ANADOLUBANK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND RELATED DISCLOSURES FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023 TOGETHER WITH AUDITOR'S LIMITED REVIEW REPORT

(Convenience translation of publicly announced consolidated financial statements, related disclosures and independent auditor's review report at 30 September 2023, see Note I. of Section Three)

AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

To the General Assembly of Anadolubank Anonim Şirketi

Introduction

We have reviewed the consolidated balance sheet of Anadolubank Anonim Şirketi ("the Bank") and its consolidated subsidiaries (collectively referred to as "the Group") at 30 September 2023 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying consolidated financial information does not present fairly in all material respects the financial position of Anadolubank Anonim Şirketi and its consolidated subsidiaries on 30 September 2023 and its financial performance and its cash flows for the nine-month-period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section Seven, is not consistent with the reviewed consolidated financial statements and disclosures in all material respects.

Additional Paragraph for Convenience Translation:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 September 2023. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

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



Talar Gül, SMMM
Independent Auditor

Istanbul, 23 November 2023

THE CONSOLIDATED FINANCIAL REPORT OF ANADOLUBANK A.Ş.
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

Adress of Bank's Headquarters	:	Saray Mah. Toya Sok. No:3, 34768 Ümraniye – İstanbul
Phone Number	:	0216 687 70 00 / 02
Facsimile Number (Fax)	:	0216 368 72 73
Web-site	:	www.anadolubank.com.tr
Contact E-mail Adress	:	iteker@anadolubank.com.tr

Anadolubank Anonim Şirketi ("the Bank"),The consolidated financial report for the nine-months ended 30 September 2023, designed by the Banking Regulation and Supervision Agency ("BRSA") in line with the Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP WHICH IS UNDER CONSOLIDATION
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATORY DISCLOSURES AND FOOTNOTES
- LIMITED AUDIT REPORT
- INTERIM OPERATING REPORT

Our subsidiaries whose financial statements are consolidated within the scope of this consolidated financial report are as follows:

PARTICIPATIONS

1. Anadolu Yatırım Menkul Kıymetler AŞ.
2. Anadolu Faktoring AŞ.
3. Anadolubank Nederland NV

The consolidated financial statements for the period and related explanations and footnotes in this report are prepared in accordance with the Regulation on Banks' Accounting Applications and Principles and Procedures Concerning the Preservation of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and annexes interpretations thereof and are denominated as TRY thousand unless otherwise specified, are held to subject to independent audit and are presented enclosed.

Mehmet R. BAŞARAN	**İ. Sencan DEREBEYOĞLU**	**Ferudun CANBAY**	**Namık ÜLKE**
Chairman of the Board of Directors	Member of Audit Committee	Member of Audit Committee	General Manager

Zeki Murat URAL	**İlker TEKER**
Assistant General Manager	Head of Financial Control, Budget & Reporting

Information about the responsible personnel whom questions may be asked:

Name-Surname/Title : İlker TEKER/ Head of Financial Control, Budget & Reporting
Phone Number : 0 216 687 70 80
Fax Number : 0 216 368 72 73

SECTION ONE

General Information

		Page
I.	The Parent Bank's Foundation Date, Start-up Status, History Regarding the Changes in This Status	1
II.	Explanation about the Parent Bank's Capital Structure, Shareholders of the Parent Bank Who are in Charge of the Management and/or auditing of the Parent Bank Directly or Indirectly, Changes in These Matters (if any) and the Group That the Bank Belongs to	1
III.	Explanation on the Board of Directors, Members of the Audit Committee, President and Executive Vice Presidents, if Available, Shares of the Parent Bank They Possess, and Their Areas of Responsibility	1
IV.	Information on Individual and Corporate Shareholders Having Control Shares of the Parent Bank	2
V.	Information on the Parent Bank's Service Types and Fields of Operation	2
VI.	Information of Institutions in Consolidation Scope	2
VII.	Current or Likely Actual or Legal Barriers to Immediate Transfer of Shareholders' Equity or Repayment of Debts Between the Parent Bank and Its Subsidiaries	2

SECTION TWO

Consolidated Financial Statements

I.	Consolidated Balance Sheet (Consolidated Statement of Financial Position)	3-4
II.	Consolidated Statement of Off-Balance Sheet Commitments and Contingencies	5
III.	Consolidated Statement of Profit or Loss	6
IV.	Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
V.	Consolidated Statement of Changes in Shareholders' Equity	8
VI.	Consolidated Statement of Cash Flows	9

SECTION THREE

Explanations on Accounting Policies

I.	Explanations on Basis of Presentation	10-11
II.	Explanations on Strategy of Using Financial Instruments and Explanations on Foreign Currency Transactions	11
III.	Information from Consolidation	12
IV.	Information on Subsidiaries and Entities Under Common Control	12
V.	Explanations on Forward Transactions, Options and Derivative Instruments	12-13
VI.	Explanations on Interest Income and Expenses	13
VII.	Explanations on Fee and Commission Income and Expenses	13
VIII.	Explanations and Disclosures on Financial Instruments	14-15
IX.	Explanations on Expected Credit Losses	15-17
X.	Explanations on Netting of Financial Instruments	17
XI.	Explanations on Sales and Repurchase Agreements and Lending of Securities	17
XII.	Explanations on Assets Held for Sale and Discontinued Operations	17
XIII.	Explanations on Goodwill and Other Intangible Assets	18
XIV.	Explanations on Tangible Assets	18-19
XV.	Explanations on Leasing Transactions	19-20
XVI.	Explanations on Provisions and Contingent Liabilities and ContingentAassets	20
XVII.	Explanations on Obligations Related to Employee Rights	20
XVIII.	Explanations on Taxation	21-23
XIX.	Explanations on Borrowings	23
XX.	Explanations on Issuance of Share Certificates	23
XXI.	Explanations on Avalized Drafts and Acceptances	23
XXII.	Explanations on Government Incentives	23
XXIII.	Explanations on Segment Reporting	23
XXIV.	Explanations on Other Matters	24

SECTION FOUR

Explanations Related to Financial Structure and Risk Management

I.	Explanations on Consolidated Equity	25-28
II.	Explanations on Consolidated Exchange Risk	28-30
III.	Explanations on Consolidated Interest Rate Risk	31-33
IV.	Explanations on Consolidated Position Risk of Equity Securities in Banking Book	34
V.	Explanations on Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio	34-39
VI.	Explanations on Consolidated Leverage Ratio	40
VII.	Explanations on Consolidated Risk Management	41
VIII.	Explanations on Consolidated Operating Segments	42-43

SECTION FIVE

Explanations and Notes Related to Consolidated Financial Statements

I.	Explanations and Disclosures Related to Consolidated Assets	44-57
II.	Explanations and Disclosures Related to Consolidated Liabilities	57-63
III.	Explanations and Disclosures Related to Consolidated Off-Balance Sheet Items	63-64
IV.	Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income	65-70
V.	Explanations and Disclosures Related to the Parent Bank's Risk Group	70-72
VI.	Explanations and Notes on Subsequent Events	72

SECTION SIX

Other Explanations

Consolidated Interim Auditor's Review Report

I.	Explanations on Auditor's Review Report	73
II.	Explanations and Notes Prepared by Independent Auditor	73

SECTION SEVEN

Interim Operating Report

I.	Interim Activity Report Including the Evaluations of the Board of Directors Chairman and the CEO Regarding Interim Activities	74

SECTION ONE: GENERAL INFORMATION

I. The Parent Bank's Foundation Date, Start-up Status, History Regarding the Changes in This Status

Anadolubank Anonim Şirketi ("Parent Bank" or "Bank") is a private sector deposit bank and was established by splitting the assets of Etibank Banking Inc. in accordance with the relevant provisions of the Law No. 4046 on the Regulation of Privatization Practices dated 24 November 1994. The establishment works of the Bank were carried out by the Privatization Administration and the Undersecretariat of Treasury of the Prime Ministry of the Republic of Türkiye. The Decree No. 96/8532 dated 19 September 1996, regarding this matter, was published in the Official Gazette on 11 October 1996.

Anadolubank Anonim Şirketi (the "Bank") started its operations on 25 September 1997 in Türkiye under the Turkish Banking Law and the Turkish Commercial Code pursuant to the permit of the Turkish Undersecretariat of Treasury dated 25 August 1997 and numbered 39692.

II. Explanation about the Parent Bank's Capital Structure, Shareholders of the Parent Bank Who are in Charge of the Management and/or auditing of the Parent Bank Directly or Indirectly, Changes in These Matters (if any) and the Group That the Bank Belongs to

HABAŞ, whose foundations were laid with the Hamdi Başaran Topkapı Oxygen Factory established by Hamdi BAŞARAN (1913-1987) in 1956, is one of Türkiye's leading industrial groups in the sectors of Industrial and Medical Gases, Iron and Steel, LPG, Natural Gas, Heavy Machinery Manufacturing, and Energy.

III. Explanation on the Board of Directors, Members of the Audit Committee, President and Executive Vice Presidents, if Available, Shares of the Parent Bank They Possess, and Their Areas of Responsibility

Name	Title	Percentage of Share (%)
Chairman of the Board		
Mehmet Rüştü BAŞARAN	Chairman	15.27
Board Members		
Namık ÜLKE	General Manager	-
Fikriye Filiz BAŞARAN HASESKİ	Member	0.05
Erol BAŞARAN ALTINTUĞ	Member	0.35
İbrahim Sencan DEREBEYOĞLU	Member -Member of Audit Committee	-
Ferudun CANBAY	Member -Member of Audit Committee	-
Suat İNCE	Member	-
Assistant General Managers		
Merih YURTKURAN	International Banking	-
Zeki Murat URAL*	Treasury	-
O. Asım Tunç BERGSAN	Information Technologies	-
Ali Tunç DORÖZ	Credit Monitoring and Follow up	-
Tuğrul Kürşad AKPINAR	Operation	-
İsmail Atakan ÖZGÜNEY	Credit Allocation	-
Zafer CAN	SME Business and Agricultural Banking	-
Ahmet YİĞİT	Corporate and Commercial Banking	-

(*) Until a Deputy General Manager is appointed to the Financial Affairs Department, the authority to sign the financial statements has been granted to Zeki Murat Ural, Deputy General Manager of Treasury.

SECTION ONE: GENERAL INFORMATION (Continued)

IV. Information on Individual and Corporate Shareholders Having Control Shares of the Parent Bank

As at 30 September 2023 and 2022, the composition of shareholders and their respective percentage of ownership can be summarised as follows:

30 September 2023 Name /Commercial Title	Share Amounts	Share Percentages	Paid-in Capital
HABAŞ Sınai ve Tıbbi Gazlar İstihsal Endüstrisi A.Ş.	915,364	83.22%	915,364
Mehmet Rüştü Başaran	167,992	15.27%	167,992
Other	16,644	1.51%	16,644
Total	**1,100,000**	**100.00%**	**1,100,000**

31 December 2022 Name /Commercial Title	Share Amounts	Share Percentages	Paid-in Capital
HABAŞ Sınai ve Tıbbi Gazlar İstihsal Endüstrisi A.Ş.	915,364	83.22%	915,364
Mehmet Rüştü Başaran	167,992	15.27%	167,992
Other	16,644	1.51%	16,644
Total	**1,100,000**	**100.00%**	**1,100,000**

As a result of Mehmet Rüştü Başaran's and Aysel Başaran's direct shares in HABAŞ Sınai ve Tıbbi Gazlar İstihsal Endüstrisi A.Ş., their partnership shares in the Bank are 76.46% and 11.66% respectively.

V. Information on the Parent Bank's Service Types and Fields of Operation

As stated in the articles of association of the Parent Bank, the fields of activity are as follows:

1. To accept all kinds of deposits both in Turkish Lira and in foreign currency;
2. To carry out transactions on all kinds of capital market instruments within the framework of the relevant legislation and the provisions of the Capital Markets Law;
3. To enter into credit and intelligence agreements with national and international financing institutions, to participate in consortiums and syndications;
4. To take or transfer all kinds of cash and non-cash collateral such as surety, pledge, mortgage, commercial enterprise pledge, etc., in relation to its activities;
5. To open all kinds of short, medium, and long-term loans in Turkish Lira and foreign currency, to provide guarantees;
6. To carry out all activities that fall into the field of banking within the framework of the legislation in force.

The Parent Bank's headquarters is in Istanbul. As of 30 September 2023, the Bank has a total of 116 branches, 49 of which are in Istanbul, and 1,615 employees (31 December 2022: a total of 116 branches, 49 of which are in Istanbul, and 1,671 employees.

VI. Information of Institutions in Consolidation Scope

The titles of the entities within the scope of consolidation ("Financial Institutions"), the places where their headquarters are located:

Commercial Title	Headquarters
Anadolubank Nederland NV	Amsterdam - Hollanda
Anadolu Faktoring A.Ş.	İstanbul - Türkiye
Anadolu Yatırım Menkul Kıymetler A.Ş.	İstanbul - Türkiye

VII. Current or Likely Actual or Legal Barriers to Immediate Transfer of Shareholders' Equity or Repayment of Debts Between the Parent Bank and Its Subsidiaries

None.

