risks of the Branch in accordance with the Branch's organizational structure and business fields as well as changing circumstances, and covers all domestic and international branches, head office, consolidated subsidiaries and all business activities of the Branch. The internal control system and internal control activities of the Branch are designed by the Internal Control Department in cooperation with the relevant management executives and are performed at a sufficient and efficient extent.

Compliance checks are carried out within the Internal Control Unit in accordance with the legislation in accordance with the structure of the Branch efforts are being made to ensure that the risk of compliance in the branch is effectively managed and controlled, that such risks are identified and prevented before they occur, and that the activities of the Branch are carried out in accordance with the relevant legislation and regulations in a continuous manner.

Risk Management Department performs the tasks of determining, measuring and managing the exposure risks of the branch. An efficient risk management system infrastructure has been established for credit risk management tasks, credit policy, and risk management activities falling within the credit risk policy. The internal credit risk limits set by the Board of Managers are measured and reported at regular intervals to the Audit Committee.

Internal audit department is in charge of assuring the Board of Managers and the executive management that the Branch's business activities are performed in accordance with the Banking Law, other applicable laws and regulations and the internal strategies, policies, principles and targets of the branch, and that the internal control and risk management systems are efficient and sufficient.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

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**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

b. General qualitative information on credit risk (Continued)

5. Scope and main content of the reporting on credit risk exposure and on the credit risk management function to the executive management and to the Board of Managers

Risks exposed to the Branch are reported on the basis of risk types in daily / monthly and periodic regular reports provided to the Board of Managers and senior management. Credit risk reporting includes the following main content.

The asset quality is analyzed and compared to the previous period in the framework of the Regulation on the Procedures and Principles for the Determination of the Qualifications of Loans and Other Receivables by Banks and the Provisions to be subscribed and thus the sustainability of the asset quality is monitored. Credit risk limits and realizations in the related period. Loan disbursements are monitored on the basis of cash, non-cash and total loans. Risk limits and realizations are defined for the risk appetite of the Branch.

Distribution of cash loans according to cash flows is monitored. Administrative and legal follow-up customers are monitored as well. In addition, the limits and limits of the Branch Risk Group are being reported.

Country ratings, limits and limit achievements are being followed and compared with the previous period.

In order to observe whether there is an increase or decrease in the value of the real estate collateral acquired during the fund disbursement process, the analysis of the real estate price index is examined and the appraisal values are updated routinely and at necessary intervals.

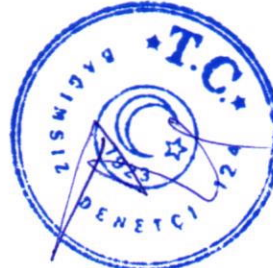
Credit quality of assets

31 December 2020	Gross carrying value as per TAS		Allowances/ amortisation and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	8.082	141.538	5.395	144.225
2 Debt securities Off-balance sheet exposures	-	1.237	848	389
3 (*)	790	4.711	316	5.185
4 Total	8.872	147.486	6.559	149.799

(*) Non-indemnified cash non-cash loans are included.

31 December 2019	Gross carrying value as per TAS		Allowances/ amortisation and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	8.316	69.262	4.182	73.396
2 Debt securities Off-balance sheet exposures	-	1.237	823	414
3 (*)	633	818	253	1.198
4 Total	8.949	71.317	5.258	75.008

(*) Non-indemnified cash non-cash loans are included.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
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**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

Changes in stock of defaulted loans and debt securities

	Current Period
	(*)
1 Defaulted loans and debt securities at end of the previous reporting period	8.949
2 Loans and debt securities that have defaulted since the last reporting period	-
3 Receivables back to non-defaulted status	-
4 Amounts written off	-
5 Other changes	(77)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	8.872

(*) Non-indemnified cash non-cash loans are included.

	Prior Period (*)
1 Defaulted loans and debt securities at end of the previous reporting period	9.012
2 Loans and debt securities that have defaulted since the last reporting period	-
3 Receivables back to non-defaulted status	-
4 Amounts written off	-
5 Other changes	(63)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	8.949

(*) Non-indemnified cash non-cash loans are included.

6. Qualitative disclosures related to the credit quality of assets

a) Scope and definitions of "overdue" and "provision allocated" receivables for accounting purposes and the differences of definitions between "overdue" and "provision allocated", if any.

Overdue receivables and provision allocated receivables are determined according to the Communiqué on Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves.

b) The part of the overdue receivables (past 90 days) for which provision is not allocated and reasons for this application

Provisions are made on time and at the required rates within the scope of the legislation. Within the branch capital structure, the amount of credits required to allocate both loans and special provisions in general is very low.

c) Definitions of the methods used when determining the provision amount

The minimum legal reserve requirement ratios stated in the same 7th and 8th articles of the Regulation on loans or other receivables classified in the third, fourth, fifth group defined in Article 4 of the Regulation on the Procedures and Principles for the Determination of the Qualifications of Loans and Other Receivables and the Provisions to be Forbidden by Banks, Including the minimum legal guarantees defined in Articles 9 and 10.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

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**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

6. Qualitative disclosures related to the credit quality of assets (Continued)

d) Definitions of restructured receivables

According to the Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves, restructuring for the performing and non-performing loans means new contractual conditions only for the loan obligators encountered or likely to be encountered in repayment as a result of financial difficulties, excluding loan obligators with no repayment difficulties.

e) Breakdown of exposures by geographical areas, industry and aging

	Current Period (*)			Prior Period (*)		
	Non-performing Loans	Special Provision	Write-Offs	Non-performing Loans	Special Provision	Write-Offs
Domestic	8.872	5.395	-	8.949	4.182	-
European Union (EU) Countries	-	-	-	-	-	-
OECD Countries	-	-	-	-	-	-
Off-Shore Banking Countries	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-
Total	8.872	5.395	-	8.949	4.182	-

(*) Non-cash loan amounts that have not been compensated for are included in the non-performing loan amount

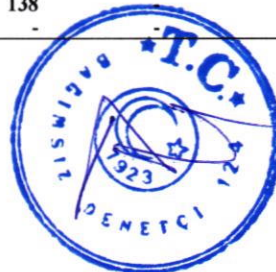
f) Credit risk mitigation techniques:

In accordance with Article 33 of the Communiqué on Credit Risk Reduction Techniques, the Branch reduces the credit risk according to the simple financial guarantee method in which the risk reduction effects are calculated based on the fair value determined in accordance with Article 19 of the Communiqué on financial guarantees. In the credit risk reduction calculations, no tools other than cash or similar assets are considered.

Financial collateral can not be used for credit reduction if the remaining maturity of the collateral is less than the remaining maturity (maturity mismatch) and / or currency incompatibility of receivables.

	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
31 December 2020							
1 Loans	144.044	181	181	-	-	-	-
2 Debt securities	389	-	-	-	-	-	-
3 Total	144.433	181	181	-	-	-	-
4 Overdue	8.082	-	-	-	-	-	-

	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
31 December 2019							
1 Loans	71.659	138	138	-	-	-	-
2 Debt securities	414	-	-	-	-	-	-
3 Total	72.073	138	138	-	-	-	-
4 Overdue	8.316	-	-	-	-	-	-



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

c. Information on counterparty credit risk (CCR)

1. Counterparty credit risk (CCR) approach analysis

None.

2. Capital requirement for credit valuation adjustment (CVA)

None.