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET – ASSETS AS OF 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

			Limited Audited Current Period 30 September 2023			Audited Prior Period 31 December 2022		
	ASSETS	**Note**	**TRY**	**FC**	**Total**	**TRY**	**FC**	**Total**
I.	**FINANCIAL ASSETS (Net)**		**11,363,136**	**17,055,218**	**28,418,354**	**2,947,702**	**15,070,556**	**18,018,258**
1.1	**Cash and Cash Equivalents**		**6,153,461**	**13,691,010**	**19,844,471**	**1,678,819**	**12,975,277**	**14,654,096**
1.1.1	Cash and Balances with Central Bank	**V-I-1**	3,605,687	5,068,261	8,673,948	1,006,096	5,023,521	6,029,617
1.1.2	Banks	**V-I-2**	2,553,623	8,623,918	11,177,541	222,604	7,599,065	7,821,669
1.1.3	Money Market Placements		-	-	-	450,256	358,223	808,479
1.1.4	Expected Credit Losses (-)		5,849	1,169	7,018	137	5,532	5,669
1.2	**Financial Assets Measured at Fair Value Through Profit or Loss**	**V-I-3**	**-**	**107,086**	**107,086**	**5,783**	**45,637**	**51,420**
1.2.1	Government Securities		-	58,462	58,462	5,783	38,692	44,475
1.2.2	Equity Instruments		-	-	-	-	-	-
1.2.3	Other Financial Assets		-	48,624	48,624	-	6,945	6,945
1.3	**Financial Assets Measured at Fair Value Through Other Comprehensive Income**	**V-I-4**	**3,265,255**	**2,857,402**	**6,122,657**	**867,767**	**1,663,138**	**2,530,905**
1.3.1	Government Securities		3,181,663	1,749,849	4,931,512	795,980	1,622,892	2,418,872
1.3.2	Equity Securities		13,941	65,990	79,931	13,941	40,246	54,187
1.3.3	Other Financial Assets		69,651	1,041,563	1,111,214	57,846	-	57,846
1.4	**Derivative Financial Assets**	**V-I-5**	**1,944,420**	**399,720**	**2,344,140**	**395,333**	**386,504**	**781,837**
1.4.1	Derivative Financial Assets Measured at Fair Value Through Profit or Loss		1,944,420	399,720	2,344,140	395,333	386,504	781,837
1.4.2	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)**		**26,944,672**	**23,215,279**	**50,159,951**	**19,733,841**	**15,220,551**	**34,954,392**
2.1	**Loans**	**V-I-6**	**25,323,096**	**20,306,380**	**45,629,476**	**17,294,328**	**13,692,453**	**30,986,781**
2.2	**Lease Receivables**	**V-I-8**	-	-	-	-	-	-
2.3	**Factoring Receivables**		**2,259,252**	**-**	**2,259,252**	**1,349,710**	**-**	**1,349,710**
2.4	**Other Financial Assets Measured at Amortized Cost**	**V-I-7**	**-**	**3,100,941**	**3,100,941**	**1,744,224**	**1,634,383**	**3,378,607**
2.4.1	Government Securities		-	571,403	571,403	1,744,224	367,327	2,111,551
2.4.2	Other Financial Assets		-	2,529,538	2,529,538	-	1,267,056	1,267,056
2.5	**Expected Credit Losses (-)**		**637,676**	**192,042**	**829,718**	**654,421**	**106,285**	**760,706**
III.	**ASSETS HELD FOR SALE AND ASSETS DISCONTINUED OPERATIONS (NET)**		**220,805**	**-**	**220,805**	**218,226**	**-**	**218,226**
3.1	Held for Sale		220,805	-	220,805	218,226	-	218,226
3.2	Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		-	-	-	-	-	-
4.1	**Investments in Associates (Net)**	**V-I-9**	-	-	-	-	-	-
4.1.1	Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	**Investments in Subsidiaries (Net)**	**V-I-10**	-	-	-	-	-	-
4.2.1	Unconsolidated Financial Investments		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Investments		-	-	-	-	-	-
4.3	**Entities under Common Control (Joint Venture) (Net)**	**V-I-11**	-	-	-	-	-	-
4.3.1	Joint Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**		**951,735**	**17,117**	**968,852**	**877,593**	**10,767**	**888,360**
VI.	**INTANGIBLE ASSETS (Net)**	**V-I-12**	**97,281**	**-**	**97,281**	**71,238**	**-**	**71,238**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		97,281	-	97,281	71,238	-	71,238
VII.	**INVESTMENT PROPERTY (Net)**	**V-I-13**	-	-	-	-	-	-
VIII.	**CURRENT TAX ASSET**		**-**	**-**	**-**	**-**	**4,693**	**4,693**
IX.	**DEFERRED TAX ASSET**	**V-I-14**	**2,316**	**5,671**	**7,987**	**1,429**	**2,532**	**3,961**
X.	**OTHER ASSETS**	**V-I-15**	**930,209**	**183,150**	**1,113,359**	**474,265**	**119,102**	**593,367**
	TOTAL ASSETS		**40,510,154**	**40,476,435**	**80,986,589**	**24,324,294**	**30,428,201**	**54,752,495**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET – LIABILITIES AS OF 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

			Limited Audited Current Period 30 September 2023			Audited Prior Period 31 December 2022		
	LIABILITIES	**Note**	**TRY**	**FC**	**Total**	**TRY**	**FC**	**Total**
I.	**DEPOSITS**	**V-II-1**	**28,448,043**	**34,624,446**	**63,072,489**	**19,878,237**	**21,914,991**	**41,793,228**
II.	**FUNDS BORROWED**	**V-II-2**	**2,345,730**	**20,712**	**2,366,442**	**1,211,399**	**1,364,772**	**2,576,171**
III.	**MONEY MARKET FUNDS**		**1,558,492**	**1,086,560**	**2,645,052**	**371,480**	**1,144,407**	**1,515,887**
IV.	**SECURITIES ISSUED (Net)**		-	-	-	-	-	-
4.1	Bills		-	-	-	-	-	-
4.2	Assets Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	**BORROWER FUNDS**		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS**		-	-	-	-	-	-
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**V-II-2**	**390,308**	**320,224**	**710,532**	**8,723**	**299,906**	**308,629**
7.1	Derivative Financial Liabilities Measured at Fair Value Through Profit or Loss		390,308	320,224	710,532	8,723	299,906	308,629
7.2	Derivative Financial Liabilities Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	**FACTORING PAYABLES**		**27**	**-**	**27**	**48**	**-**	**48**
IX.	**LEASE PAYABLES**	**V-II-3**	**180,910**	**11,674**	**192,584**	**129,932**	**7,477**	**137,409**
X.	**PROVISIONS**	**V-II-4**	**616,650**	**31,021**	**647,671**	**199,363**	**13,786**	**213,149**
10.1	Restructuring Reserves		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		174,384	-	174,384	179,886	-	179,886
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		442,266	31,021	473,287	19,477	13,786	33,263
XI.	**CURRENT TAX LIABILITY**	**V-II-5**	**82,483**	**52,687**	**135,170**	**218,245**	**-**	**218,245**
XII.	**DEFERRED TAX LIABILITY**	**V-II-6**	**327,327**	**-**	**327,327**	**55,906**	**-**	**55,906**
XIII.	**LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	**V-II-7**	-	-	-	-	-	-
13.1	Held for Sale		-	-	-	-	-	-
13.2	Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBT INSTRUMENTS**	**V-II-8**	-	-	-	-	-	-
14.1	Subordinated Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	-	-	-	-	-
XV.	**OTHER LIABILITIES**	**V-II-9**	**1,189,839**	**530,140**	**1,719,979**	**869,898**	**149,089**	**1,018,987**
XVI.	**SHAREHOLDERS' EQUITY**		**8,932,475**	**236,841**	**9,169,316**	**6,831,089**	**83,747**	**6,914,836**
16.1	**Paid-in Capital**	**V-II-10**	**1,100,000**	**-**	**1,100,000**	**1,100,000**	**-**	**1,100,000**
16.2	**Capital Reserves**		-	-	-	-	-	-
16.2.1	Share Premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		-	-	-	-	-	-
16.3	**Other Comprehensive Income/Expense Items not to be Reclassified to Profit or Loss**		**406,456**	**30,654**	**437,110**	**432,387**	**18,775**	**451,162**
16.4	**Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss**		**1,106,648**	**(214,945)**	**891,703**	**758,118**	**(147,929)**	**610,189**
16.5	**Profit Reserves**		**4,676,209**	**-**	**4,676,209**	**2,756,677**	**-**	**2,756,677**
16.5.1	Legal Reserves		219,415	-	219,415	164,453	-	164,453
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		4,456,794	-	4,456,794	2,592,224	-	2,592,224
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	**Profit or Loss**		**1,625,501**	**421,132**	**2,046,633**	**1,772,162**	**212,901**	**1,985,063**
16.6.1	Prior Period's Profit/Loss		-	65,531	65,531	-	65,531	65,531
16.6.2	Current Period's Profit/Loss		1,625,501	355,601	1,981,102	1,772,162	147,370	1,919,532
16.7	**Minority Interest**		**17,661**	**-**	**17,661**	**11,745**	**-**	**11,745**
	TOTAL EQUITY AND LIABILITIES		**44,072,284**	**36,914,305**	**80,986,589**	**29,774,320**	**24,978,175**	**54,752,495**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES AS OF 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

			Limited Audited Current Period 30 September 2023			Audited Prior Period 31 December 2022		
		Note	TRY	FC	Total	TRY	FC	Total
A.	**OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)**		**45,797,587**	**83,043,854**	**128,841,441**	**28,529,167**	**44,556,619**	**73,085,786**
I.	**GUARANTEES AND COLLATERALS**	**V-III-2-3**	**11,215,587**	**5,417,235**	**16,632,822**	**7,120,447**	**2,712,677**	**9,833,124**
1.1	Letters of Guarantee		9,051,894	2,327,695	11,379,589	5,477,762	1,316,222	6,793,984
1.1.1	Guarantees Subject to State Tender Law		63,745	1,647	65,392	68,477	1,125	69,602
1.1.2	Guarantees Given for Foreign Trade Operations		89,728	6,449	96,177	75,873	4,424	80,297
1.1.3	Other Letters of Guarantee		8,898,421	2,319,599	11,218,020	5,333,412	1,310,673	6,644,085
1.2	Bank Acceptances		-	36,951	36,951	-	42,802	42,802
1.2.1	Import Letter of Acceptance		-	36,951	36,951	-	42,802	42,802
1.2.2	Other Bank Acceptance		-	-	-	-	-	-
1.3	Letters of Credit		-	3,009,043	3,009,043	1,824	1,158,017	1,159,841
1.3.1	Documentary Letters of Credit		-	3,009,043	3,009,043	1,824	1,158,017	1,159,841
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Guaranteed PreFinancing		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Underwriting Commitments		-	-	-	-	-	-
1.7	Factoring Related Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		2,163,693	43,546	2,207,239	1,640,861	195,636	1,836,497
1.9	Other Collaterals		-	-	-	-	-	-
II.	**COMMITMENTS**	**V-III-1**	**4,018,975**	**1,361,007**	**5,379,982**	**2,458,774**	**2,012,769**	**4,471,543**
2.1	Irrevocable Commitments		4,018,975	1,361,007	5,379,982	2,458,774	2,012,769	4,471,543
2.1.1	Forward Asset Purchase and Sale Commitments		571,730	1,361,007	1,932,737	548,216	2,012,769	2,560,985
2.1.2	Forward Deposit Purchase and Sale Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		1,998,594	-	1,998,594	1,148,216	-	1,148,216
2.1.5	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Payment Commitment for Checks		822,604	-	822,604	488,216	-	488,216
2.1.8	Tax and Fund Liabilities from Export Commitments		9	-	9	-	-	-
2.1.9	Commitments for Credit Card Expenditure Limits		294,915	-	294,915	212,182	-	212,182
2.1.10	Commitments for Promotions Related with Credit Cards and Banking Activities		542	-	542	1,085	-	1,085
2.1.11	Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		330,581	-	330,581	60,859	-	60,859
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**		**30,563,025**	**76,265,612**	**106,828,637**	**18,949,946**	**39,831,173**	**58,781,119**
3.1	Derivative Financial Instruments for Hedging Purposes		-	1,712,800	1,712,800	-	1,123,882	1,123,882
3.1.1	Fair Value Hedges		-	1,712,800	1,712,800	-	637,917	637,917
3.1.2	Cash Flow Hedges		-	-	-	-	485,965	485,965
3.1.3	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2	Trading Transactions		30,563,025	74,552,812	105,115,837	18,949,946	38,707,291	57,657,237
3.2.1	Forward Foreign Currency Purchase/Sale Transactions		9,155,474	10,659,887	19,815,361	3,116,413	4,034,743	7,151,156
3.2.1.1	Forward Foreign Currency Transactions- Purchases		9,155,474	1,028,125	10,183,599	3,100,200	574,760	3,674,960
3.2.1.2	Forward Foreign Currency Transactions- Sales		-	9,631,762	9,631,762	16,213	3,459,983	3,476,196
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rate		16,097,413	53,544,108	69,641,521	5,389,954	23,522,937	28,912,891
3.2.2.1	Foreign Currency Swap- Purchases		2,203,570	24,434,596	26,638,166	371,848	12,160,826	12,532,674
3.2.2.2	Foreign Currency Swap- Sales		2,851,843	23,924,246	26,776,089	2,198,106	10,484,975	12,683,081
3.2.2.3	Interest Rate Swap- Purchases		5,521,000	2,592,633	8,113,633	1,410,000	438,568	1,848,568
3.2.2.4	Interest Rate Swap- Sales		5,521,000	2,592,633	8,113,633	1,410,000	438,568	1,848,568
3.2.3	Foreign Currency, Interest Rate, and Securities Options		5,310,138	10,348,817	15,658,955	10,443,579	11,149,611	21,593,190
3.2.3.1	Foreign Currency Options- Purchases		525,780	7,822,574	8,348,354	7,882,582	3,041,187	10,923,769
3.2.3.2	Foreign Currency Options- Sales		4,784,358	2,526,243	7,310,601	2,560,997	8,108,424	10,669,421
3.2.3.3	Interest Rate Options- Purchases		-	-	-	-	-	-
3.2.3.4	Interest Rate Options- Sales		-	-	-	-	-	-
3.2.3.5	Securities Options- Purchases		-	-	-	-	-	-
3.2.3.6	Securities Options- Sales		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Purchases		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sales		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures- Purchases		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures- Sales		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	**CUSTODY AND PLEDGED ITEMS (IV+V+VI)**		**494,198,482**	**45,430,904**	**539,629,386**	**409,403,902**	**28,699,548**	**438,103,450**
IV.	**ITEMS HELD IN CUSTODY**		**132,041,233**	**4,837,955**	**136,879,188**	**133,898,290**	**2,875,588**	**136,773,878**
4.1	Customers' Securities Held		1,048,183	687,944	1,736,127	412,028	-	412,028
4.2	Investment Securities Held in Custody		116,440,876	4,015,321	120,456,197	125,104,007	2,734,197	127,838,204
4.3	Checks Received for Collection		12,555,272	48,475	12,603,747	7,860,208	75,459	7,935,667
4.4	Commercial Notes Received for Collection		85,700	13,073	98,773	95,177	37,971	133,148
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		1,911,202	73,142	1,984,344	426,870	27,961	454,831
4.8	Custodians		-	-	-	-	-	-
V.	**PLEDGED ITEMS**		**360,560,264**	**40,592,949**	**401,153,213**	**273,908,627**	**25,823,960**	**299,732,587**
5.1	Marketable Securities		7,051,859	-	7,051,859	9,765,650	-	9,765,650
5.2	Guarantee Notes		17,092	59,631	76,723	15,220	46,154	61,374
5.3	Commodities		-	-	-	-	-	-
5.4	Warranties		3,050,760	-	3,050,760	2,219,760	-	2,219,760
5.5	Real Estate		-	-	-	-	-	-
5.6	Other Pledged Items		350,440,553	40,533,318	390,973,871	261,907,997	25,777,806	287,685,803
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	**CONFIRMED BILLS OF EXCHANGE AND SURETIES**		**1,596,985**	**-**	**1,596,985**	**1,596,985**	**-**	**1,596,985**
	TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		**539,996,069**	**128,474,758**	**668,470,827**	**437,933,069**	**73,256,167**	**511,189,236**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

	INCOME AND EXPENSE ITEMS	Note	Limited Audited Current Period 1 January – 30 September 2023	Limited Audited Prior Period 1 January – 30 September 2022	Limited Audited Current Period 1 July – 30 September 2023	Limited Audited Prior Period 1 July – 30 September 2022
I.	**INTEREST INCOME**		**5,377,278**	**3,972,385**	**2,411,289**	**1,604,967**
1.1	Interest Income on Loans	**V-IV-1**	4,246,547	3,423,041	1,876,860	1,392,160
1.2	Interest Received on Reserve Deposits		80	16,238	34	-
1.3	Interest Received on Banks	**V-IV-1**	360,810	32,081	200,729	22,812
1.4	Interest Received on Money Market Transactions		104,265	31,524	32,477	11,603
1.5	Interest Received on Securities Portfolio	**V-IV-1**	275,063	256,201	131,642	92,209
1.5.1	Financial Assets Measured at Fair Value through Profit or (Loss)		8,073	10,294	3,380	1,908
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		132,301	20,310	104,276	14,395
1.5.3	Financial Assets Measured at Measured at Amortized Cost		134,689	225,597	23,986	75,906
1.6	Financial Lease Income		-	-		-
1.7	Other Interest Income		390,513	213,300	169,547	86,183
II.	**INTEREST EXPENSE (-)**		**4,692,406**	**2,306,847**	**2,073,794**	**961,100**
2.1	Interest on Deposits	**V-IV-2**	4,324,345	2,048,275	1,875,227	872,504
2.2	Interest on Funds Borrowed	**V-IV-2**	281,919	110,671	144,366	43,842
2.3	Interest on Money Market Transactions		55,615	94,550	44,835	34,432
2.4	Interest on Securities Issued	**V-IV-2**	-	-		-
2.5	Interest on Leases		22,472	13,898	8,127	4,864
2.6	Other Interest Expenses		8,055	39,453	1,239	5,458
III.	**NET INTEREST INCOME/EXPENSE (I - II)**		**684,872**	**1,665,538**	**337,495**	**643,867**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSE**		**1,339,102**	**307,959**	**577,976**	**131,365**
4.1	Fees and Commissions Received		1,592,258	363,804	667,968	155,974
4.1.1	Non-Cash Loans		111,605	53,055	48,198	19,866
4.1.2	Other		1,480,653	310,749	619,770	136,108
4.2	Fees and Commissions Paid (-)		253,156	55,845	89,992	24,609
4.2.1	Non-Cash Loans		118	4	24	-
4.2.2	Other		253,038	55,841	89,968	24,609
V.	**DIVIDEND INCOME**	**V-IV-3**	**2,710**	**282**	-	**23**
VI.	**TRADING GAIN/(LOSS) (Net)**	**V-IV-4**	**3,063,191**	**766,317**	**567,140**	**438,158**
6.1	Trading Gains/(Losses) on Securities		124,363	26,884	20,268	5,735
6.2	Gains/losses from derivative transactions		554,293	2,058,566	320,136	820,396
6.3	Foreign Exchange Gains/(Losses)		2,384,535	(1,319,133)	226,736	(387,973)
VII.	**OTHER OPERATING INCOME**	**V-IV-5**	**313,865**	**372,433**	**67,669**	**57,798**
VIII.	**TOTAL OPERATING GROSS PROFIT (III+IV+V+VI+VII)**		**5,403,740**	**3,112,529**	**1,550,280**	**1,271,211**
IX.	**EXPECTED CREDIT LOSSES (-)**	**V-IV-6**	**221,021**	**228,405**	**45,030**	**45,182**
X.	**OTHER PROVISION EXPENSES (-)**	**V-IV-6**	**18,977**	**1,587**	**1,124**	**(1,619)**
XI.	**PERSONNEL EXPENSES (-)**		**1,005,198**	**471,798**	**378,218**	**182,675**
XII.	**OTHER OPERATING EXPENSES (-)**	**V-IV-7**	**1,055,816**	**475,161**	**613,349**	**119,318**
XIII.	**NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)**		**3,102,728**	**1,935,578**	**512,559**	**925,655**
XIV.	**EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER**		-	-		-
XV.	**PROFIT/(LOSS) FROM INVESTMENTS UNDER EQUITY ACCOUNTING**		-	-		-
XVI.	**PROFIT/(LOSS) ON NET MONETARY POSITION**		-	-		-
XVII.	**OPERATING PROFIT/LOSS BEFORE TAXES (XIII+...+XV)**	**V-IV-8**	**3,102,728**	**1,935,578**	**512,559**	**925,655**
XVIII.	**PROVISION FOR TAXES OF CONTINUING OPERATIONS (±)**	**V-IV-8**	**(1,115,725)**	**(519,983)**	**(464,316)**	**(230,040)**
18.1	Current Tax Charge		(384,252)	(251,190)	(7,715)	(208,683)
18.2	Deferred Tax Charge (+)		(825,007)	(272,591)	(509,804)	(24,195)
18.3	Deferred Tax Credit (-)		93,534	3,798	53,203	2,838
XIX.	**NET PROFIT/LOSS AFTER TAXES (XVII±XVIII)**	**V-IV-8**	**1,987,003**	**1,415,595**	**48,243**	**695,615**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**		-	-	-	-
20.1	Income from assets held for sale		-	-	-	-
20.2	Income from sale of associates, subsidiaries and joint-ventures		-	-	-	-
20.3	Others		-	-	-	-
XXI.	**EXPENSES FROM DISCONTINUED OPERATIONS (-)**		-	-	-	-
21.1	Expenses for Non-Current Assets Held for Resale		-	-	-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures (Business Partners)		-	-	-	-
21.3	Other Expenses from Discontinued Operations		-	-	-	-
XXII.	**PROFIT/LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)**	**V-IV-8**	-	-	-	-
XXIII.	**PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)**	**V-IV-8**	-	-	-	-
23.1	Current Tax Charge		-	-	-	-
23.2	Deferred Tax Charge (+)		-	-	-	-
23.3	Deferred Tax Credit (-)		-	-	-	-
XXIV.	**NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XXII±XXIII)**		-	-	-	-
XXV.	**NET PROFIT/LOSSES (XIX+XXIV)**	**V-IV-10**	**1,987,003**	**1,415,595**	**48,243**	**695,615**
25.1	Group's profit/loss		1,981,102	1,413,307	45,845	694,671
25.2	Non-Controlling interest (-)		5,901	2,288	2,398	944
	Earnings per Share	**III-XXIV**	0.01806	0.01287	0.00044	0.f00632

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

	CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Note	Limited Audited Current Period 1 January – 30 September 2023	Limited Audited Prior Period 1 January – 30 September 2022
I.	**CURRENT PERIOD PROFIT/LOSS**		**1,987,003**	**1,415,595**
II	**OTHER COMPREHENSIVE INCOME**		**267,462**	**53,856**
2.1.	**Other Income/Expense Items Not Reclassified Through Profit or Loss**		**(14,052)**	**(27,334)**
2.1.1.	Revaluation Surplus on Tangible Assets		-	-
2.1.2.	Revaluation Surplus on Intangible Assets		-	-
2.1.3.	Defined Benefit Plans' Actuarial Gains/Losses		(41,630)	(32,044)
2.1.4.	Other Income/Expense Items not Reclassified to Profit or Loss		18,758	494
2.1.5.	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss		8,820	4,216
2.2.	**Other Income/Expense Items Reclassified to Profit or Loss**		**281,514**	**81,190**
2.2.1.	Exchange Differences on Translation		1,097,584	325,223
2.2.2.	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI		(287,865)	(114,265)
2.2.3.	Gains/losses from Cash Flow Hedges		(7,032)	21,828
2.2.4.	Gains/Losses on Hedges of Net Investments in Foreign Operations		(982,325)	(305,280)
2.2.5.	Other Income/Expense Items Reclassified to Profit or Loss		-	-
2.2.6.	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss		461,152	153,684
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**		**2,254,465**	**1,469,451**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

						Other Comprehensive Income/Expense Items not to be Reclassified to Profit or Loss			Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss								
	CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Note	Paid – in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Gains/Losses	Others	Translation Differences	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Others	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Shareholders' Equity Before Non-Controlling Interest	Non-Controlling Interest	Total Shareholders' Equity
	Prior Period																	
I.	**Balances at Beginning of Period**		**1,100,000**	-	-	-	147,764	(21,808)	14,759	1,237,594	(95,902)	(797,115)	2,204,373	617,835	-	4,407,500	8,366	4,415,866
II.	**Correction made as per TAS 8**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Balances at Beginning of Period (I+II)**	**V-II-10**	**1,100,000**	-	-	-	**147,764**	**(21,808)**	**14,759**	**1,237,594**	**(95,902)**	**(797,115)**	**2,204,373**	**617,835**	-	**4,407,500**	**8,366**	**4,415,866**
IV.	**Total Comprehensive Income**		-	-	-	-	**(4,105)**	**(23,217)**	**(12)**	**325,223**	**(86,068)**	**(157,965)**	-	-	**1,413,307**	**1,467,163**	**2,286**	**1,469,449**
V.	**Capital Increase in Cash**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	**Capital Increase from Internal Sources**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	**Adjustments to Paid-in Capital**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Convertible Bonds**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Subordinated Liabilities**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Others Changes**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	**552,304**	**(552,304)**	-	-	-	-
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	552,304	(552,304)	-	-	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of the period(III+IV+…..+X+XI) 30 September 2022		**1,100,000**	-	-	-	**143,659**	**(45,025)**	**14,747**	**1,562,817**	**(181,970)**	**(955,080)**	**2,756,677**	**65,531**	**1,413,307**	**5,874,663**	**10,652**	**5,885,315**

							Other Comprehensive Income/Expense Items not Reclassified to Profit or Loss			Other Comprehensive Income/Expense Items Reclassified to Profit or Loss								
	CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Note	Paid – in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Gains/Losses	Others	Translation Differences	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Others	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Shareholders' Equity Before Non-Controlling Interest	Non-Controlling Interest	Total Shareholders' Equity
	Current Period																	
I.	**Balances at Beginning of Period**		**1,100,000**	-	-	-	**492,241**	**(59,854)**	**18,775**	**1,763,458**	**(59,427)**	**(1,093,842)**	**2,756,677**	**1,985,063**	-	**6,903,091**	**11,745**	**6,914,836**
II.	**Correction made as per TAS 8**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Balances at Beginning of Period (I+II)**	**V-II-10**	**1,100,000**	-	-	-	**492,241**	**(59,854)**	**18,775**	**1,763,458**	**(59,427)**	**(1,093,842)**	**2,756,677**	**1,985,063**	-	**6,903,091**	**11,745**	**6,914,836**
IV.	**Total Comprehensive Income**		-	-	-	-	-	**(25,931)**	**11,879**	**1,097,584**	**(194,821)**	**(621,249)**	-	-	**1,981,102**	**2,248,564**	**5,901**	**2,254,465**
V.	**Capital Increase in Cash**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	**Capital Increase from Internal Sources**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	**Adjustments to Paid-in Capital**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Convertible Bonds**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Subordinated Debt Instruments**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Others Changes**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	**15**	**15**
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	**1,919,532**	**(1,919,532)**	-	-	-	-
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1,919,532	(1,919,532)	-	-	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of the period (III+IV+……+X+XI) 30 September 2023		**1,100,000**	-	-	-	**492,241**	**(85,785)**	**30,654**	**2,861,042**	**(254,248)**	**(1,715,091)**	**4,676,209**	**65,531**	**1,981,102**	**9,151,655**	**17,661**	**9,169,316**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

		Note	Limited Audited Current Period 1 January- 30 September 2023	Limited Audited Prior Period 1 January- 30 September 2022
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating profit before changes in operating assets and liabilities**		**3,105,017**	**6,716,566**
1.1.1	Interest received		5,223,057	3,737,848
1.1.2	Interest paid		(4,391,141)	(2,022,111)
1.1.3	Dividend received		2,710	282
1.1.4	Fees and commissions received		1,592,258	363,804
1.1.5	Other income		2,014,583	5,934,109
1.1.6	Collections from previously written-off loans		201,892	291,188
1.1.7	Cash payments to personnel and service suppliers		(1,005,198)	(471,798)
1.1.8	Taxes paid		(270,803)	(41,943)
1.1.9	Other		(262,341)	(1,074,813)
1.2	**Changes in operating assets and liabilities subject to banking operations**		**2,451,925**	**(839,823)**
1.2.1	Net (increase) decrease in financial assets measured at fair value through profit/loss		81,146	(7,675)
1.2.2	Net (increase) decrease in due from banks		363,369	689,427
1.2.3	Net (increase) decrease in loans		(14,355,409)	(4,806,954)
1.2.4	Net (increase) decrease in other assets		(7,687,036)	(1,738,756)
1.2.5	Net increase (decrease) in bank deposits		2,491,873	238,614
1.2.6	Net increase (decrease) in other deposits		18,482,647	4,137,174
1.2.7	Net increase (decrease) in financial liabilities at fair value through profit or loss		-	-
1.2.8	Net increase (decrease) in financial liabilities at fair value through profit or loss		-	-
1.2.9	Net increase (decrease) in funds borrowed		-	-
1.2.10	Net increase (decrease) in matured payables		3,075,335	648,347
I.	**Net cash provided from banking operations**		**5,556,942**	**5,876,743**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net cash provided from / (used in) investing activities**		**(321,123)**	**(901,730)**
2.1	Cash paid for purchase of entities under common control, associates and subsidiaries		-	-
2.2	Cash obtained from sale of entities under common control, associates and subsidiaries		-	-
2.3	Fixed assets purchases		(167,686)	(136,392)
2.4	Fixed assets sales		106,578	87,673
2.5	Cash paid for purchase of financial assets measured at fair value through other comprehensive income		(1,933,107)	(1,390,820)
2.6	Cash obtained from sale of financial assets measured at fair value through other comprehensive income		936,810	568,599
2.7	Cash paid for purchase of Financial Assets Measured at Amortized Cost		(911,727)	(422,149)
2.8	Cash obtained from sale of Financial Assets Measured at Amortized Cost		1,873,864	668,158
2.9	Other		(225,855)	(276,799)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net cash provided from / (used in) financing activities**		**(258,542)**	**572,097**
3.1	Cash obtained from funds borrowed and securities issued		-	620,881
3.2	Cash used for repayment of funds borrowed and securities issued		(203,367)	-
3.3	Issued equity instruments		-	-
3.4	Dividends paid		-	-
3.5	Payments for finance leases		(55,175)	(48,784)
3.6	Other		-	-
IV.	**Effect of foreign currency exchange differences on cash and cash equivalents**		**575,601**	**1,513,731**
V.	**Net increase / (decrease) in cash and cash equivalents**		**5,552,878**	**7,060,841**
VI.	**Cash and cash equivalents at the beginning of the period**		**11,107,244**	**7,821,263**
VII.	**Cash and cash equivalents at end of the period (V+VI)**		**16,660,122**	**14,882,104**

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

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES

I. Explanations on Basis of Presentation

Preparation of the consolidated financial statements and its explanatory notes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents:

The Parent Bank prepares its legal records, financial statements, and documents that form the basis of its financial statements in accordance with the Regulation on Accounting Practices and Retention of Documents by Banks, Turkish Financial Reporting Standards ("TFRS"), other regulations, communiqués, and circulars published by the Banking Regulation and Supervision Agency ("BRSA") regarding accounting and financial reporting principles, and the explanations made by the Banking Regulation and Supervision Agency (collectively "BRSA Accounting and Financial Reporting Legislation"). The financial statements have been prepared in accordance with the 'Turkish Accounting Standard 34 ('TAS 34') Interim Financial Reporting Standard' and the provisions of the 'Turkish Financial Reporting Standards ('TFRS')' put into effect by the Public Oversight Accounting and Auditing Standards Authority ('POA'), collectively referred to as the 'BRSA Accounting and Financial Reporting Legislation.