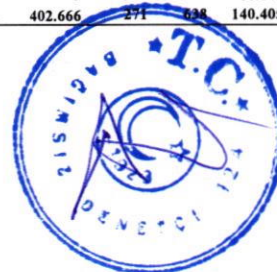
3. Standard Approach - CCR exposures by risk class and risk weights

31 December 2020

	%0	%10	%20	%50	%75	%100	%150	%200	
1 Receivables from central governments and Central Banks	192.145	-	-	-	-	1.014	-	-	193.159
2 Receivables from regional and local government	-	-	-	-	-	-	-	-	-
3 Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-
4 Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
5 Receivables from international organizations	-	-	-	-	-	-	-	-	-
6 Receivables from banks and brokerage houses	-	-	403.128	-	-	42.798	-	-	445.926
7 Receivables from corporate	-	-	-	100	-	93.521	-	-	93.621
8 Retail receivables	-	-	-	2.096	295	47.721	-	-	50.112
9 Receivables secured by residential property	-	-	-	-	-	-	-	-	-
10 Receivables secured by commercial property	-	-	-	-	-	-	-	-	-
11 Non-performing receivables	-	-	-	-	-	3.161	-	-	3.161
12 Receivables in high-risk categories	-	-	-	-	-	-	-	-	-
13 Mortgage-backed securities	-	-	-	-	-	-	-	-	-
14 Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
15 Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-
16 Equity share investments	-	-	-	-	-	389	-	-	389
17 Other receivables	448.523	-	-	-	-	12.274	-	-	460.797
18	640.668	-	403.128	2.196	295	200.878	-	-	1.247.165

31 December 2019

	%0	%10	%20	%50	%75	%100	%150	%200	
1 Receivables from central governments and Central Banks	187.658	-	-	-	-	915	-	-	188.573
2 Receivables from regional and local government	-	-	-	-	-	-	-	-	-
3 Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-
4 Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
5 Receivables from international organizations	-	-	-	-	-	-	-	-	-
6 Receivables from banks and brokerage houses	-	-	402.661	-	-	54.042	-	-	456.703
7 Receivables from corporate	-	-	-	271	-	68.597	-	-	68.868
8 Retail receivables	-	-	-	-	638	27	-	-	665
9 Receivables secured by residential property	-	-	-	-	-	-	-	-	-
10 Receivables secured by commercial property	-	-	-	-	-	-	-	-	-
11 Non-performing receivables	-	-	-	-	-	4.767	-	-	4.767
12 Receivables in high-risk categories	-	-	-	-	-	-	-	-	-
13 Mortgage-backed securities	-	-	-	-	-	-	-	-	-
14 Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
15 Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-
16 Equity share investments	-	-	-	-	-	414	-	-	414
17 Other receivables	301.159	-	5	-	-	11.643	-	-	312.808
18	488.818	-	402.666	271	638	140.405	-	-	1.032.797



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

c. Information on counterparty credit risk (CCR) (Continued)

4. Qualitative explanations on market risk

The Branch defines market risk as market prices and changes in market parameters such as interest, exchange rate and stocks as the value of assets in the resulting trading accounts. The definitions of risk factors constituting market risk and their specific issues are given below.

General Market Risk

It is the probability of loss that the branch may be exposed to due to interest rate risk and stock position risk in the value of positions related to financial instruments included in trading accounts

Interest Rate Risk

It is the probability of loss that the branch may be exposed to due to the movements in the interest rate depending on the position of the financial instruments.

The Branch does not actively purchase and sell financial instruments, therefore, although it does not have trading accounts, it may be particularly affected by fluctuations in Turkish Lira interest rates due to its securities portfolio available for sale. This risk is handled within the Interest Rate risk arising from banking accounts. In addition, the bank's fixed term resource structure, the weighted maturity (duration) and cost of this structure are taken into account in purchasing securities available for sale.

Stock Position Risk

It is the probability of loss that the Branch may be exposed to due to movements in stock prices depending on the stock position position in the trading accounts. The branch has a stock position below 1% of the equity and the valuation difference has been reflected in the records.

Currency Risk

It is the possibility of loss that the branch may be exposed to as a result of changes in foreign exchange rates due to all foreign currency assets and liabilities.

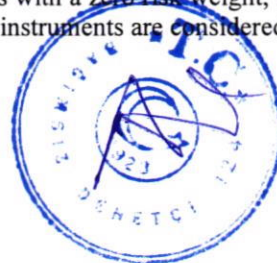
While determining the rules and limitations regarding the direction, amount and composition of the foreign currency position of the branch is in principle under the authority of the Board of Managers, it has been transferred to the Risk Committee by the Board of Managers.

Economic developments in Turkey and the world Risk Committee limits and restrictions on the foreign exchange position is evaluated at intervals deemed appropriate to make changes it deems appropriate.

Branch management prefers to hold a long position and maintain this position with equal weight in USD and EUR currencies, so the bank carries currency risk within the legal limits.

Spesific Risk

It is the probability of loss that may occur due to the problems that may arise from the management and financial structures of the organizations that issue or guarantee the financial instruments that make up these positions, except for the ordinary market movements, in the positions related to the financial instruments included in the trading accounts of the Branch. Although the Bank mainly carries a position of treasury bills or government bonds with a zero risk weight, it also rarely purchases financial instruments subject to specific risk, and these instruments are considered within the credit risk.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

c. Information on counterparty credit risk (CCR) (Continued)

4. Qualitative explanations on market risk (Continued)

Commodity Risk

It is the probability of loss that the branch may be exposed to due to movements in commodity prices, depending on the position of the commodity and commodity-based derivative financial instruments. The Branch does not hold a commodity and commodity-based derivative financial instrument position. It is not exposed to this type of risk.

Swap Risk

It is the probability of loss that the bank will be exposed to due to the price changes of the securities, foreign exchange or commodity subject to the transaction due to the non-settlement of the settlement transaction in transactions that involve the delivery of a security, foreign currency or commodity at the price stipulated in the contract in a certain term and require the fulfillment of the obligations of both parties on the maturity. The Branch does not buy or sell securities, foreign exchange or commodities depending on a maturity. It is not exposed to this type of risk.

Market risk under standardised approach

	31 December 2020	31 December 2019
Direct (Pre-paid) Products	7.514	7.334
1 Interest rate risk (general and specific)	-	-
2 Equity risk (general and specific)	31	33
3 Foreign exchange risk	7.483	7.301
4 Commodity risk	-	-
Options	-	-
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitisation	-	-
9 Total	7.514	7.334

5. Explanation on Operational Risk

The operational risk base amount is calculated according to the basic indicator method in accordance with Article 14 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks.

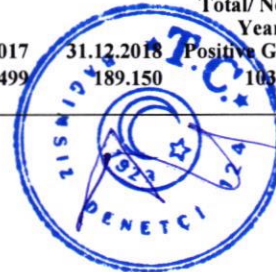
Annual gross income is calculated as the sum of the net amounts of interest incomes and non-interest income after deducting the profit / loss arising from the sale of marketable securities that are available for sale and securities held to maturity and the amounts compensated from extraordinary income and insurance.