The Parent Bank keeps its accounting records in Turkish Lira in accordance with the Banking Law, the Turkish Commercial Code, and the Turkish Tax Legislation.

The consolidated financial statements have been prepared in TRY on the historical cost basis, except for financial assets and liabilities measured at fair value through profit or loss, financial assets and liabilities measured at fair value through other comprehensive income, derivative financial assets and liabilities measured at fair value through profit or loss, and revalued real estates.

The preparation of the consolidated financial statements in conformity with TFRS requires the Parent Bank Management to use of certain make assumptions and estimates on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are reviewed regularly and, when necessary, corrections are made and the effects of these corrections are reflected to the income statement. The estimations and projections used are explained in corresponding disclosures.

These consolidated financial statements are presented in TRY, which is the Bank's functional currency. Except as indicated, the financial information presented in TRY has been rounded to the nearest thousand.

Explanation for convenience translation into English:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2022. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

Adjustment of financial statements during periods of high inflation

As per the Capital Markets Board's decision dated March 17, 2005, and numbered 11/367, inflation accounting was discontinued for companies operating in Türkiye and preparing financial statements in compliance with the Turkish Accounting Standards, effective as of January 1, 2005. Consequently, starting from January 1, 2005, the "Financial Reporting in Hyperinflationary Economies" Standard (TAS 29) has not been applied.

In a notice published by the Public Oversight Accounting and Auditing Standards Authority (POA) on January 20, 2022, it was stated that since the cumulative change in general purchasing power based on the Consumer Price Index (CPI) over the last three years was 74.41%, businesses applying Turkish Financial Reporting Standards (TFRS) were not required to make any adjustments in the 2021 financial statements under TAS 29 "Financial Reporting in Hyperinflationary Economies." Accordingly, no inflation adjustment has been made in the attached financial statements in accordance with TAS 29. Since POA has not issued a new statement under TAS 29 as of December 31, 2022, no inflation adjustments have been made in the financial statements dated December 31, 2022.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

I. Explanations on Basis of Presentation (Continued)

Accounting policies and valuation principles used in the preparation of the consolidated financial statements:

The accounting policies and valuations adopted in the preparation of financial statements are determined and implemented in accordance with the regulations, communiqués, explanations and circulars published by ("BRSA"). Unless a special regulation is not made by BRSA, they are determined and implemented in accordance with the TAS/TFRS principles.

Significant New and Revised Standards and Interpretations

None.

II. Explanations on Strategy of Using Financial Instruments and Explanations on Foreign Currency Transactions

Strategy for the use of financial instruments

The main field of activity of the Parent Partnership Bank includes banking activities such as corporate banking, commercial banking, retail banking, investment banking, foreign exchange, money markets and securities transactions, as well as international banking services.

The Parent Bank accepts deposits in various maturities as its main source of funding, and apart from deposits, the Bank's most significant funding sources are its equity and the medium and long-term loans obtained from international financial institutions. The Group follows an effective asset-liability management strategy that balances the risk and return of the resources used and the placements made in various financial assets, reducing risks and keeping returns high. The exchange rate risk, interest rate risk, and liquidity risk carried are measured and monitored by various risk management systems, and balance sheet management is carried out within the risk limits determined in this framework and within legal limits. Asset-liability management models, value-at-risk calculations, stress tests, and scenario analyses are used for this purpose.

Another element in the management of interest and liquidity risk carried on the balance sheet is the emphasis on product diversification in both assets and liabilities.

Trading of short and long-term financial instruments is carried out within the limits of the predetermined risk limits and in a manner that increases the risk-adjusted return on capital.

In order to hedge against currency risk, the existing foreign exchange position is monitored according to a basket balance in certain currencies.

Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the dates of the transactions. At the end of the term, monetary assets and liabilities denominated in foreign currencies are translated into TRY at the Central Bank of Türkiye's buying exchange rates prevailing on the balance sheet date, and the resulting exchange differences are recognized as foreign exchange gains or losses.

Exchange differences arising from the translation of the financial statements of net investments in foreign subsidiaries into TRY for consolidation purposes are accounted for under the equity section in the sub-account titled "Foreign Exchange Differences from Associates, Subsidiaries, and Jointly Controlled Entities," which is included under the "Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss" account.

Since May 1, 2018, The Parent Bank has adopted a hedging strategy to manage the currency risk from its foreign subsidiary, Anadolubank Nederland NV. The strategy involves hedging the net foreign currency assets of the subsidiary with a portion of the Bank’s Euro time deposits, using a net investment hedge method. The currency fluctuations of foreign currency financial liabilities are recognized under "Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss" in Shareholders' Equity.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

III. Information about consolidation

In cases where the accounting policies adopted by the consolidated subsidiaries differ from the accounting policies applied by the Parent Bank, the differences are adjusted in the consolidated financial statements in accordance with the accounting policies applied by the Parent Bank, considering the materiality criterion. The financial statements of the subsidiaries subject to consolidation that are domiciled in Türkiye and the financial statements of the foreign subsidiary subject to consolidation, which are prepared in accordance with the accounting and financial reporting principles and rules of the countries in which they are established, are adjusted to comply with the Reporting Standards through certain corrections.

Transactions and balances between the Bank and its consolidated subsidiaries (together referred to as the 'Group') are mutually offset.

The accounting policies followed and the valuation principles used in the preparation of the consolidated financial statements have been determined and applied in accordance with the principles set out in the Reporting Standards.

IV. Information on Subsidiaries and Entities Under Common Control

The Group has no subsidiaries subject to consolidation and no non-financial affiliates.

V. Explanations on Forward Transactions, Options and Derivative Instruments

The Group's derivative transactions mainly consist of foreign currency swaps, currency options, and forward foreign exchange purchase and sale contracts.

The Group's derivative instruments are classified as 'At Fair Value Through Profit or Loss' under Derivative Financial Assets in accordance with TFRS 9 Financial Instruments standard.

Derivative transactions are initially recognized at acquisition cost, and the transaction costs related to these are accounted for in profit or loss. Additionally, liabilities and receivables arising from derivative transactions are recorded in off-balance sheet accounts at their contract amounts.

The fair value differences of derivative instruments that are reflected in the profit and loss accounts are measured at fair value and associated with income statement during recognition. 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”. Differences arising from the valuation of fair value are reflected in the “Derivative Financial Transactions Gains/Losses” account under income.

The Group applies fair value hedge accounting and cash flow hedge accounting. Hedge accounting is applied to prevent fluctuations in the income statement that may arise in the short-term due to differences in the valuation methods of assets and liabilities in the balance sheet that are exposed to interest rate risk and the derivative instruments used to hedge them. A portion of the Group’s fixed-rate foreign currency securities and foreign currency loans are subject to fair value hedge accounting. The fair value risk of these fixed-rate financial assets is hedged using interest rate swaps. Additionally, the Group uses interest rate swaps to hedge the cash flow risk of variable-rate foreign currency corporate deposits. The effectiveness of the derivative instruments used for hedging purposes in balancing the changes in the fair value of the hedged item is regularly assessed, and the results of the assessment are documented. If hedge accounting no longer meets the conditions for hedge accounting, it is discontinued. In periods when the relationship between the hedge instrument and the hedged item is effectively measured: a) In the case of fair value hedge accounting, changes in the fair value of the hedged item are recognized in profit or loss, b) In the case of cash flow hedge accounting, changes in the fair value of the hedge instrument are recognized in other comprehensive income, and the ineffective portion of the gain or loss from the hedge instrument is recognized in profit or loss.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

V. Explanations on Forward Transactions, Options and Derivative Instruments (Continued)

TFRS 9 offers an accounting policy choice to defer the adoption of TFRS 9's financial hedging accounting and to continue applying the hedge accounting provisions of TAS 39. In this context, the Group continues to apply the hedge accounting provisions of TAS 39. Accordingly, retrospective and prospective effectiveness analyses are performed, and hedge accounting is considered effective if the effectiveness tests fall within the range of 80% - 125%. The 'dollar-offset' method is applied in effectiveness tests.

The Group recognizes changes in the fair values of hedged items in the 'Other Interest Income' and 'Other Interest Expenses' accounts, while recognizing the corresponding fair value changes of hedging instruments for the same period in the 'Profit/Loss from Derivative Financial Transactions' account. Additionally, the Group amortizes the differences between the fair values and the book values of the hedged items at the inception date of hedge accounting over the maturities of these items, and recognizes them in the 'Other Interest Income' and 'Other Interest Expenses' accounts.

VI. Explanations on Interest Income and Expenses

Interest income and expenses are accounted for on an accrual basis using the effective interest method. The effective interest rate is the rate that discounts the estimated cash payments or cash flows over the life of the financial asset or liability to the net present value of the financial asset or liability. The effective interest rate is calculated at the initial recognition of a financial asset or liability and is not subsequently revised.

The calculation of the effective interest rate includes discounts and premiums that are an integral part of the effective interest rate, fees and commissions paid or received, and transaction costs. Transaction costs are incremental costs that are directly attributable to the acquisition, issue, or disposal of a financial asset or liability.

VII. Explanations on Fee and Commission Income and Expenses

Fee and commission income and expenses, as well as credit fee and commission expenses paid to other credit institutions, are calculated on a cash and accrual basis or included in the effective interest method, depending on the nature of the fee and commission. Income derived from agreements and asset purchases and custodian transactions made on behalf of third parties are recognised as income when they are realised.

VIII. Explanations and Disclosures on Financial Instruments

Financial assets represent cash on hand, a contractual right to receive cash or another financial asset from the counterparty, or to exchange financial instruments with the counterparty under conditions that are potentially favorable, or an equity instrument of the counterparty.

Financial assets;

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

Except for financial assets at fair value through profit or loss, financial assets are recognized initially at cost, which includes transaction costs.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. Explanations and Disclosures on Financial Instruments (Continued)

Explanations and Disclosures on Financial Assets Measured at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are financial assets other than those that are held for the collection of contractual cash flows or for the collection of contractual cash flows and for selling. Financial assets that do not result in cash flows consisting solely of payments of principal and interest on the principal amount outstanding on specified dates, and financial assets that are held for the purpose of generating a profit from short-term fluctuations in market prices or similar factors, are classified as Financial Assets at Fair Value Through Profit or Loss.

Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the statement of profit or loss.

Explanations and Disclosures on Financial Assets Measured at Fair Value Through Other Comprehensive Income

Financial assets at fair value through other comprehensive income are financial assets that are held for the collection of contractual cash flows and for selling the financial asset, and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income are initially recognized at cost, and subsequently measured at their fair values in the following periods. For investments that are not traded in an active market, fair value is determined using valuation techniques; fair value is determined by reference to the market prices of similar securities that are traded in markets with the same characteristics in terms of interest, maturity, and other conditions.

Unrealized gains or losses arising from changes in the fair values of financial assets at fair value through other comprehensive income, which represent the difference between the amortized costs calculated using the effective interest method and the fair values of the related financial assets, are recognized in equity under the 'Accumulated Other Comprehensive Income or Expenses to be Reclassified through Profit or Loss' account. In the event of the disposal of financial assets at fair value through other comprehensive income, the valuation differences arising in equity accounts as a result of fair value measurement are transferred to the statement of profit or loss.

Explanations and Disclosures on Financial Assets Measured at Amortized Cost

Financial assets measured at amortized cost are assets that are held for the collection of contractual cash flows, where those cash flows represent solely payments of principal and interest on the principal amount outstanding.Financial assets measured at amortized cost are initially recognized at acquisition cost and subsequently measured at amortized cost using the effective interest method.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. Explanations and Disclosures on Financial Instruments (Continued)

Explanations and Disclosures on Loans

Loans consist of financial assets which are created by providing money, goods or services to the debtor. Loans are financial assets with fixed or determinable payments that are not traded in an active markets. Loans are initially recognized at acquisition cost presenting their fair value and thereafter measured at amortized cost using the effective interest rate method. Fees, transaction costs, and other expenses paid in relation to assets received as collateral for loans are considered part of the transaction cost and are passed on to the customer.

Factoring receivables are measured at amortized cost using the effective interest method, after deducting unearned interest income and setting aside provisions for impairment, if any. Factoring receivables are reviewed regularly, and provisions are set aside from their carrying amounts to bring the impaired factoring receivables to their collectible amounts. A factoring receivable that has become doubtful is written off from the records after the completion of all related legal procedures and the determination of the net loss.

IX. Explanations on Expected Credit Losses

In accordance with the 'Regulation on the Procedures and Principles regarding Classification of Loans and the Provisions for These' published in the Official Gazette dated 22 June 2016 and numbered 29750, and TFRS 9 Financial Instruments Standard, an expected loss allowance is recognized for financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, effective from 1 January 2018. Equity instruments are measured at fair value and are not subject to impairment.

Within the scope of TFRS 9, probability of default, loss given default, and exposure at default models, which includes forward-looking macroeconomic forecasts, are used for the measurement of expected credit loss. The measurement of expected credit loss is performed in three stages, which are determined as follows:

Stage 1:

For financial assets that have not experienced a significant increase in credit risk since initial recognition, a 12-months expected credit loss allowance is recognized.

Stage 2:

For financial assets that have experienced a significant increase in credit risk since initial recognition, a lifetime expected credit loss allowance is recognized.

Stage 3:

Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses allowance are recognized.

Calculation of Expected Credit Losses

Financial assets for which an expected credit loss allowance will be recognized are determined based on the business model applied by the Bank. When estimating the expected credit loss allowance, the probability of default of the financial instrument, the loss given default, the exposure at default, and forward-looking economic expectations are considered.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IX. Explanations on Expected Credit Losses (Continued)

Under three different scenarios (baseline, optimistic, pessimistic), provisions are calculated based on these components. The provision amounts calculated in line with the realization probabilities of the scenarios are weighted, and the provision amount related to the financial instrument is determined. For receivables classified as Stage 1, a provision is calculated based on the 12-months probability of default. For receivables classified as Stage 2, a provision is calculated based on the lifetime probability of default of the receivable and discounted to its present value using the receivable's original effective interest rate.

The Bank has continued to calculate Stage 2 loan provisions according to the risk model it uses. The Bank's approach to the components of the provision calculation is presented below.

The main approach of the Bank regarding the components of the provision calculation is as follows.

Probability of Default (PD):

It represents the probability of a financial asset defaulting within a specific time period.

The 12-months probability of default and the lifetime probability of default are calculated separately. An internal rating model is used to calculate the probability of default. The internal rating model is based on the customers' demographic information, financial information, and behavioral information in the sector. The probability of default is calculated considering the relationship between past credit losses and economic variables. Financial assets are divided into homogeneous groups that show similar characteristics and attitudes, and different probability of default models are applied.

For financial assets classified as Stage 1, a 12-months probability of default is calculated, while for financial assets classified as Stage 2, a lifetime probability of default is calculated. For loans classified as Stage 3, the probability of default is considered to be 100%.

Default is defined as a 90-day delay in payment of a debt or the conviction that the debt will not be paid, regardless of whether there is a delay or not.

Loss Given Default (LGD):

The loss given default of a financial asset represents the loss that occurs after the asset defaults, taking into account the time value of money and the expected collections. When creating the loss given default model, homogeneous groups with similar characteristics and attitudes were formed.

Exposure at Default (EAD):

In cash loans, the exposure at default represents the balance at the date of default. The exposure at default for installment loans is calculated using cash flow. For loans operating as debtor current accounts and without a specific cash flow, the default amount is determined based on the credit conversion model, which is created from the Group's historical data and is based on the balance-limit relationship. For non-cash loans and commitments, the default amount is determined based on the cash conversion rate created from historical data.

Forward-looking economic forecasts: In forward-looking estimates, an economic forecast model that determines the relationship between historical credit loss data and macro and microeconomic variables for the relevant periods is used. Separate econometric models can be applied for products divided into homogeneous groups that exhibit common characteristics and attitudes. When calculating the probability of default of the debtor, forward-looking macroeconomic adjustments based on the outputs of these models are utilized.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IX. Explanations on Expected Credit Losses (Continued)

Significant Increase in Credit Risk: Quantitative and qualitative criteria have been defined to determine a significant increase in credit risk. Without being limited to the following, the definitions used in the classification of financial receivables as Stage 2 includes the quantitative and qualitative elements listed below:

- Financial receivables with days past due exceeding 30 days
- Financial receivables included in the 2nd Group under close monitoring
- Financial receivables restructured due to temporary disruptions in cash flow and considered to be temporarily impaired
- Financial receivables with a significant increase in default probability between the date of recognition on the balance sheet and the reporting date, determined by statistical methods based on the bank's historical data

Individual Assessment: In accordance with the documented procedure, the bank performs an individual assessment in the calculation of provisions for financial assets in Stage 3 above a certain amount and for loans in Stage 2, provided they meet certain criteria. The individual assessment, the present value of future expected cash flows is calculated using the original effective interest rate. Calculations are made by weighting the probabilities assigned to scenarios that predict future economic conditions, which are constructed based on reasonable and supportable information available.

X. Explanations on Netting of Financial Instruments

Financial assets and liabilities are presented net in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

XI. Explanation on Sales and Repurchase Agreements and Lending of Securities

Securities subject to repurchase agreements (Repo) are classified in the balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under Repo agreements are classified as 'Subject to Repo' under the relevant securities accounts and are measured at their fair values or amortized costs using the effective interest method, depending on the purpose for which they are held in the portfolio. Funds obtained from repo transactions are accounted as 'Money Markets Receivables' in the liability accounts, and an expense accrual is recorded for the interest expense.

Securities purchased with resale commitment (Reverse Repo) are presented as Money Markets Receivables' under the main heading of 'Cash and Cash Equivalents. An income accrual is calculated for the portion of the difference between the purchase and resale prices of securities purchased under reverse repurchase agreements that pertains to the period.

XII. Explanations on Assets Held for Sale and Discontinued Operations

An asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell.An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset (or a disposal group) should be actively marketed at a price consistent with its fair value.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. Explanations on Goodwill and Other Intangible Assets

The Group's intangible assets consist of software programs and intangible rights.

The costs of the intangible assets purchased before 31 December 2004 end of the high inflation period is accepted as 31 December 2004, are subject to inflation indexation until 31 December 2004. Intangible assets purchased after 31 December 2004 are recognized with their acquisition cost in the financial statements. The Group allocates depletion shares related to intangible assets over their inflation-adjusted values using the straight-line depreciation method, based on the useful lives of the assets.

The estimated useful life of the Group's intangible assets is between 5 and 15 years.

XIV. Explanations on Tangible Assets

The property and equipment acquired before 31 December 2004 are recorded at restated historical costs in accordance with inflation accounting and subsequent additions to 31 December 2004 are recorded at their historical purchase costs. Until 31 December 2004, the exchange differences, financing expenses, and revaluation increase, if any, added to the cost of depreciable assets that were subject to adjustment for the first time, were deducted from the cost of the related asset, and the adjustment was made according to inflation over the new value found. Tangible fixed assets purchased after 31 December 2004, are reflected in the records at their remaining values after deducting amounts such as exchange differences and financing expenses, if any, from their costs. If the recoverable amounts of tangible fixed assets differ from their adjusted net book values, the Bank records this in the profit/loss statement.

Expenditures for the repair and renewal of property and equipment are recognised as expense.

There are no restrictions such as pledges, mortgages or any other restrictions on the property and equipment.

There are no changes in the accounting estimates that would have significant effects in the current period or in the following periods.

The rates used in the depreciation of tangible fixed assets and the estimated useful lives are as follows.

Tangible Assets	Estimated useful lives (years)	Amortization Rate (%)
Buildings	50	2
Safe Deposit Boxes	20-50	2-5
Vehicles	5	20
Other Tangible Assets	4	25

The Bank assesses at each reporting period whether there is any indication that its assets may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the related asset within the framework of TAS 36 - Impairment of Assets Standard, and if the recoverable amount is less than the book value of the related asset, it recognizes an impairment loss.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. Explanations on Tangible Assets (Continued)

Starting from 1 January 2017, the Parent Bank has adopted the revaluation model for the real estates included in tangible assets within the framework of TAS 16 'Accounting for Property, Plant and Equipment' standard. For this purpose, the fair values of the real estates have been determined by an independent appraisal firm authorized by the BRSA and the Capital Markets Board. The increase in the book value of the buildings as a result of the revaluation study has been reflected in the 'Revaluation Differences of Tangible and Intangible Assets' account under the equity group.

Right-of-use assets

As a result of internal assessments, branch and service buildings, and vehicles acquired through operating leases are accounted for under TFRS 16, while other lease transactions are considered outside the scope of TFRS 16 due to their amounts being below the materiality level, and the related lease payments are accounted for under Other Operating Expenses.

In accordance with TFRS 16, real estates considered as right-of-use assets at the commencement date of the lease are measured at the cost value of the right-of-use asset. The cost of the right-of-use asset includes the initial measurement amount of the lease liability, the amount obtained by deducting any lease incentives received from all lease payments made at or before the commencement date of the lease, any initial direct costs incurred by the lessee, and the estimated costs to be incurred by the lessee for dismantling and removing the underlying asset, restoring the site on which it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date of the lease, the right-of-use asset is measured using the cost method. When applying the bank cost method, the right-of-use asset accumulated depreciation and accumulated impairment losses are deducted and it measures over its adjusted cost according to remeasurement of the lease liability.

When real estates considered as right-of-use assets are depreciated, the depreciation provisions included in TAS 16 Property, Plant and Equipment standard are applied.

TAS 36 Impairment of Assets standard is applied to determine whether the real estates with the right to use have been impaired and to account for the determined impairment loss.

XV. Explanations on Leasing Transactions

The Parent Bank measures the operational lease liabilities based on the present value of the lease payments that have not been paid at the date of lease is actually started, in accordance with TFRS 16. Lease payments are discounted by using the Bank's incremental borrowing rate.

After the lease actually started, the Parent Bank; Increases the carrying amount to reflect the interest in the lease obligation, reduce the carrying value to reflect the lease payments made, and re-measure the carrying value to reflect reassessments and changes to the lease, or to reflect fixed lease payments in revised core.

The interest on the lease liability for each period of the lease term, is the amount calculated by charging a fixed periodic interest rate on remaining balance of lease liability. After the date of lease actually started, the Bank remeasures the lease liability to reflect the changes in lease payments. The Bank reflects the remeasurement amount of the lease liability, in financial statements as adjustments in right to use assets.

The Parent Bank uses a revised discount rate that reflects changes in the interest rate if there is a change in the initial lease period or the use of the purchase option. However, in the event of a change in lease liabilities resulting from a change in an index used to determine future lease payments or in amounts expected to be paid under a residual value guarantee, the unchanged discount rate is used.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XV. Explanations on Leasing Transactions (Continued)

The Parent Bank remeasures the lease liability by discounting the revised lease payments using a revised discount rate for a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification. The revised discount rate is determined as the alternative borrowing interest rate at the effective date of the modification. The Bank decreases carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognized in profit or loss. A corresponding adjustment to the right-of-use asset is made for all other lease modifications.

XVI. Explanations on Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Bank has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are calculated based on the best estimate of the expenditure required to settle the obligation, as determined by the management of the Parent Bank and the relevant subsidiaries as of the balance sheet date. Where the effect of the time value of money is material, provisions are discounted to their present value.When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Group, it is considered that a contingent liability exists and it is disclosed in the related notes to the financial statements.

Contingent assets are assets that arise from past events and will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. The Group does not recognize contingent assets in the financial statements but continuously assesses them to ensure that the developments are appropriately reflected in the consolidated financial statements. When the inflow of economic benefits to the Group becomes virtually certain, the related asset and income are recognized in the consolidated financial statements of the period in which the change occurs. If the inflow of economic benefits is probable, the Group discloses the contingent asset in the notes to the financial statements.

XVII. Explanations on Obligations Related to Employee Rights

Severance Pay Provision

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

In the accompanying consolidated financial statements, the Group calculates and recognizes provision for severance pay in accordance with TAS 19 - Employee Benefits, using the actuarial method.

Provisions for Other Employee Benefits

The Group provides for undiscounted short-term employee benefits expected to be paid in exchange for services rendered by employees during an accounting period in its consolidated financial statements in accordance with TAS 19.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation

Corporate Tax

In Türkiye, the corporate tax rate applied to corporate earnings, which was 20%, was increased to 25% for the 2021 taxation period and to 23% for the 2022 taxation period, in accordance with the regulation introduced by Law No. 7316 on the Amendment of Certain Laws and the Collection Procedure of Public Receivables, published in the Official Gazette No. 31462 dated 22 April 2021. However, with the regulation introduced by Law No. 7394 on the Amendment of Certain Laws and Decrees Regarding the Evaluation of Immovable Properties Owned by the Treasury and the Amendment of the Value Added Tax Law, this rate has been set at 25% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized exchange offices, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies, to be applied to corporate earnings from the 2022 taxation period onwards.

Under the regulation introduced by Law No. 7456, titled "Law on Amendments to Certain Laws and Decree-Law No. 375 for the Compensation of Economic Losses Caused by the Earthquakes on February 6, 2023," published in the Official Gazette No. 32249 on July 15, 2023, the rate has been set at 30% starting from the declarations that need to be submitted as of October 1, 2023.

The corporate tax rate is applied to the tax base to be found as a result of the addition of the non-deductible expenses in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions (such as the participation earnings exemption) and deductions in the tax laws. No further tax is paid if the profit is not distributed.

Dividends paid to non-resident corporations, which have a place of business or permanent attorney in Türkiye or to resident corporations are not subject to withholding tax. With the Council of Ministers' decisions numbered 2009/14593 and 2009/14594, published in the Official Gazette No. 27130 dated 3 February 2009, certain withholding tax rates specified in Articles 15 and 30 of the Corporate Tax Law No. 5520 were redefined. In this context, the withholding tax rate applied to dividend payments made to non-resident institutions earning income through a workplace or a permanent representative in Türkiye, and other than those made to institutions resident in Türkiye, was 15%. However, this rate was changed to 10% with the Presidential Decree published in the Official Gazette No. 31697 dated 22 December 2021. In the application of the withholding tax rates for profit distributions to limited taxpayer institutions and real persons, the practices included in the relevant "Double Taxation Avoidance Agreements" are also taken into consideration. Addition of profit to capital is not considered as profit distribution and withholding tax is not applied.

Provisional taxes are paid by calculating at the corporate tax rate to which the earnings of that year are subject. Provisional taxes paid during the year can be deducted from the corporate tax calculated on the annual corporate tax return of that year.

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the corporate income for the period, provided that it does not exceed 5 years. However, in the event of financial losses, there is no practice of refunding taxes paid on profits in previous years up to the amount of these losses.

For the period between 1 January 2017, and 4 December 2017, the entire earnings corresponding to the portion of the revenue obtained from the transfer of immovable properties, participations, founder's shares, usufruct shares, and pre-emptive rights owned by institutions that are under legal follow-up due to their debts to banks or are indebted to the Savings Deposit Insurance Fund, as well as their guarantors and mortgagors, which are used in the liquidation of these debts, and 75% of the earnings from the sale of such assets obtained by banks are exempt from corporate tax.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued)

Corporate Tax (Continued)

On the other hand, in accordance with the regulation introduced by Law No. 7061 on 'Amendments to Certain Tax Laws and Other Certain Laws', the corporate tax exemption rate mentioned above has been applied as 50% for gains from the sale of real estates and 75% for gains from the sale of others, effective from 5 December 2017.

Under the regulation introduced by Law No. 7456, titled "Law on Amendments to Certain Laws and Decree-Law No. 375 for the Compensation of Economic Losses Caused by the Earthquakes on February 6, 2023," published in the Official Gazette No. 32249 on July 15, 2023, a rate of 25% will be applied to capital gains from real estate sales made after the date this article came into effect (July 15, 2023).

As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law ("TPL"). However, with the regulation made with the Law No. 7352 dated 20 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this; the TPL financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, will not be subject to inflation adjustment, and for the 2023 accounting period; will not be subject to inflation adjustment as of the temporary tax periods, and the TPL financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met. Profit / loss difference arising from inflation adjustment in TPL financial statements will be shown in the profit / loss accounts of previous years and will not affect the corporate tax base.

The applicable corporate tax rates for Anadolubank Nederland NV, a subsidiary of the Parent Bank operating outside of Türkiye and included in the scope of consolidation, are determined within the framework of the legislation of the country in which it operates.

Deferred Tax

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these consolidated financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. Differences that do not affect the financial or commercial profit arising at the acquisition date of assets or liabilities according to the tax legislation are excluded from this calculation.

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

Deferred tax assets and deferred tax liabilities calculated for each consolidated subsidiary are presented on a net basis in the financial statements of the relevant subsidiary, as the subsidiary has the legal right to offset current tax assets against current tax liabilities. In the consolidated financial statements, deferred tax assets and deferred tax liabilities are presented without offsetting, as the consolidated subsidiaries do not have the legal right to receive or make a single net payment.

As of 1 January 2018, in accordance with the provisions of TFRS 9, deferred tax assets have started to be calculated based on expected loss provisions that constitute temporary differences.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued)

Corporate Tax (Continued)

As stated in the Corporate Tax disclosures, the rate has been set at 25% to be applied to corporate earnings for the taxation periods of 2023 and 2022; in accordance with the regulation introduced by Law No. 7456 published in the Official Gazette No. 32249 on July 15, 2023, titled 'Law on the Compensation of Economic Losses Caused by the Earthquakes on February 6, 2023, through the Introduction of Additional Motor Vehicle Tax and Amendments to Some Laws and Decree Law No. 375,' the rate has also been determined as 30%.

In accordance with TAS 12 Income Taxes standard, deferred tax assets or liabilities are calculated using the tax rates (and tax laws) that are enacted or substantively enacted by the end of the reporting period (balance sheet date) and are expected to apply in the period when the assets are realized, or the liabilities are settled. As of June 30, 2023, the deferred tax calculation was made for the assets and liabilities of the main parent bank at a rate of 25%; whereas as of September 30, 2023, the deferred tax calculation was made for the assets and liabilities at a rate of 30%.