Current Year

	31.12.2017	31.12.2018	31.12.2019	Total/ No. of Years of Positive Gross	Rate (%)	Total
Basic Indicator Method						
Gross Income	189.150	62.300	56.268	102.573	15	15.386
Value at Operational Risk (Total*12.5)						192.324

Prior Year

	31.12.2016	31.12.2017	31.12.2018	Total/ No. of Years of Positive Gross	Rate (%)	Total
Basic Indicator Method						
Gross Income	41.071	79.499	189.150	103.240	15	15.486
Value at Operational Risk (Total*12.5)						193.575



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

d. Profit-share rate risk related to banking book

- 1. Economic value differences arising from fluctuations in profit share rates in accordance with the regulation on measurement and evaluation of profit share rates derived from banking accounts with standard shock method**

Current Period

Currency	Applied Shock (+/- basis points)	Gains/Losses	Gains/Shareholder's equity- Losses/shareholder's equity
1. TL	(+) 500	(2.167)	% (0,44)
	(-) 400	1.884	% 0,38
2. USD	(+) 200	-	-
	(-) 200	-	-
3. EUR	(+) 200	(24.693)	% (5,02)
	(-) 200	(1.471)	% (0,30)
Total (For negative shocks)		413	% (0,08)
Total (For positive shocks)		(26.860)	% (5,46)

Prior Period

Currency	Applied Shock (+/- basis points)	Gains/Losses	Gains/Shareholder's equity- Losses/shareholder's equity
1. TL	(+) 500	(564)	% (0,12)
	(-) 400	472	% 0,10
2. USD	(+) 200	-	-
	(-) 200	-	-
3. EUR	(+) 200	(26.626)	% (5,78)
	(-) 200	(891)	% (0,19)
Total (For negative shocks)		(419)	% (0,09)
Total (For positive shocks)		(27.190)	% (5,90)



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE
BRANCH (Continued)**

X. EXPLANATIONS ON RISK MANAGEMENT (Continued)

e. Hierarchy of valuation techniques which establishes basis for fair value calculation of financial assets and liabilities

Level 1: Quoted prices in active markets for identical assets and liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable market information for the assets or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that is not based on observable market information.

According to the classification principles, the fair value classification of the financial assets and liabilities for which the Branch is carrying at fair value is as follows:

31 December 2020	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	389	-	-	389
Government Debt Securities	-	-	-	-
Share Certificates	389	-	-	389
Other Financial Assets	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-
Government Debt Securities	-	-	-	-
Share Certificates	-	-	-	-
Other Financial Assets	-	-	-	-
Total Assets	389	-	-	389
Derivative financial liabilities held for trading	-	-	-	-
Funds Borrowed	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-
Total Liabilities	-	-	-	-
31 December 2019	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	414	-	-	414
Government Debt Securities	-	-	-	-
Share Certificates	414	-	-	414
Other Financial Assets	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-
Government Debt Securities	-	-	-	-
Other Financial Assets	-	-	-	-
Total Assets	414	-	-	414
Derivative financial liabilities held for trading	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-
Total Liabilities	-	-	-	-



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

a. Information related to cash and the account of the Central Bank of the Republic of Turkey (the "CBRT")

1. Information related to cash and the account of CBRT

	31 December 2020		31 December 2019	
	TP	YP	TP	YP
Cash	2.194	446.329	16.224	284.936
The CBRT	184.584	-	179.159	-
Other	-	-	-	-
Total	186.778	446.329	195.383	284.936

2. Information related to the account of the CBRT

	31 December 2020		31 December 2019	
	TP	YP	TP	YP
Demand Unrestricted Account	43.890	-	99.424	-
Time Unrestricted Account	-	-	-	-
Reserve Requirement ⁽¹⁾	140.694	-	79.735	-
Total	184.584	-	179.159	-

⁽¹⁾ According to the CBRT correspondence dated 7 August 2018, the reserve requirement for foreign currency liabilities are established in TL with the reserve requirement for TL liabilities classified under "Reserve Requirement".

3. Information on reserve requirements:

The reserve rates for TL liabilities vary between 1% and 6% for TL deposits and other liabilities according to their maturities as of 31 December 2020 (31 December 2019: 1% and 7% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 5% and 21% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2020 (31 December 2019: %5 ile %21) According to the CBRT correspondence dated 7 August 2018, as of the reserve requirement period dated 10 August 2018, the reserve requirement for foreign currency liabilities are established in TL. Within the scope of the reserve facility, the reserve requirements for FC liabilities are calculated at a margin of 10% with the US dollar foreign exchange buying rates announced in the Official Gazette on the date of calculating the TL equivalent liabilities.

b. Information on financial assets at fair value through profit or loss

	31 December 2020	31 December 2019
Government Debt Securities	-	-
Securities Representing Share in Capital	389	414
Other Financial Assets	-	-
Total	389	414

Pledged / Blocked financial assets at fair value through profit or loss

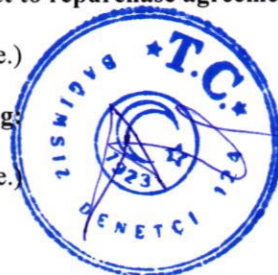
As of December 31st, 2020: None. (31 December 2019: None.)

Financial assets at fair value through profit or loss subject to repurchase agreements

As of December 31st, 2020: None. (31 December 2019: None.)

Information about derivative instruments held for trading:

As of December 31st, 2020: None. (31 December 2019: None.)



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

c. Information on Banks

1. Information on banks and other financial institutions

	31 December 2020		31 December 2019	
	TL	FC	TL	FC
Banks				
Domestic	358.555	39.072	367.386	31.280
Foreign	-	47.447	-	57.407
Head Quarters and Branches Abroad	1	851	1	629
Total	358.556	87.370	367.387	89.316

2. Information on foreign banks account

	Unrestricted		Unrestricted	
	Amount	Restricted Amount	Amount	Restricted Amount
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
EU Countries	46.741	-	56.881	-
USA, Canada	-	-	-	-
OECD Countries ⁽¹⁾	68	-	50	-
Off-Shore Banking Regions	-	-	-	-
Other	1.490	-	1.106	-
Total	48.299	-	58.037	-

⁽¹⁾ OECD countries except EU countries, USA and Canada

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

- As of 31 December 2020 there are no financial assets whose fair value difference is reflected in other comprehensive income, subject to repo transactions (31 December 2019: None)..
- As of 31 December 2020 there are no financial assets whose fair value difference is reflected in other comprehensive income, subject to repo transactions (31 December 2019: None).
- There are no financial assets at fair value through other comprehensive income. (31 December 2019: None).

e. Information on loans

1. Information on all types of loans and advances given to shareholders and employees of the Branch:

	31 December 2020		31 December 2019	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Branch's Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Branch's Shareholders	-	-	-	-
Loans Granted to Branch's Employees	303	-	638	-
Total	303	-	638	-



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

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

Cash Loans (31 December 2020)	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring		
		Not in the scope of restructuring	Restructured	
			Changes in condition of the agreements	Refinancing
Non-specialized Loans	141.538	-	-	-
Working Capital Loans	-	-	-	-
Export Loans	-	-	-	-
Import Loans	-	-	-	-
Loans to Financial Sector	-	-	-	-
Consumer Loans	1.280	-	-	-
Credit Cards	-	-	-	-
Others ⁽¹⁾	140.258	-	-	-
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	141.538	-	-	-

⁽¹⁾ Discount notes are included that the balance.

Cash Loans (31 December 2019)	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring		
		Not in the scope of restructuring	Restructured	
			Changes in condition of the agreements	Changes in condition of the agreements
Non-specialized Loans	69.247	15	-	-
Working Capital Loans	-	-	-	-
Export Loans	-	-	-	-
Import Loans	-	-	-	-
Loans to Financial Sector	-	-	-	-
Consumer Loans	650	-	-	-
Credit Cards	-	-	-	-
Others ⁽¹⁾	68.597	15	-	-
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	69.247	15	-	-

⁽¹⁾ Discount notes are included that the balance.

3. Loans and other receivables with extended payment plans:

None (31 December 2019: None).