Transfer Pricing

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

According to the relevant communiqué, if taxpayers engage in transactions of purchasing and selling products, services, or goods with related parties where the pricing is not conducted in accordance with the arm's length principle, it will be deemed that the related profits are implicitly distributed through transfer pricing. Such implicit profit distributions through transfer pricing cannot be deducted from the tax base for corporate tax purposes.

XIX. Explanations on Borrowings

Financial assets at fair value through profit or loss are measured at their fair values, while other financial liabilities are measured at amortized cost using the effective interest method. No convertible bonds or debt instruments representing borrowing have been issued.

XX. Explanations on Issuance of Share Certificates

None.

XXI. Explanations on Avalized Drafts and Acceptances

Avalized drafts and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts, if any.

XXII. Explanations on Government Incentivies

As of 30 September 2023, the Group does not have any governmental incentives or support (31 December 2022 – None).

XXIII. Explanations on Segment Reporting

In consideration of the structure and primary sources of the Bank's risks and returns, operating segments have been selected as the primary segment reporting method.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXIV. Explanation on Other Matters

Earnings/Loss Per Share

Earnings per share have been calculated by dividing the Group's net profit for the period by the weighted average number of shares outstanding during the period. In Türkiye, companies can increase capital through “bonus share” distributed from previous year earnings to current shareholders. Such “bonus share” distributions are accounted as issued shares while calculating earnings per share.

Earnings per share for the accounting period ended 30 September 2023, is Full TRY 0.01806. (30 September 2022: Full TRY 0.01287).

Related Parties

For the purposes of these consolidated financial statements, shareholders, senior management, and board members, together with their families and the companies controlled by them or affiliated with them, as well as associates and jointly controlled entities, are considered related parties within the scope of TAS 24 - Related Party Disclosures. Transactions with related parties are presented in Note VII of Section Five.

Cash and Cash Equivalents

For the purposes of the cash flow statement, “Cash” includes cash box, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and “Cash equivalents” includes interbank money markets placements and time deposits at banks with original maturity periods of less than three months, as well as investments in securities.

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations on Consolidated Equity

The Group's consolidated capital adequacy standart ratio is 15.42% (31 December 2022: 19.30%). The Bank's unconsolidated capital adequacy standart ratio is 17.95% (31 December 2022 : 22.38%).

The Group's tier 1 capital adequacy ratio is 14.96% (31 December 2022: 18.76%); the core capital adequacy ratio is 14.96% (31 December 2022: 18.76%). The calculation of the capital adequacy standard ratio is made within the framework of the 'Regulation on the Measurement and Evaluation of Capital Adequacy of Banks' published in the Official Gazette dated September 6, 2014 and numbered 29111.

a. Information about consolidated shareholders' equity items

COMMON EQUITY TIER 1 CAPITAL	30 September 2023	31 December 2022
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1,100,000	1,100,000
Share issue premiums	-	-
Reserves	4,676,209	2,756,677
Gains recognized in equity as per TAS	3,497,113	2,340,005
Profit	1,981,102	1,919,532
Current Period Profit	1,981,102	1,919,532
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	249	249
Minorities' Share	17,661	11,745
Common Equity Tier 1 Capital Before Deductions	**11,272,334**	**8,128,208**
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	2,103,018	1,213,373
Improvement costs for operating leasing (-)	18,042	12,540
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	97,281	71,224
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision,	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	**2,218,341**	**1,297,137**
Total Common Equity Tier 1 Capital	**9,053,993**	**6,831,071**

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations on Consolidated Equity (Continued)

a. Information about consolidated shareholders' equity items (Continued)

COMMON EQUITY TIER 1 CAPITAL	30 September 2023	31 December 2022
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7 (-)	-	-
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 (-)	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	**9,053,993**	**6,831,071**
TIER II CAPITAL		
Debt instruments and premiums deemed suitable by the BRSA	-	-
Debt instruments and premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	274,837	197,383
Tier II Capital Before Deductions	**274,837**	**197,383**
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	**274,837**	**197,383**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**9,328,830**	**7,028,454**
Total Capital	**9,328,830**	**7,028,454**

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations on Consolidated Equity (Continued)

a. Information about consolidated shareholders' equity items (Continued)

COMMON EQUITY TIER 1 CAPITAL	30 September 2023	31 December 2022
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
The loan amounts specified in the fifth paragraph of Article 12/A of the Regulation on Credit Transactions of Banks published in the Official Gazette dated 1/11/2006 and numbered 26333	90	230
Other items to be Defined by the BRSA	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
CAPITAL		
Total Capital	**9,328,740**	**7,028,224**
Total risk weighted amounts	**60,508,000**	**36,408,130**
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	14.96	18.76
Tier 1 Capital Adequacy Ratio (%)	14.96	18.76
Capital Adequacy Ratio (%)	15.42	19.30
BUFFERS		
Total buffer ratio	2.50	2.50
Capital conservation buffer requirement (%)	2.50	2.50
Bank specific counter-cyclical buffer requirement (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	10.46	14.26
Amounts below the Excess Limits as per the Deduction Principles	-	-
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Amount arising from mortgage-servicing rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before ten thousand twenty-five limitation)	-	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	274,837	197,383
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations on Consolidated Equity (Continued)

b. Information about instruments that will be included in total capital calculation

None.

Information on the approaches applied for the assessment of the adequacy of internal capital requirements in terms of current and future activities within the scope of the internal capital adequacy assessment process

In parallel with the Parent Bank's 3-year strategic plan preparation processes, in addition to credit risk, market risk, and operational risk used in the calculation of forward-looking regulatory capital requirements, other risks such as interest rate risk arising from banking accounts, concentration risk, strategic risk, reputation risk, and country risk are also taken into consideration.

II. Explanations on Consolidated Exchange Risk

Exposed risk of foreign currency, estimations on the effects of this matter, limits for the daily followed positions are determined by the Board of Directors

In measuring the exchange rate risk to which the Group is exposed, the Standard Method used in legal reporting and the Value at Risk Method are used.

In calculating the consolidated capital requirement for exchange rate risk, the Group's total foreign currency assets, liabilities, and forward foreign exchange transactions are taken into account. The net short and long positions of each currency in terms of Turkish Lira equivalents are calculated, and the position with the greater absolute value is determined as the amount subject to the capital requirement. The capital requirement is calculated based on this amount.

The Board of Directors monitors on a daily basis whether the positions related to exchange rate risk are within the limits.

Hedge against foreign exchange debt instruments and net foreign exchange investments by hedging derivative instruments, if material

As of 30 September 2023, the Group has no derivative financial instruments classifed as hedging instruments.

Management policy for foreign currency risk

Foreign currency risk is monitored within the framework of national legislation and international practices. Foreign currency risk management is monitored within the framework of position and loss limits defined in the treasury department and ALCO decisions. It is essential that foreign currency positions originating from the bank’s balance sheet are monitored daily and closed within the framework of limited amounts.

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations on Consolidated Exchange Risk (Continued)

Current foreign exchange bid rates of the Parent Bank for the last five business days prior to the financial statement date:

	US Dollar	Euro
Spot foreign exchange bid rates in the balance sheet date	**27.3767**	**29,0305**
Prior balance sheet date;		
Spot foreign exchange purchase rate of first day	27.3752	28.8083
Spot foreign exchange purchase rate of second day	27.2640	28.7853
Spot foreign exchange purchase rate of third day	27.2108	28.8183
Spot foreign exchange purchase rate of fourth day	27.1751	28.9027
Spot foreign exchange purchase rate of fifth day	27.1039	28.8483
The basic arithmetical average of last 30 days	**26.9748**	**28.8210**

Exposure to foreign currency risk

The increase/(decrease) that will occur in equity and profit or loss statement (excluding tax effect) for the accounting period ending on 30 September 2023 and 31 December 2022, assuming a 10 percent depreciation of TRY against the following currencies, is shown in the table below. This analysis has been prepared under the assumption that all other variables, especially interest rates, remain constant.

	30 September 2023		31 December 2022	
	Statement of profit and loss	Equity [(1)]	Statement of profit and loss	Equity [(1)]
US Dollar	39,478	22,767	50,941	38,770
Euro	22,866	21,281	(61,162)	(60,535)
Other currencies	2,437	2,437	77	77
Total, net	**64,781**	**46,485**	**(10,144)**	**(21,688)**

(1) The equity effect also includes the impact on the profit/loss statement that would result from a 10% depreciation of the TRY against the relevant foreign currencies.

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations on Consolidated Exchange Risk (Continued)

Information on Consolidated Exchange Risk

Current Period	Euro	US Dollar	Other	Total
Assets:				
Cash and Balances with CBRT	2,162,961	2,552,207	352,512	5,067,680
Banks	7,407,140	1,108,267	107,923	8,623,330
Financial Assets at Fair Value through Profit or Loss (Net)	-	107,086	-	107,086
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	1,131,292	1,726,110	-	2,857,402
Loans[1]	7,703,813	10,990,911	1,453,261	20,147,985
Investments in Associates, Subsidiaries and Joint Ventures (Business Partners)	-	-	-	-
Financial Assets Measured at Amortized Cost	2,372,681	694,613	-	3,067,294
Tangible Assets	16,788	329	-	17,117
Intangible Assets	-	-	-	-
Others[2]	61,713	119,827	9	181,549
Total Assets	**20,856,388**	**17,299,350**	**1,913,705**	**40,069,443**
Liabilities:				
Bank Deposits	189	361,069	18,712	379,970
Foreign Currency Deposits	17,106,222	15,768,359	1,369,895	34,244,476
Money market funds	209,977	876,583	-	1,086,560
Loans received	-	20,712	-	20,712
Securities issued	-	-	-	-
Lease Liabilities	11,345	329	-	11,674
Other Liabilities[2][3]	344,450	212,574	4,137	561,161
Total Liabilities	**17,672,183**	**17,239,626**	**1,392,744**	**36,304,553**
Net On Balance Sheet Position	**3,184,205**	**59,724**	**520,961**	**3,764,890**
Net Off-Balance Sheet Position	**(2,955,542)**	**335,057**	**(496,595)**	**(3,117,080)**
Financial Derivative Assets	13,193,593	20,726,390	1,529,099	35,449,082
Financial Derivative Liabilities	16,149,135	20,391,333	2,025,694	38,566,162
Non-cash loans[1][3]	1,844,771	3,572,465	-	5,417,236
Prior Period	**Euro**	**US Dollar**	**Other**	**Total**
Total Assets	12,682,453	15,574,456	1,781,334	30,038,243
Total Liabilities	12,745,518	11,005,352	843,652	24,594,522
Net on-Balance Sheet Position	**(63,065)**	**4,569,104**	**937,682**	**5,443,721**
Net off-Balance Sheet Position	**(831,585)**	**(4,569,813)**	**(1,028,437)**	**(6,429,835)**
Financial Derivative Assets	6,949,186	10,349,740	398,763	17,697,689
Financial Derivative Liabilities	7,780,771	14,919,553	1,427,200	24,127,524
Non-cash loans[1][3]	893,283	1,785,092	34,302	2,712,677

(1) Non-cash loans are not taken into account in the foreign currency position account.

(2) The foreign exchange income rediscount of TRY 399,720 and the two-day value commitments of TRY 1,601 related to derivative financial instruments are not included in other assets, and the foreign exchange expense rediscount of TRY 320,224 is not included in other liabilities.

(3) Provisions for non-cash loans amounting to TRY 1,586 are included in the other liabilities item.

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations on Consolidated Interest Rate Risk

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held monthly by taking the market developments into consideration.

In measuring the interest rate risk to which the Parent Bank is exposed, the standard method, value at risk (VAR), and Asset-Liability risk measurement methods are used. Measurements made within the scope of the standard method are carried out monthly using the maturity ladder, while measurements made within the scope of VAR calculations are carried out on a daily basis. The Asset-Liability risk measurement model is run on a monthly basis.

During the daily VAR calculations, the interest rate risk of financial assets in the Bank's portfolio, denominated in foreign currency and TRY, whose fair value difference is reflected in profit or loss and whose fair value difference is reflected in other comprehensive income, as well as off-balance sheet positions, is measured. These calculations are supported by scenario analyses and stress tests.

Interest rate sensitivity of assets, liabilities and off-balance sheet items

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years And Over	Non – Interest Bearing	Total
Assets:							
Cash and Balances with CBRT	6,368,097	-	-	-	-	2,304,797	8,672,894
Banks[5]	9,834,158	-	-	-	-	1,337,419	11,171,577
Financial Assets at Fair Value Through Profit or Loss	-	7	11,857	14,373	80,849	-	107,086
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	128,841	444,890	3,739,309	1,660,035	149,582	6,122,657
Loans[4][5]	8,315,434	10,740,902	22,635,212	5,188,191	36,004	176,914	47,092,657
Financial Assets Measured at Amortized Cost[5]	138,965	5,907	369,662	2,128,869	423,891	-	3,067,294
Other Assets[1]	290,632	330,489	1,723,019	-	-	2,408,284	4,752,424
Total Assets	**24,947,286**	**11,206,146**	**25,184,640**	**11,070,742**	**2,200,779**	**6,376,996**	**80,986,589**
Liabilities:							
Bank Deposits	2,219,504	-	168,761	147,874	-	232	2,536,371
Other Deposits	26,636,999	13,979,109	10,665,201	1,844,952	27,663	7,382,194	60,536,118
Funds from Interbank Money Market	2,645,052	-	-	-	-	-	2,645,052
Miscellaneous Payables	-	-	-	-	-	-	-
Loans received [3]	1,517,169	693,479	133,914	1,168	-	20,712	2,366,442
Other Liabilities[2]	325,391	161,708	233,027	82,727	87,699	12,012,054	12,902,606
Total Liabilities	**33,344,115**	**14,834,296**	**11,200,903**	**2,076,721**	**115,362**	**19,415,192**	**80,986,589**
Balance Sheet Long Position	-	-	13,983,737	8,994,021	2,085,417	-	25,063,175
Balance Sheet Short Position	(8,396,829)	(3,628,150)	-	-	-	(13,038,196)	(25,063,175)
Off-Balance Sheet Long Position	20,335,124	15,014,122	15,623,166	3,068,090	508,034	-	54,548,536
Off-Balance Sheet Short Position	(20,428,048)	(14,706,953)	(14,383,046)	(3,070,977)	(508,034)	-	(53,097,058)
Total Position	(8,489,753)	(3,320,981)	15,223,857	8,991,134	2,085,417	(13,038,196)	1,451,478

(1) Tangible fixed assets, intangible fixed assets and assets held for sale are shown in the tax income non-interest column.
(2) Equity items, tax expenses, and provisions are shown in the non-interest column under other liabilities.
(3) Includes factoring payables.
(4) Includes factoring receivables.
(5) Expected loss provisions for financial assets measured at amortized cost are netted off against the related items.