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

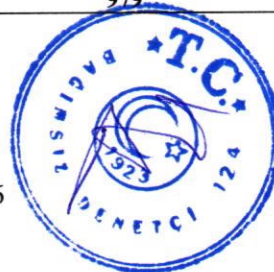
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FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

4. Information on consumer loans, consumer credit cards, personnel loans and personnel credit cards:

31 December 2020	Short-term	Long and medium term	Total
Consumer Loans - TL	-	-	-
Housing loans	-	-	-
Automotive loans	-	-	-
General Purpose Loans	977	-	977
Other	-	-	-
Consumer Loans - FC indexed	-	-	-
Housing loans	-	-	-
Automotive loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans - FC	-	-	-
Housing loans	-	-	-
Automotive loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Credit Cards – TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Consumer Credit Cards – FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel Loans - TL	2	301	303
Housing loans	-	-	-
Automotive loans	-	-	-
General Purpose Loans	2	301	303
Other	-	-	-
Personnel Loans – FC indexed	-	-	-
Housing loans	-	-	-
Automotive loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing loans	-	-	-
Automotive loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards – TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel Credit Cards – FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft-TL (Real Person)	-	-	-
Overdraft-FC (Real Person)	-	-	-
Total	979	301	1.280



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

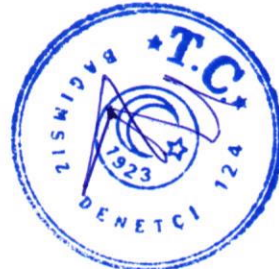
**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

31 December 2019	Short-term	Long and medium term	Total
Consumer Loans - TL	-	-	-
Housing loans	-	-	-
Automotive loans	-	-	-
General Purpose Loans	-	12	12
Other	-	-	-
Consumer Loans - FC indexed	-	-	-
Housing loans	-	-	-
Automotive loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans - FC	-	-	-
Housing loans	-	-	-
Automotive loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Credit Cards – TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Consumer Credit Cards – FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel Loans - TL	-	638	638
Housing loans	-	-	-
Automotive loans	-	-	-
General Purpose Loans	-	638	638
Other	-	-	-
Personnel Loans – FC indexed	-	-	-
Housing loans	-	-	-
Automotive loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing loans	-	-	-
Automotive loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards – TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel Credit Cards – FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft-TL (Real Person)	-	-	-
Overdraft-FC (Real Person)	-	-	-
Total	-	650	650



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

5. Information on commercial installment loans and corporate credit cards

	31 December 2020			31 December 2019		
	Short Term	Long and medium term	Total	Short Term	Long and medium term	Total
Commercial Loans with Installment Facility - TL	-	34.076	34.076	-	15	15
Business Loans	-	-	-	-	-	-
Vehicle Loans	-	-	-	-	-	-
General Purpose Loans	-	34.076	34.076	-	15	15
Other	-	-	-	-	-	-
Commercial Loans with Installment Facility – Indexed to FC	-	-	-	-	-	-
Business Loans	-	-	-	-	-	-
Vehicle Loans	-	-	-	-	-	-
General Purpose Loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Commercial Loans with Installment Facility – FC	-	-	-	-	-	-
Business Loans	-	-	-	-	-	-
Vehicle Loans	-	-	-	-	-	-
General Purpose Loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Corporate Credit Cards – TL	-	-	-	-	-	-
Installment	-	-	-	-	-	-
Non – Installment	-	-	-	-	-	-
Corporate Credit Cards – FC	-	-	-	-	-	-
Installment	-	-	-	-	-	-
Non – Installment	-	-	-	-	-	-
Overdraft Accounts – TL (Legal Entities)	-	-	-	-	-	-
Overdraft Accounts – FC (Legal Entities)	-	-	-	-	-	-
Total	-	34.076	34.076	-	15	15

6. Loans according to type of borrowers

	31 December 2020	31 December 2019
Public	-	-
Private	141.538	69.262
Total	141.538	69.262

7. Distribution of domestic and foreign loans: Loans are classified according to the locations of the customers

	31 December 2020	31 December 2019
Domestic Loans	48.016	905
Foreign Loans	93.522	68.357
Total	141.538	69.262

8. Loans granted to investments in associates and subsidiaries

None (31 December 2019: None).



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

9. Special provisions for loans

	31 December 2020	31 December 2019
Loans and other receivables with limited collectability	-	-
Loans and other receivables with doubtful collectability	-	-
Uncollectible loans and other receivables	(5.395)	(4.182)
Total	(5.395)	(4.182)

10. Information on non-performing loans (Net)

- (i) Information on loans and other receivables rescheduled or restructured from non-performing loans
(ii) Information on the movement of total non-performing loans

	III. Group Loans and Other Receivables with Limited Collectability	IV. Group Loans and Other Receivables with Doubtful Collectability	V. Group Uncollectible Loans and Other Receivables
31 December 2019	-	-	8.316
Additions (+)	15	-	-
Transfers from other categories of non-performing loans (+)	-	-	-
Transfers to other categories of non-performing loans (-)	-	-	-
Collections (-)	(15)	-	(234)
Write-offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and commercial loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Others	-	-	-
31 December 2020	-	-	8.082
Specific provisions (-)	-	-	5.395
Net Balance on Balance Sheet	-	-	2.687

	III. Group Loans and Other Receivables with Limited Collectability	IV. Group Loans and Other Receivables with Doubtful Collectability	V. Group Uncollectible Loans and Other Receivables
31 December 2019	-	-	8449
Additions (+)	-	-	4
Transfers from other categories of non-performing loans (+)	-	-	-
Transfers to other categories of non-performing loans (-)	-	-	-
Collections (-)	-	-	(137)
Write-offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and commercial loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Others	-	-	-
31 December 2020	-	-	8.316
Specific provisions (-)	-	-	(4.182)
Net Balance on Balance Sheet	-	-	4.134



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

(iii) Information on non-performing loans granted as foreign currency loans:

The Branch has no foreign currency loans and other receivables in non-performing loans.

(iv) Breakdown of non-performing loans according to their gross and net values:

	III. Group Loans and Other Receivables with Limited Collectability	IV. Group Loans and Other Receivables with Doubtful Collectability	V. Group Uncollectible Loans and Other Receivables
31 December 2020 (Net)	-	-	2.687
Loans to real and legal persons (Gross)	-	-	8.082
Specific provisions (-)	-	-	(5.395)
Loans to real and legal persons (Net)	-	-	2.687
Banks (Gross)	-	-	-
Specific provisions (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other loans and receivables (Net)	-	-	-
31 December 2019 (Net)	-	-	4.134
Loans to real and legal persons (Gross)	-	-	8.316
Specific provisions (-)	-	-	(4.182)
Loans to real and legal persons (Net)	-	-	4.134
Banks (Gross)	-	-	-
Specific provisions (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other loans and receivables (Net)	-	-	-

11. The policy followed for the collection of uncollectible loans and other receivables:

Uncollectible loans and other receivables are aimed to be liquidated through the collection of collaterals and legal procedures. The policy of the Branch regarding the writing-off the non – performing loans is as writing-off the ones that are proved as uncollectible.

f. Information on financial assets measured at amortised costs:

As of 31 December 2020 and 31 December 2019, the Branch has no financial assets measured at amortised cost.

g. Information on investment in associates (Net):

As of 31 December 2020 and 31 December 2019, the Branch has no investments in associates.

h. Information on subsidiaries (Net):

As of 31 December 2020 and 31 December 2019, the Branch has no subsidiaries.

i. Information on joint ventures:

As of 31 December 2020 and 31 December 2019, the Branch has no joint ventures.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

j. Information on finance lease receivables (Net):

None. (31 December 2019: None.)

k. Explanations on hedging derivative instruments:

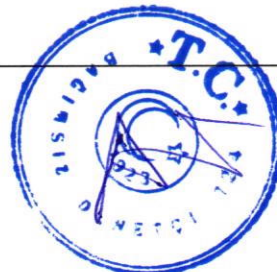
None. (31 December 2019: None.)