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations on Consolidated Interest Rate Risk (Continued)

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Continued)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years And Over	Non – Interest Bearing	Total
Assets :							
Cash and Balances with CBRT	3,126,882	-	-	-	-	2,902,017	6,028,899
Banks[5]	6,500,905	-	-	-	-	1,315,813	7,816,718
Financial Assets at Fair Value Through Profit or Loss	-	1,166	5,651	20,430	24,173	-	51,420
Interbank Money Market Placements	808,479	-	-	-	-	-	808,479
Financial Assets at Fair Value Through Other Comprehensive Income	206,479	111,035	150,128	905,244	1,045,986	112,033	2,530,905
Loans[4][5]	4,436,443	7,436,797	14,890,791	4,053,292	529,970	243,635	31,590,928
Financial Assets Measured at Amortized Cost[5]	38,292	-	1,935,605	1,135,170	254,397	-	3,363,464
Other Assets [1]	178,631	302,123	266,369	34,714	-	1,779,845	2,561,682
Total Assets	**15,296,111**	**7,851,121**	**17,248,544**	**6,148,850**	**1,854,526**	**6,353,343**	**54,752,495**
Liabilities :							
Bank Deposits	40,863	-	-	-	-	158	41,021
Other Deposits	17,305,318	10,175,794	3,277,240	931,126	17,171	10,045,558	41,752,207
Funds from Interbank Money Market	899,973	521,865	94,049	-	-	-	1,515,887
Marketable Securities Issued	-	-	-	-	-	-	-
Loans received[3]	1,228,610	23,481	1,036,748	287,332	-	-	2,576,171
Other liabilities[2]	283,627	77,896	170,644	77,334	53,656	8,204,052	8,867,209
Total Liabilities	**19,758,391**	**10,799,036**	**4,578,681**	**1,295,792**	**70,827**	**18,249,768**	**54,752,495**
Balance Sheet Long Position	-	-	12,669,863	4,853,058	1,783,699	-	19,306,620
Balance Sheet Short Position	(4,462,280)	(2,947,915)	-	-	-	(11,896,425)	(19,306,620)
Off-Balance Sheet Long Position	13,554,270	8,943,481	5,232,513	1,522,576	289,072	-	29,541,912
Off-Balance Sheet Short Position	(13,449,071)	(8,786,024)	(5,175,147)	(1,539,893)	(289,072)	-	(29,239,207)
Total Position	**(4,357,081)**	**(2,790,458)**	**12,727,229**	**4,835,741**	**1,783,699**	**(11,896,425)**	**302,705**

(1) Tangible fixed assets, intangible fixed assets and assets held for sale are shown in the tax income non-interest column.
(2) Equity items, tax expenses, and provisions are shown in the non-interest column under other liabilities.
(3) Includes factoring payables.
(4) Includes factoring receivables.
(5) Expected loss provisions for financial assets measured at amortized cost are netted off against the related items.

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanation on Consolidated Interest Rate Risk (Continued)

Average interest rates on monetary financial instruments:

Current Period	Euro %	US Dollar %	JPY %	TRY %
Assets:				
Cash and Balances with CBRT	-	-	-	-
Receivables from Banks and Other Financial Institutions	3.75	0.35	-	36.53
Financial Assets Measured at Fair Value Through Profit or Loss	-	8.73	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.99	7.50	-	9.18
Loans	7.10	8.53	-	27.24
Financial Assets Measured at Amortized Cost	2.95	6.54	-	-
Liabilities:				
Bank Deposits	-	5.63	-	30.92
Other Deposits	2.59	4.54	-	28.76
Funds From Interbank Money Market	4.85	6.65	-	26.15
Other Liabilities	-	-	-	-
Marketable Securities Issued	-	-	-	-
Loans Received	-	6.78	-	26.46

Prior Period	Euro %	US Dollar %	JPY %	TRY %
Assets:				
Cash and Balances with CBRT	-	4.50	-	-
Receivables from Banks and Other Financial Institutions	0.48	3.62	-	10.17
Financial Assets Measured at Fair Value Through Profit or Loss	5.26	8.04	-	7.72
Interbank Money Market Placements	-	4.30		8.82
Financial Assets Measured at Fair Value through Other Comprehensive Income	(0.45)	8.08	-	8.59
Loans	5.14	6.64	-	17.64
Financial Assets Measured at Amortized Cost	1.00	6.37	-	10.19
Liabilities:				
Bank Deposits	-	-	-	19.64
Other Deposits	1.06	0.96	-	16.24
Funds From Interbank Money Market	1.52	4.27	-	7.63
Other Liabilities	-	-	-	-
Securities Issued	-	-	-	-
Loans Received	2.69	6.26	-	19.69

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations on Consolidated Position Risk of Equity Securities in Banking Book

None.

Equity Position Risk Arising from Banking Accounts

It has not been prepared in accordance with Article 25 of the Communique on Financial Statements to be Publicly Disclosed by Banks and Explanations and Footnotes Related to them.

V. Explanations on Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio

Liquidity risk can arise as a result of funding long-term assets with short-term liabilities. The management of liquidity risk at the bank is carried out in accordance with the "Asset-Liability Management Regulation," taking into account the strategies related to balance sheet management and the requirements of legal obligations, as well as current market conditions and expectations regarding the economic and financial outlook.

The primary funding source of the Parent Bank is deposits. Although the average maturity of deposits is shorter compared to assets due to market conditions, loans are also obtained from foreign institutions for funding purposes. To prevent potential concentrations on the funding side from negatively impacting the Bank's liquidity risk profile, concentration limits for deposits and non-deposit borrowings are actively utilized.

According to the "Regulation on the Calculation of Liquidity Coverage Ratio of Banks," published by the BRSA in the Official Gazette dated 21 March 2014, and numbered 28948, banks are required to achieve a total Liquidity Coverage Ratio (LCR) of 100% and a foreign currency LCR of 80% by 2019. Under the relevant regulation, the Liquidity Coverage Ratio is calculated by dividing high-quality liquid assets by net cash outflows.

a. Information about the liquidity risk management including factors such as risk capacity of the Parent Bank, responsibilities and the structure of liquidity risk management, reporting of the liquidity risk within the Parent Bank and providing communication with Board of Directors and line of businesses in terms of liquidity risk strategy, policy and applications

The primary priority is to ensure that the liquidity risk to which the Parent Bank is exposed is in line with the risk appetite arising from the Bank's core strategies and within the risk capacity determined by the regulations. It is essential for the Bank to maintain a sufficient level of free liquid assets that can be sold or pledged at any time to counter significant reductions in liquidity sources. The level of the liquidity buffer, composed of these liquid assets, is determined in accordance with the Bank's liquidity risk tolerance, as expressed by the liquidity risk limits set by the Board of Directors. The review of the liquidity position, determination of the appropriate liquidity level, and identification of the necessary funding sources and maturity structure within the limits approved by the Board of Directors are the responsibilities of the Bank's Asset-Liability Committee (ALCO).

b. Information regarding functioning of liquidity management and the extent of centralization in funding strategy amid the Parent Bank and its subsidiaries

The responsibility for managing liquidity risk within the risk limits set by the Board of Directors of the Parent Bank lies with the Treasury Department. The measurement and reporting of liquidity risk levels across the bank are the responsibility of the Risk Management Department. The bank's liquidity management and funding strategy are determined in regular Asset-Liability Committee meetings.

c. The information about the Parent Bank’s funding strategy including policies on diversification of its sources and tenor of funding

The Board of Directors of the Parent Bank has approved the "Liquidity Risk Management Policy" for effective liquidity risk management. The primary funding source of the bank is deposits. To ensure maturity diversification, loans obtained from financial institutions are also considered as funding sources. Although the maturity of deposits is formed according to market conditions, the core deposit ratio is aimed to be kept as high as possible due to the concentration in the short-term. Non-deposit funding sources are preferred to be long-term.

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations on Consolidated Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

d. Information on liquidity management based on currency, which consists of a minimum of 5% of the Parent Bank's total liabilities

The currencies that constitute at least five percent of the Parent Bank's liabilities are Turkish Lira, US Dollar, and Euro. Both legal reporting and liquidity risk management reporting can be conducted for all defined foreign currency types within the Bank.

e. Information on liquidity risk mitigation techniques

Assets defined as liquid assets in the relevant regulations are considered as risk mitigation elements in liquidity management, taking into account their maturities and market liquidity conditions.

f. Explanation of the usage of stress test

The Parent Bank utilizes liquidity stress tests for the internal measurement of liquidity risk. In this approach, the level at which the Bank's liquid assets can cover the likely net cash outflows within one month under liquidity stress scenarios, whose parameters are determined by the Board of Directors, is demonstrated.

Stress tests within the scope of liquidity risk are presented in detail in the Internal Capital Adequacy Assessment Process (ICAAP) report. The stress test results, evaluated and approved at the Board of Directors level, are shared with the Banking Regulation and Supervision Agency (BRSA).

g. General information on liquidity emergency and contingency plans

Information regarding the bank's liquidity emergency and contingency plan is detailed within the "Liquidity Risk Management Policy." The policy outlines the action plan the bank will implement in the event of emergencies, as defined, and specifies the duties and responsibilities of the "Liquidity Emergency Management Team.

1. Consolidated Liquidity Coverage Rate

Liquidity risk may arise as a result of funding long-term assets with short-term liabilities. The management of liquidity risk in the Bank is carried out in accordance with the 'Asset-Liability Management Regulation,' taking into account the requirements of balance sheet management strategies and legal obligations, as well as current market conditions and expectations regarding the economic and financial outlook.

The primary source of funding for the Bank is deposits. Although the average maturity of deposits is shorter compared to assets due to market conditions, loans are also obtained from foreign institutions for funding purposes. To prevent potential concentrations on the funding side from negatively impacting the Bank's liquidity risk profile, concentration limits on deposits and non-deposit borrowings are actively utilized.

The primary priority is to ensure that the liquidity risk to which the Bank is exposed aligns with the risk appetite arising from the Bank's core strategies and within the risk capacity determined by the regulations. It is essential for the Bank to maintain a sufficient level of free liquid assets that can be sold or pledged at any time to counter significant reductions in liquidity sources. The level of the liquidity buffer, composed of these liquid assets, is determined in accordance with the Bank's liquidity risk tolerance, as expressed by the liquidity risk limits set by the Board of Directors. The review of the liquidity position, determination of the appropriate liquidity level, and identification of the necessary funding sources and maturity structure within the limits approved by the Board of Directors are the responsibilities of the Bank's Asset-Liability Committee (ALCO).

The Bank utilizes liquidity stress tests for the internal measurement of liquidity risk. In this approach, the level at which the Bank's liquid assets can cover the likely net cash outflows within one month under liquidity stress scenarios, whose parameters are determined by the Board of Directors, is demonstrated. Liquidity adequacy limits, both in Turkish Lira and foreign currency, are determined by the Board of Directors, taking into account the specific requirements and risk tolerance of the Bank's liquidity risk management. Measurements related to liquidity risk are carried out by the Risk Management Department, and the results of these measurements are regularly reported to the relevant executive units responsible for managing the risk, as well as to senior management and the Board of Directors.

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations on Consolidated Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

1. Consolidated Liquidity Coverage Rate (Continued)

	Total value to which the consideration ratio is not applied (*)		Total value to which the consideration ratio is applied (*)	
Current Period	**TRY+FC**	**FC**	**TRY+FC**	**FC**
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			17,218,216	13,276,269
Cash Outflows				
Retail and customer deposits	33,968,791	19,152,368	3,186,229	1,905,423
Stable deposits	4,560,840	383,726	215,122	10,029
Less stable deposits	29,407,951	18,768,642	2,971,107	1,895,394
Unsecured funding other than retail and small business customers deposits	31,249,780	17,158,829	15,688,677	7,422,916
Operational deposits	23,700	2,756	-	-
Non-Operational deposits	28,391,371	16,583,553	12,919,274	6,853,206
Other unsecured funding	2,834,709	572,520	2,769,403	569,710
Secured funding			-	-
Other cash outflows	577,636	3,012,621	430,643	3,002,458
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	577,636	3,012,621	430,643	3,002,458
Debts related to the structured financial products	-	-	-	-
Commitment related to debts to financial markets and other off-balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	905,515	769,632	36,026	36,026
Other irrevocable or conditionally revocable commitments	14,289,239	3,828,700	1,322,534	556,690
TOTAL CASH OUTFLOWS			**20,664,109**	**12,923,513**
Cash Inflows			-	-
Secured lending transactions	419,034	-	-	-
Unsecured lending transactions	13,056,475		9,940,249	3,096,339
Other cash inflows	376,913	1,909,758	377,227	1,910,072
TOTAL CASH INFLOWS	**13,852,422**	**3,395,766**	**10,317,476**	**5,006,411**
			Max limit applied values	
TOTAL HQLA STOCK			**17,218,216**	**13,276,269**
TOTAL NET CASH OUTFLOWS			**10,346,633**	**7,917,103**
LIQUIDITY COVERAGE RATIO (%)			**166.41**	**167.69**

(*) The consolidated liquidity coverage ratio, calculated by taking the weekly simple arithmetic average, is calculated by taking the average of the last three months.

Current Period	Highest	Date	Lowest	Date	Average
TRY+FC	214.53%	11 July 2023	129.25%	27 September 2023	169.16%
FC	207.29%	15 August 2023	126.92%	19 July 2023	168.44%

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations on Consolidated Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

1. Consolidated Liquidity coverage rate (Continued)

	Total value to which the consideration ratio is not applied(*)		Total value to which the consideration ratio is applied(*)	
Prior Period	**TRY+FC**	**FC**	**TRY+FC**	**FC**
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			11,470,818	8,899,586
Cash Outflows			-	-
Retail and customer deposits	24,982,362	12,598,244	2,348,280	1,249,939
Stable deposits	2,999,122	197,707	149,956	9,885
Less stable deposits	21,983,240	12,400,537	2,198,324	1,240,054
Unsecured funding other than retail and small business customers deposits	21,434,914	10,619,662	10,136,647	4,812,299
Operational deposits	-	-	-	-
Non-Operational deposits	19,784,259	10,106,431	8,519,219	4,299,068
Other unsecured funding	1,650,655	513,231	1,617,428	513,231
Secured funding			97,983	97,983
Other cash outflows	126,794	3,132,898	126,794	3,132,898
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	126,794	3,132,898	126,794	3,132,898
Debts related to the structured financial products	-	-	-	-
Commitment related to debts to financial markets and other off-balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	342,526	342,526	17,126	17,126
Other irrevocable or conditionally revocable commitments	8,890,715	2,313,302	785,100	293,505
TOTAL CASH OUTFLOWS			**13,511,930**	**9,603,750**
Cash Inflows	-	-	-	-
Secured lending transactions	464,768	-	-	-
Unsecured lending transactions	10,621,434	7,144,730	8,845,904	6,872,002
Other cash inflows	294,784	2,315,649	294,784	2,315,649
TOTAL CASH INFLOWS	**11,380,986**	**9,460,379**	**9,140,688**	**9,187,651**
			Max limit applied values	
TOTAL HQLA STOCK			**11,470,818**	**8,899,586**
TOTAL NET CASH OUTFLOWS			**4,565,211**	**2,446,820**
LIQUIDITY COVERAGE RATIO (%)			**251.27**	**363.72**

(*) The consolidated liquidity coverage ratio, calculated by taking the weekly simple arithmetic average, is calculated by taking the average of the last three months.