I. Explanations on tangible assets

	Immovables	Vehicles	Other Tangible Fixed Assets	Total
31 December 2020				
Cost	14.086	-	1.564	15.650
Accumulated depreciation	(3.954)	-	(877)	(4.831)
Net book value	10.132	-	687	10.819
31 December 2020				
Net book value at the beginning of the year	10.330	-	682	11.012
Additions	35	-	149	184
Disposals	-	-	-	-
Transfers	-	-	(48)	(48)
Depreciation	(233)	-	(242)	(475)
Depreciation, Disposals	-	-	-	-
Depreciation, Transfers	-	-	147	147
Closing net book value	10.132	-	687	10.819
Cost at year end	14.086	-	1.564	15.650
Accumulated depreciation at year end	(3.954)	-	(877)	(4.831)
Closing net book value	10.132	-	687	10.819

m. Explanations on intangible assets

	Software	Total
31 December 2020		
Cost	421	421
Accumulated depreciation	(228)	(228)
Net book value	193	193
31 December 2020		
Net book value at the beginning of the year	193	193
Additions	163	163
Disposals	-	-
Transfers	(304)	(304)
Depreciation	(140)	(140)
Depreciation, Disposals	-	-
Depreciation, Transfers	-	-
Closing net book value	193	193
Cost at year end	421	421
Accumulated depreciation at year end	(228)	(228)
Closing net book value	193	193



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

n. Explanations on investment property:

None. (31 December 2019: None.)

o. Explanation on deferred tax assets:

The Branch has no carry forward tax loss that can be deducted from current tax liability. Assets and liabilities, which are calculated over the temporary differences arising between applied accounting policies and valuation principles and tax legislation are accounted as TL 1.014 (31 December 2019: TL 916) on net basis to deferred tax assets.

	31 December 2020		31 December 2019	
	Accumulated temporary differences	Deferred Tax	Accumulated temporary differences	Deferred Tax
Tangible and intangible assets, net	722	144	818	164
Provision for employment termination benefit	4.319	864	3.731	746
Provision for litigation	28	6	28	6
Total deferred tax asset		1.014		916
Total tax liability		-		-
Deferred tax asset, net		1.014		916

p. Explanations on assets held for sale

As of 31 December 2020, None. (31 December 2019: None).

r. Explanations on other assets:

Other assets amount to TL 1.262 (31 December 2019: TL 440) and do not exceed 10% of the total balance sheet, excluding off-balance sheet commitments.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

II. EXPLANATIONS AND NOTES RELATED TO LIABILITY

a. Information on deposits

1. Information on maturity structure of the deposits:

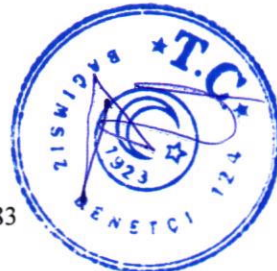
There are no deposits with seven days notification and accumulative deposits.

(i) 31 December 2020:

	Demand	Up to 1 Month	1 - 3 Months	3 - 6 Months	6 month - 1 year	1 year and over	Total
Saving Deposits	66	-	-	-	-	-	66
Foreign Currency Deposits	119.732	-	-	-	-	-	119.732
Residents in Turkey	20.579	-	-	-	-	-	20.579
Residents Abroad	99.153	-	-	-	-	-	99.153
Public Sector Deposits	-	-	-	-	-	-	-
Commercial Deposits	1.936	82	-	-	-	-	2.018
Other Institutions Deposits	31	-	-	-	-	-	31
Gold Vault	-	-	-	-	-	-	-
Bank Deposits	608.090	-	-	-	-	-	608.090
The CBRT	0	-	-	-	-	-	-
Domestic Banks	0	-	-	-	-	-	-
Foreign Banks	608.090	-	-	-	-	-	608.090
Special Finance Institutions	0	-	-	-	-	-	-
Other	0	-	-	-	-	-	-
Total	729.855	82	-	-	-	-	729.937

(ii) 31 December 2019:

	Demand	Up to 1 Month	1 - 3 Months	3 - 6 Months	6 month - 1 year	1 year and over	Total
Saving Deposits	88	-	-	-	-	-	88
Foreign Currency Deposits	205.539	-	-	-	-	-	205.539
Residents in Turkey	65.299	-	-	-	-	-	65.299
Residents Abroad	140.240	-	-	-	-	-	140.240
Public Sector Deposits	-	-	-	-	-	-	-
Commercial Deposits	2.389	79	-	-	-	-	2.468
Other Institutions Deposits	14	-	-	-	-	-	14
Gold Vault	-	-	-	-	-	-	-
Bank Deposits	341.388	-	-	-	-	-	341.388
The CBRT	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-
Foreign Banks	341.388	-	-	-	-	-	341.388
Special Finance Institutions	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	549.418	79	-	-	-	-	549.497



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

2. Information on saving deposits insurance:

(i) Information on saving deposits under the guarantee of the saving deposits insurance fund and amounts exceeding the limit of the deposit insurance fund:

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Saving Deposits	62	88	3	1
Foreign Currency Saving Deposits	2.964	2.886	55.664	40.434
Other Deposits in the Form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-Shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

(ii) Saving deposits which are not under the guarantee of deposit insurance fund

None (31 December 2019: None).

(iii) Saving deposits which are not under the guarantee of saving deposit insurance fund of real persons

	31 December 2020	31 December 2019
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Managers, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse, Children in care	1.528	352
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law No:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Bank Which Established in Turkey in Order to Engage in Off-shore Banking Activities Solely	-	-

b. Information on trading derivative financial liabilities

As of 31 December 2020 and 31 December 2019, the Branch has no trading derivative financial liabilities.

c. Information on borrowings

1. Information on banks and other financial institutions:

As of 31 December 2020, the Branch has no borrowings (31 December 2019: None).

2. Information on maturity structure of borrowings:

As of 31 December 2020, the Branch has no borrowings (31 December 2019: None).



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

d. Information on other liabilities

Other liabilities amount to TL 4.353 (31 December 2019: TL 2.429) and do not exceed 10% of the total balance sheet

e. Information on financial leasing agreements

As of 31 December 2020 and 31 December 2019, the Branch has no financial lease payables.

f. Information on hedging derivative financial liabilities:

None (31 December 2019: None).

g. Information on provisions:

1. Information on general loan loss provisions

	31 December 2020	31 December 2019
General Loan Loss Provisions		
Loans and Receivables in Group I	2.213	1.042
- Additional Provision for Loans and Receivables with extended maturities	-	-
Loans and Receivables in Group II	-	-
- Additional Provision for Loans and Receivables with extended maturities	-	-
Non-Cash Loans	31	13
Others	4.471	4.376
Total	6.625	5.431

2. Information on reserve for employee rights

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

	31 December 2020	31 December 2019
Discount rate (%)	5,49	6,05
Rate for the Probability of Retirement (%)	98,81	98,38

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL 7.638,96 (31 December 2019: 6.730,15 TL) effective from January 1, 2021 has been taken into consideration in calculating the reserve for employment termination benefits.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

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

	1 Ocak - 31 December 2020	1 Ocak - 31 December 2019
Prior Period Ending Balance	3.115	2.794
Provisions Recognised During the Period	846	679
Actuarial loss / (Gain)	(510)	(270)
Paid During the Period (-)	(196)	(88)
Reversed During the Period (-)	3.255	3.115

In addition as of, the Branch has provided a provision for unused vacation rights amounting to TL 1.063 (31 December 2019: TL 616)

3. Information on Provisions Related with Foreign Currency Difference of Foreign Indexed Loans:

As of 31 December 2020, the Branch has no provision related to foreign currency difference of foreign indexed loans (31 December 2019: None).

4. Specific provisions for non-cash loans that are non-funded and non-transformed into cash:

As of 31 December 2020, the Branch has specific provision for non-cash loans amounting to TL 316 (31 December 2019: TL 253).

5. Information on other provisions:

(i) Information on provisions for possible risks:

As of 31 December 2020 and 31 December 2019, the Branch has no provisions for possible risks.

(ii) Other provisions if they exceed 10% of total provisions:

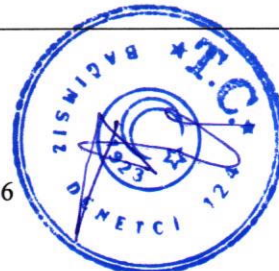
As of 31 December 2020, the Branch had prudently provided a provision amounting to TL 28 (31 December 2019: TL 28). As of 31 December 2020, the Branch has specific provision for non-cash loans amounting to TL 316 that are classified in "Other Provisions" item at Balance Sheet (31 December 2019: TL 253).

h. Information on tax payable

1. Information on current tax payable

(i) Information on taxes payable

	31 December 2020	31 December 2019
Corporate Tax Payable	1.365	2.518
Taxation of Marketable Securities	-	-
Property Tax	-	-
Banking Insurance Transaction Tax (BITT)	45	139
Foreign Exchange Transaction Tax	-	1
Value Added Tax Payable	14	33
Other	220	325
Total	1.644	3.016



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

(ii) Information on premium payables

	31 December 2020	31 December 2019
Social Security Premiums – Employee	63	61
Social Security Premiums – Employer	73	93
Bank Social Aid Pension Fund Premiums – Employee	-	-
Bank Social Aid Pension Fund Premiums – Employer	-	-
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	4	4
Unemployment Insurance – Employer	9	9
Other	-	-
Total	149	167

2. Information on deferred tax liability

The Branch has no deferred tax liability (31 December 2019: None).

i. Information on liabilities for property and equipment held for sale and related to discontinued operations

None (31 December 2019: None).

j. Explanations on subordinated loans

None (31 December 2019: None).

k. Information on Shareholders' Equity

1. Presentation of paid-in capital:

Since the entity has the status of a Branch, paid-in capital is not received in exchange for shares.

2. The amount of paid-in capital, explanation on whether the registered share capital system is used, if this system is used the amount of registered share capital:

Capital system	Paid-in capital	Ceiling
Registered Share Capital	200.000	200.000

3. Information on share capital increases and their sources; other information on increased capital shares in current period:

None (31 December 2019: None).

4. Information on share capital increases from capital reserves in current period:

None (31 December 2019: None).



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

5. Information on capital commitments, the general purpose and the estimated sources needed for these commitments until the end of the fiscal year and the subsequent interim period:

None.

6. Information on income, profitability and liquidity of the Group by taking into consideration prior period indicators and uncertainties and their possible effects on shareholders' equity:

There is no adverse change expected in the profitability and liquidity of the Branch.

7. Summarised information about privileges given to shares representing the capital

None (31 December 2019: None).

- I. Information on marketable securities value increase fund:**

None (31 December 2019: None).



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

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

a. Explanations on off-balance sheet commitments

Type and amount of irrevocable commitments

- As of 31 December 2020, all commitments of the Branch are irrevocable. The commitments for cheques is TL 4 (31 December 2019: TL 24).
- Type and amount of probable losses and obligations arising from off-balance sheet items:

The Branch has no probable losses arising from off-balance sheet items. Obligations arising from the off-balance sheet are disclosed in "Off-balance sheet commitments."

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

	31 December 2020	31 December 2019
Bank acceptance loans	-	-
Letters of credit	790	633
Other guarantees	4	24
Total	794	657

- Information on sectoral risk concentrations of non-cash loans

	31 December 2020				31 December 2019			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	-	-	-	-	-	-	-	-
Farming and Raising livestock.	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-
Mining	-	-	-	-	-	-	-	-
Production	-	-	-	-	-	-	-	-
Electric, Gas and Water	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Services	90	17,65	4.608	98,65	125	100,00	999	95,23
Wholesale and Retail Trade	-	-	4.471	95,72	-	-	633	60,34
Hotel, Food and Beverage	-	-	-	-	-	-	-	-
Transportation and	-	-	-	-	-	-	-	-
Telecommunication	30	5,88	137	2,93	30	24,00	366	34,89
Financial Institutions	-	-	-	-	-	-	-	-
Real Estate and Leasing	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Self-Employment Services	60	11,76	-	-	95	76,00	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	420	82,35	63	1,35	-	-	50	4,77
Total	510	100,00	4.671	100,00	125	100,00	1.049	100,00



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

III. EXPLANATIONS AND NOTES RELATED TO OFF BALANCE SHEET ACCOUNTS (Continued)

(iii) Revocable, irrevocable guarantees and other similar commitments and contingencies

	31 December 2020	31 December 2019
Revocable letters of guarantee	-	-
Irrevocable letters of guarantee	2.532	275
Letters of guarantee given in advance	1.858	266
Guarantees given to customs	-	-
Other letters of guarantees	1	-
Total	4.391	541

3. (i) Total amount of non-cash loans

	31 December 2020	31 December 2019
Non-cash Loans Given for the Purpose of Obtaining Cash Loans	-	-
With Original Maturity of 1 Year or Less Than 1 Year	-	-
With Original Maturity of More Than 1 Year	-	-
Other Non-cash Loans	5.181	1.174
Total	5.181	1.174

(ii) Information on non-cash loans classified in Group I and Group II

31 December 2020	Group I		Group II	
	TP	YP	TP	YP
Non- Cash Loans	510	4.671		
Letters of Guarantee	510	3.881	-	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	790	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	-	-	-
Total	510	4.671	-	-

31 December 2019	Group I		Group II	
	TP	YP	TP	YP
Non- Cash Loans				
Letters of Guarantee	125	416	-	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	633	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	-	-	-
Total	125	1.049	-	-

b. Explanations on derivative financial instruments:

The Branch has no derivative financial instruments as of 31 December 2020 and 31 December 2019.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

III. EXPLANATIONS AND NOTES RELATED TO OFF BALANCE SHEET ACCOUNTS (Continued)

c. Explanations on credit derivatives and risks suffered because of these:

As of December 31, 2020 and 2019, the Branch does not have any credit derivatives and risks suffered because of these.

d. Explanations on contingent liabilities and assets:

As of 31 December 2020, the Branch had prudently provided a provision amounting to TL 28 (31 December 2019: 28 TL). As of 31 December 2020, the Branch has specific provision for non-cash loans amounting to TL 316 that are classified in "Other Provisions" item at Balance Sheet (31 December 2019: TL 253).

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

The Branch does not carry out trading, custody and fund management services on behalf of others and on their account as of 31 December 2020 and 31 December 2019.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

IV. EXPLANATIONS AND NOTES RELATED TO ON INCOME STATEMENT

a. Information on interest income

1. Information on interest income on loans

	31 December 2020		31 December 2019	
	TL	FC	TL	FC
Interests Received from Credits ⁽¹⁾				
Short-Term Loans	1.065	5.860	26	-
Medium and Long-Term Loans	338	-	25	1.733
Interest on Non-Performing loans	617	5.780	201	310
Premiums Received from the Resource Utilisation Support Fund	110	80	-	-
Total	1.065	5.860	252	2.043

⁽¹⁾ Charges and commissions received from cash credits are included.

2. Information on interest income on banks

	31 December 2020		31 December 2019	
	TL	FC	TL	FC
From the CBRT ⁽¹⁾	5.426	-	7.052	-
From Domestic Banks	15.397	-	16.949	-
From Foreign Banks	-	-	-	-
Headquarters and Branches Abroad	-	-	-	-
Total	20.823	-	24.001	-

⁽¹⁾ Interest received from Money Market Transactions are included.

3. Information on interest income on marketable securities

	31 December 2020		31 December 2019	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	18.739	-
Financial Assets measured at Amortised Cost	-	-	-	-
Total	-	-	18.739	-

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

The Branch has no interest income received from investments in associates and subsidiaries (31 December 2019: None).



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

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

b. Information on interest expense

1. Information on interest expense on borrowings

The Branch has no interest expense on borrowings (31 December 2019: None).

2. Information on interest expense given to investments in associates and subsidiaries

The Branch has no interest expense given to investments in associates and subsidiaries (31 December 2019: None).

3. Information on interest to issued securities

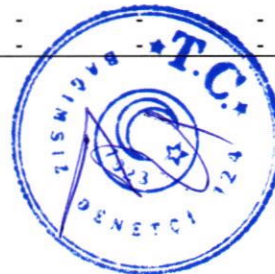
None. (31 December 2019: None)

4. Maturity structure of the interest expense on deposits

There are no deposits with seven days notification and accumulative deposits (31 December 2019: None).

1 January – 31 December 2020	Demand Deposits	Up to 1 Month	1 – 3 Months	Time Deposit			Total
				3 – 6 Months	6 Months - 1 Year 1 Year	1 Year and Over	
TL							
Bank Deposits	-	-	-	-	-	-	-
Saving Deposits	-	-	-	-	-	-	-
Public Sector Deposits	-	-	-	-	-	-	-
Commercial Deposit	-	3	-	-	-	-	3
Other Deposits	-	-	-	-	-	-	-
Total	-	3	-	-	-	-	3
FC							
Foreign Currency Deposits	-	-	-	-	-	-	-
Bank Deposits	-	-	-	-	-	-	-
Gold Vault	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
Grand Total	-	3	-	-	-	-	3

1 January – 31 December 2019	Demand Deposits	Up to 1 Month	1 – 3 Months	Time Deposit			Total
				3 – 6 Months	6 Months - 1 Year 1 Year	1 Year and Over	
TL							
Bank Deposits	-	-	-	-	-	-	-
Saving Deposits	-	-	-	-	-	-	-
Public Sector Deposits	-	-	-	-	-	-	-
Commercial Deposit	-	3	-	-	-	-	3
Other Deposits	-	-	-	-	-	-	-
Total	-	3	-	-	-	-	3
FC							
Foreign Currency Deposits	-	-	-	-	-	-	-
Bank Deposits	-	-	-	-	-	-	-
Gold Vault	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
Grand Total	-	3	-	-	-	-	3



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

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

c. Explanations on dividend income

None. (1 January – 31 December 2019: None.)

d. Explanations on trading loss/income (Net)

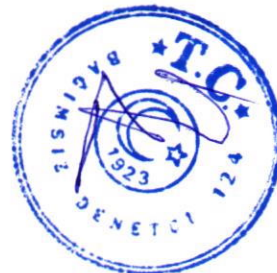
	31 December 2020	31 December 2019
Income	142.693	62.721
Income from Capital Market Transactions	-	-
Derivative Financial Transactions	-	-
Foreign Exchange Loss	142.693	62.721
Loss (-)	(116.919)	(54.132)
Loss from Capital Market Transactions	-	-
Derivative Financial Transactions	-	-
Foreign Exchange Loss	(116.919)	(54.132)
Net Income / Loss	25.774	8.589

e. Explanations on other operating income

There are no extraordinary income accounted under other operating income.

f. Provision expenses related to loans and other receivables of the Branch

	31 December 2020	31 December 2019
Specific Provisions for Loans and Other Receivables	1.318	664
Loans and Receivables with Limited Collectibility	-	-
Loans and Receivables with Doubtful Collectibility	-	-
Uncollectible Loans and Receivables	1.318	664
General Provision Expenses	964	3.986
Marketable Securities Impairment Expense	25	77
Financial Assets at Fair Value Through Profit or Loss	25	77
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value	-	-
Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	-	-
Total	2.307	4.727



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

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

g. Information related to other operating expenses

	31 December 2020	31 December 2019
Reserve for Employee Termination Benefits	846	679
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	523	509
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	162	216
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	1.785	1.952
Leasing Expenses relating to TFRS 16 exceptions	-	29
Maintenance Expenses	116	117
Advertisement Expenses	16	19
Other Expenses	1.653	1.787
Loss on Sales of Assets	-	-
Other	2.601	2.818
Total	5.917	6.174

h. Explanations on profit and loss from continuing operations before tax

Profit and loss before tax consists of net interest income amounting to TL 27.732 (1 January- 31 December 2019: TL 45.777) net fee and commission income amounting to TL 4.579 (1 January- 31 December 2019: TL 10.469) and total other operating expense amounting TL 17.067 (1 January- 31 December 2019: TL 16.485).

i. Explanations on tax provision

1. Explanations on calculated current tax income or expense and deferred tax income or expense:

As of 31 December 2020, the Branch has a current tax expense amounting to TL 8.926 (31 December 2019: TL 11.017) and deferred tax expense amounting to TL 123 (31 December 2019: TL 101) and deferred tax income amounting to TL 260 (31 December 2019: TL 180).

2. Explanations on deferred tax income or expense arising from the temporary differences occurred or closed

The Branch calculated net deferred tax income of TL 137 due to the occurrence of temporary differences as of 31 December 2020 (31 December 2019: TL 79 deferred tax expense).

3. Explanations on deferred tax income or expense arising from the temporary differences occurred or closed

None.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

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

j. Explanation on net profit and losses:

To understand the Branch's current year performance, the characteristics of income or expense items arising from common banking transactions, and the dimension and recurrence of these transactions are not required.

The effect of a change in the estimate of the Branch's financial statement items on profit / loss, it is not likely to affect subsequent periods.

There is no profit / loss pertaining to minority shares of the Branch.

k. If other items in the income statement exceed 10% of the income statement total, the presentation of these items in the sub-accounts that make up at least 20% of these items:

Information related to other operating expenses is included in section IV-Explanations and Notes Related to on Income Statement title "g".



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

V. EXPLANATIONS AND NOTES RELATED TO CHANGES IN SHAREHOLDERS' EQUITY

a. Explanation on profit distributions:

Retained earnings of the Branch can be distributed through the permission of the BRSA. There was no profit distribution for the years 2015-2020.

b. Amounts transferred to legal reserves:

None (31 December 2019: None).

c. Information on capital increase:

None (31 December 2019: None).

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

"Unrealized gains and losses" arising from changes in the fair value of securities classified as financial assets at fair value through other comprehensive income are not recognized in current year income statements; they are recognized in the "Accumulated Revaluation and/or Classification Gains /(Losses) of Financial Assets at Fair Value Through Other Comprehensive Income" account under equity, until the financial assets are sold, disposed of or impaired.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

VI. EXPLANATIONS AND NOTES RELATED TO CHANGES IN CASH FLOW STATEMENT

a. Information on cash and cash equivalents

1. Components of cash and cash equivalents and the accounting policy applied in their determination

Cash and effectives together with demand deposits at banks including the CBRT are defined as "Cash"; interbank money market placements and time deposits in banks with original maturities less than three months are defined as "Cash Equivalents. The Branch calculates the effect of change in foreign exchange rate on cash and cash equivalents by the difference between the rates used at the balance sheet date and the exchange rates at the end of the previous month.

2. Effect of a change on the accounting policies

None (31 December 2019: None).

3. Reconciliation of cash and cash equivalent items with balance sheet and cash flow statements:

(i) Information on cash and cash equivalents at the beginning of the year:

	31 December 2020	31 December 2019
Cash	936.779	723.887
Cash and Effectives	301.160	230.839
Demand Deposits in Banks	635.619	493.048
Cash Equivalents	-	-
Interbank Money Market Placements	-	-
Time Deposits in Banks	-	-
Total Cash and Cash Equivalents	936.779	723.887

The total amount from the operations the in prior period gives the total cash and cash equivalents amount at the beginning of the current period.

(ii) Information on cash and cash equivalents at the end of year

	31 December 2020	31 December 2019
Cash	1.069.469	936.779
Cash and Effectives	448.523	301.160
Demand Deposits in Banks	620.946	635.619
Cash Equivalents	-	-
Interbank Money Market Placements	-	-
Time Deposits in Banks	-	-
Total Cash and Cash Equivalents	1.069.469	936.779

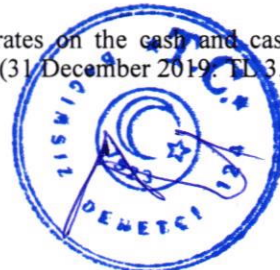
b. Information on cash and cash equivalent assets of the Branch that is not available for free use due to legal restrictions or other reasons:

None (31 December 2019: None).

c. Explanations on the other cash flow items and effect of changes in foreign exchange rates on cash and cash equivalents

"Increase in the "Other" item amounting to TL 12.254 (31 December 2019: TL 535 decrease) which is classified under "Cash flows from banking operations" consists mainly of items such as fees and commissions, foreign exchange gains/losses and other operating expenses excluding personnel expenses.

The effect of changes in the foreign currency rates on the cash and cash equivalents is calculated approximately TL 8.495 as of 31 December 2020 (31 December 2019: TL 3.474).



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

VII. EXPLANATIONS AND NOTES RELATED TO BRANCH'S RISK GROUP

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

1. 31 December 2020:

Branch's Risk Group ^{(1), (2)}	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Branch		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	-	52.861	-
Balance at the End of the Period ⁽²⁾	-	-	-	-	41.911	-
Interest and Commission Income Received	-	-	-	-	-	-

(1) Defined in the 49th article of subsection 2 of the Banking Act No. 5411.

(2) The information in table above includes banks as well as loans.

2. 31 December 2019:

Branch's Risk Group ^{(1), (2)}	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Branch		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	-	156.894	-
Balance at the End of the Period ⁽²⁾	-	-	-	-	52.861	-
Interest and Commission Income Received	-	-	-	-	-	2

(1) Defined in the 49th article of subsection 2 of the Banking Act No. 5411.

(2) The information in table above includes banks as well as loans.

3. Information on deposits of the Branch's risk group:

Branch's risk group ⁽¹⁾	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Branch		Other real and legal persons that have been included in the risk group	
	31	31	31	31	31	31
	December 2020	December 2019	December 2020	December 2019	December 2020	December 2019
Deposit						
Balance at the Beginning of the Period	-	-	-	-	298.223	327.741
Balance at the End of the Period ⁽²⁾	-	-	-	-	584.222	298.223
Interest Expense on Deposits ⁽³⁾	-	-	-	-	-	-

(1) Defined in the Subsection 2, article 49 of the Banking Act No. 5411.

(2) (As of 31 December 2020, TL 578.299 and TL 5.923 of the deposit of the amount of TL 584.222 belong to Bank Mellat Iran Central – Central Bank of Iran, respectively.)

(3) (As of 31 December 2019, TL 293.600 and TL 4.623 of the deposit of the amount of TL 298.223 belong to Bank Mellat Iran Central – Central Bank of Iran, respectively.)



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

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

VII. EXPLANATIONS AND NOTES RELATED TO BRANCH'S RISK GROUP (Continued)

4. Information on borrowings from the Branch's risk group:

Branch's risk group ⁽¹⁾	Investments in Associates, Subsidiaries and Joint Ventures		Direct and indirect shareholders of the Branch		Other items that have been included in the risk group ⁽²⁾	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Borrowings						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-

(1) Defined in the Subsection 2, article 49 of the Banking Act No. 5411

(2) As of 31 December 2020: None (31 December 2019: None).

5. Information on forward and option agreements and other similar derivative transactions with the Branch's risk group:

The Branch has no forward and option agreements and other similar derivative transactions as of 31 December 2020 and 31 December 2019.

6. Information on benefits provided to key management:

As of 31 December 2020, benefits provided to the Branch's key management amount to TL 3.563 (31 December 2019 TL: 3.499).

VIII. EXPLANATIONS RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE BRANCH

	Number	Number of Employees	Country of Incorporation	Total Assets	Statutory Share Capital
Domestic Branch	3	45			
Foreign Rep. Offices					
Foreign Branch					
Off-Shore Banking Region Branch					

IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.



**BANK MELLAT, MERKEZİ: TAHRAN-İRAN İSTANBUL TÜRKİYE MERKEZ,
ANKARA VE İZMİR ŞUBELERİ**

**31 ARALIK 2020 TARİHİ İTİBARIYLA KONSOLİDE OLMAYAN
FİNANSAL TABLOLARA İLİŞKİN AÇIKLAMA VE DİPNOTLAR**
(Tutarlar aksi belirtilmedikçe Bin Türk Lirası ("TL") olarak ifade edilmiştir.)

SECTION SIX

OTHER EXPLANATIONS AND NOTES

I. OTHER EXPLANATIONS ON THE BRANCH'S OPERATIONS

On 17 October 2018, it was announced by Foreign Assets Control Office ("OFAC"), operating under US Treasury Department, that some Iran-based financial and industrial institutions, including Bank Mellat, the main shareholder of the Branch, were included in the list of secondary sanctions. In addition, after the US announced sanctions, SWIFT, headquartered in Belgium, announced that some Iranian banks on the sanctions list would be suspended for access to the system. Access of the Branch to SWIFT has been cancelled.

Following the transfer of the Branch to the secondary sanctions list; Central Bank of the Republic of Turkey ("CBRT") removed the Branch from the EFT system, and the Branch accounts at the CBRT were closed, except for obligatory provisions. Similarly, the closure of the placements of the Branch in the domestic public banks and in some domestic private banks was requested by the related banks and the funds in question were withdrawn to a large extent and are still being withdrawn. The Branch is not able to enter into Treasury tenders and cannot use the cash it owns, as placements in other banks. Consequently, there is a significant decrease in the interest and commission income of the Branch. The Branch does not foresee any shortage of capital adequacy and liquidity ratios in the following periods but if necessary, it is considered that resources/capital can be provided from Iran Headquarters to the branches in Turkey, and that there would be no problems in meeting the current obligations of the Branch.

In the next period, alternative opportunities will be researched, alternative possibilities will continue to be investigated. Activities have been initiated to opt for different financial banking products, which would bring different types of operational income. The first limit allocations were made for the purpose of growth in loans.

Balance sheet size of the Branch as of 31.12.2020 is TL 1.236.935, as of 30.09.2020 is TL 1.194.085, as of 30.06.2020 is TL 1.021.878, as of 31.03.2020 is TL 1.002.235, and as of 31.12.2019 is TL 1.023.390.

Capital adequacy ratio of the Branch is 84,29% as of 31.12.2020, %86,85 as of 30.09.2020, %89,08 as of 30.06.2020, %89,78 as of 31.03.2020 and %90,86 as of 31.12.2019.



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SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements as at and for the year ended by December 31st, 2020 were audited by Rehber Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş. and the independent auditor's report dated 01 April 2021 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