Prior Period	Highest	Date	Lowest	Date	Average
TRY+FC	327.55%	11 November 2022	163.90%	30 November 2022	259.92%
FC	503.29%	30 December 2022	249.27%	30 November 2022	368.96%

The liquidity coverage ratio aims to ensure that the Bank maintains a sufficient stock of high-quality liquid assets to cover net cash outflows. High-quality liquid assets include cash values, required reserves held at the CBRT, and free securities, which hold a significant share. On the other hand, time deposits, derivative transactions, loans up to one month, and non-cash loans are important balance sheet items in the quantitative calculation of net cash inflows and outflows. Periodic changes in quantitative figures do not significantly affect the coverage ratio.

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations on Consolidated Liquity Risk Management and Liquidity Coverage Ratio (Continued)

2. Minimum Disclosures by Banks Regarding the Consolidated Liquidity Coverage Ratio

a. The change in matters that impact the consolidated liquidity coverage ratio and the units that are used for the calculation of the ratio

The liquidity coverage ratio aims to ensure that the Bank maintains a sufficient stock of high-quality liquid assets to cover net cash outflows. On the other hand, time deposits, derivative transactions, loans up to one month, and non-cash loans are important balance sheet items in the quantitative calculation of net cash inflows and outflows. Periodic changes in quantitative figures do not significantly affect the coverage ratio.

b. Explanation regarding the components of high-quality liquid assets

High-quality liquid assets consist of cash values, central bank reserves, free securities, reverse repos, and stocks traded on BIST-100. Of the Bank's high-quality liquid assets, 83% are accounts held at the CBRT, 12% are free securities, and 5% are cash values.

c. Components density of fund resources in all funds

Among the primary funding sources, unsecured fundings such as deposits and loans, and secured fundings such as repo transactions hold the most significant positions. As of the balance sheet date, 93% of the funding sources consist of deposits, 3% of loans, and 4% of money market borrowings. Cash outflows comprise 77% unsecured fundings, 5% secured fundings, and 18% off-balance sheet fundings.

d. Information about cash outflows resulted from derivative transactions and transactions that are likely to be collateralized

Cash flows related to derivative financial instruments are included in the calculation by considering the provisions of the Regulation. The Group calculates cash outflows within the framework of the Regulation, taking into account situations where changes in the fair value of liabilities result in margin call requirements.

e. Concentration limits of collaterals in terms of fund resources based on counterparty and products

As of the balance sheet date, 49% of the Bank's time deposits consist of individual customers, 3% of retail customers, 40% of other individual customers, and 3% of other deposit accounts.

f. Liquidity risk and needed funding on the basis of the Bank itself, the branches in foreign countries and the partnerships consolidated by considering operational and legal factors preventing liquidity transfer

There is no risk related to this matter when considering the Bank and its consolidated subsidiaries.

g. Explanations of cash in-flow and cash out-flow items that are considered to be related to liquidity profile of the Bank and to be placed on the calculation of liquidity coverage ratio but not on the second paragraph of the disclosure template

Currently, there are no cash inflow or outflow items that have not been included in the relevant table within this scope.

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations on Consolidated Liquity Risk Management and Liquidity Coverage Ratio (Continued)

Breakdown of assets and liabilities according to their outstanding maturities:

Current Period	Demand	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Unallocated[1]	Total
Assets:								
Cash Equivalents (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the CBRT	2,304,797	6,368,097	-	-	-	-	-	8,672,894
Receivables from Banks and Other Financial Institutions	1,336,115	9,834,211	-	-	-	-	1,251	11,171,577
Financial Assets at Fair Value through Profit or Loss	-	-	7	11,857	14,373	80,849	-	107,086
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	149,582	-	128,841	444,890	3,739,309	1,660,035	-	6,122,657
Loans [3][4][5]	-	8,519,896	11,637,426	21,538,534	5,183,883	36,004	176,914	47,092,657
Financial Assets at Fair Value Through Amortized Cost	-	138,965	5,907	369,662	2,128,869	423,891	-	3,067,294
Other Assets	-	1,230,189	314,942	1,631,531	114,747	6,183	1,454,832	4,752,424
Total Assets	**3,790,494**	**26,091,358**	**12,087,123**	**23,996,474**	**11,181,181**	**2,206,962**	**1,632,997**	**80,986,589**
Liabilites:								
Bank Deposits	232	2,219,504	-	168,760	147,875	-	-	2,536,371
Other Deposits	13,109,040	26,636,999	13,979,109	4,938,353	1,844,952	27,665	-	60,536,118
Loans received [2]	20,712	1,655,988	554,660	133,914	1,168	-	-	2,366,442
Money Market Borrowings	-	2,645,052	-	-	-	-	-	2,645,052
Marketable Securities Issued	-	-	-	-	-	-	-	-
Other Liabilities	-	325,394	157,782	233,023	86,654	87,699	12,012,054	12,902,606
Total Liabilities	**13,129,984**	**33,482,937**	**14,691,551**	**5,474,050**	**2,080,649**	**115,364**	**12,012,054**	**80,986,589**
Net Liquidity Gap	**(9,339,490)**	**(7,391,579)**	**(2,604,428)**	**18,522,424**	**9,100,532**	**2,091,598**	**(10,379,057)**	**-**

Prior Period	Demand	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Unallocated[1]	Total
Total Assets	4,329,837	15,786,484	7,823,080	17,211,500	6,192,460	1,876,010	1,533,124	54,752,495
Total Liabilities	10,045,716	19,758,391	10,796,547	4,579,137	1,297,825	70,827	8,204,052	54,752,495
Net Liquidity Gap	**(5,715,879)**	**(3,971,907)**	**(2,973,467)**	**12,632,363**	**4,894,635**	**1,805,183**	**(6,670,928)**	**-**

(1) Accounts that are part of the balance sheet's assets, such as subsidiaries, tangible fixed assets, intangible fixed assets, and assets held for sale, which are not likely to be converted into cash in the short-term, are recorded here. It includes provisions and equity items from the liability accounts that make up the balance sheet.
(2) Includes factoring payables.
(3) Includes factoring receivables.
(4) The net amount of non-performing loans is shown in the undistributed column within loans.
(5) Expected loss provisions are shown net of the related items.

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations on Consolidated Leverage Ratio

The Group's leverage ratio, calculated in accordance with the "Regulation on Measurement and Evaluation of Bank's Leverage Levels" is 9.40% (31 December 2022: 9.57% The primary reason for the decrease in the leverage ratio for the current period compared to the previous period is that the growth rate of the core capital is less than the growth rate of the total risk-weighted assets. Subject level is above the minimum requirement which is determined as 3% by the regulation.

	Current Period	Prior Period
Assets On the Balance Sheet		
Assets on the balance sheet (excluding derivative financial instruments and loan derivatives, including collaterals)	79,807,409	56,186,293
Assets deducted from core capital	(113,091)	(79,649)
Total risk amount for assets on the balance sheet	79,694,318	56,106,644
Derivative Financial Instruments and Loan Derivatives		
Renewal cost of derivative financial instruments and loan derivatives	2,278,421	551,761
Potential credit risk amount of derivative financial instruments and loan derivatives	536,013	275,395
Total risk amount of derivative financial instruments and loan derivatives	2,814,434	827,156
Financing Transactions with Securities or Goods Warranties		
Risk amount of financial transactions with securities or good warranties (excluding those in the balance sheet)	2,418,111	3,016,633
Risk amount arising from intermediated transactions	-	-
Total risk amount of financing transactions with securities or goods warranties	2,418,111	3,016,633
Off-Balance Sheet Commitments		
Gross nominal amount of the off-the-balance sheet transactions	12,015,341	6,721,155
Adjustment amount arising from multiplying by the credit conversion rate	-	-
Total risk amount for off-the-balance sheet transactions	12,015,341	6,721,155
Capital and Total Risk		
Core capital	9,104,529	6,374,864
Total risk amount	96,942,204	66,671,588
Leverage Ratio	**9.40**	**9.57**

The amounts presented in the Leverage Ratio Disclosure Table have been calculated using the three-months average.

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations on Consolidated Risk Management

Risk-weighted assets have been calculated in accordance with the provisions of the 'Regulation on the Measurement and Evaluation of Capital Adequacy of Banks' published in the Official Gazette dated 23 October, 2015 and numbered 29511, and the 'Communiqué on Credit Risk Mitigation Techniques' published in the Official Gazette dated 6 September 2014 and numbered 29111. The standard approach has been used for credit and market risk, and the basic indicator approach has been used for operational risk. The difference between the current period and the previous period is due to the increase in the balance sheet size.

Explanations on risk management and risk weighted amount

		Risk Weighted Amounts		Minimum Capital Requirements
		30 September 2023	31 December 2022	30 September 2023
1	**Credit risk (excluding counterparty credit risk)**	**48,621,807**	**29,676,581**	**3,889,745**
2	Standardized approach	48,621,807	29,676,581	3,889,745
3	Internal rating-based approach	-	-	-
4	**Counterparty credit risk**	**2,875,986**	**945,521**	**230,079**
5	Standardized approach for counterparty credit risk	2,875,986	945,521	230,079
6	Internal model method	-	-	-
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	Securitization exposures in banking book	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	**Market risk**	**4,558,638**	**3,043,213**	**364,691**
17	Standardized approach	4,558,638	3,043,213	364,691
18	Internal model approaches	-	-	-
19	**Operational risk**	**4,451,569**	**2,742,815**	**356,125**
20	Basic indicator approach	4,451,569	2,742,815	356,125
21	Standardized approach	-	-	-
22	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+16+19+23+24)**	**60,508,000**	**36,408,130**	**4,840,640**

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations on Consolidated Operating Segments

The Parent Bank provides services in the business lines of corporate banking, commercial banking, SME banking, retail banking, and investment banking. In this context, the Bank offers services and products such as clearing and custody services, time and demand deposits, savings accounts, repos, overdraft loans, spot loans, foreign currency indexed loans, consumer loans, auto and mortgage loans, business loans, discount loans, single account (overdraft account), gold loans, foreign currency loans, Eximbank loans, pre-financing loans, country loans, letters of guarantee, letters of credit, export factoring, acceptance/aval loans, forfaiting, financial leasing, insurance, forward, futures, salary payments, investment accounts, checks, safe deposit boxes, tax collection, bill payments, payment orders.

The Parent Bank offers service packages consisting of deposits, loans, foreign trade transactions, investment products, cash management, financial leasing brokerage, factoring brokerage, insurance brokerage, credit cards, and other banking products to its corporate, commercial, and retail customers. The Parent Bank has built its branch structure on customer-oriented banking in order to meet the different financial needs of its customers.

The Parent Bank also provides commercial banking services to businesses and employees operating in the retail and service sectors with a product package that includes overdraft accounts, POS machines, credit cards, checkbooks, TRY and foreign currency deposits, investment accounts, internet and call center services, debit cards, and bill payment modules.

Individual banking customers constitute a widespread and regular deposit base for the Parent Bank. The needs of individual customers, who are served with a wide range of individual banking products, are met through branch and non-branch banking channels.

Presentation of certain financial statement items by operating segments(*):

Current Period	Corporate Commercial and Business Banking	Retail banking	Treasury&Other	Group's Total Activities
Operating Income	2,543,347	611,385	2,249,008	5,403,740
Other	-	-	-	-
Operating Income	**2,543,347**	**611,385**	**2,249,008**	**5,403,740**
Operating Expense	-	-	(2,301,012)	(2,301,012)
Profit before Tax	**2,543,347**	**611,385**	**(52,004)**	**3,102,728**
Corporate Tax Provision	-	-	(1,115,725)	(1,115,725)
Profit after Tax	**2,543,347**	**611,385**	**(1,167,729)**	**1,987,003**
Segment Assets	28,780,022	144,135	52,062,432	80,986,589
Associates and Subsidiaries	-	-	-	-
Total Assets	**28,780,022**	**144,135**	**52,062,432**	**80,986,589**
Segment Liabilities	10,760,071	23,381,341	37,675,861	71,817,273
Equity	-	-	9,169,316	9,169,316
Total Liabilities	**10,760,071**	**23,381,341**	**46,845,177**	**80,986,589**

(*) Since August 10, 2020, the bank has been operating in three main business segments: corporate, commercial, and SME banking; retail banking; and treasury. Retail banking offers a variety of banking services to individual customers, including deposits, loans, credit cards, automatic payment services, and internet banking. Corporate, commercial, and SME banking provides commercial banking services to its clients, such as loans, deposits, cash management, trade finance, non-cash loans, and foreign exchange transactions. Treasury operations include activities such as investments in fixed-income securities, fund management, foreign exchange transactions, money market transactions, and derivatives.

SECTION FOUR: EXPLANATIONS RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations on Consolidated Operating Segments (continued)

Presentation of certain financial statement items by operating segments(*):

Prior Period	Corporate, Commercial and Business Banking	Retail Banking	Treasury&Other	Group's Total Activities
Operating Income	1,047,134	90,754	1,974,641	3,112,529
Other	-	-	-	-
Operating Income	**1,047,134**	**90,754**	**1,974,641**	**3,112,529**
Operating Expense	-	-	(1,176,951)	(1,176,951)
Profit before Tax	**1,047,134**	**90,754**	**797,690**	**1,935,578**
Corporate Tax Provision	-	-	(519,983)	(519,983)
Net Profit for the Period	**1,047,134**	**90,754**	**277,707**	**1,415,595**
Segment Assets	18,889,370	124,673	35,738,452	54,752,495
Associates and Subsidiaries	-	-	-	-
Total Assets	**18,889,370**	**124,673**	**35,738,452**	**54,752,495**
Segment Liabilities	11,118,933	15,445,064	21,273,662	47,837,659
Equity	-	-	6,914,836	6,914,836
Total Liabilities	**11,118,933**	**15,445,064**	**28,188,498**	**54,752,495**

(*) Since August 10, 2020, the bank has been operating in three main business segments: corporate, commercial, and SME banking; retail banking; and treasury. Retail banking offers a variety of banking services to individual customers, including deposits, loans, credit cards, automatic payment services, and internet banking. Corporate, commercial, and SME banking provides commercial banking services to its clients, such as loans, deposits, cash management, trade finance, non-cash loans, and foreign exchange transactions. Treasury operations include activities such as investments in fixed-income securities, fund management, foreign exchange transactions, money market transactions, and derivatives.

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to Consolidated Assets

1. Information on cash equivalents and balances with the CBRT

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Cash/Foreign Currency	100,733	737,260	96,737	529,045
The CBRT (1)	3,504,954	4,304,946	909,359	4,407,401
Other (2)	-	26,055	-	87,075
Total	**3,605,687**	**5,068,261**	**1,006,096**	**5,023,521**

(1) Includes TRY 6,368,097 held as reserve requirements.
(2) Includes precious metal accounts

As of September 30, 2023, banks operating in Türkiye are required to maintain reserve requirements according to the Reserve Requirements Communique at rates ranging from 0% to 25% for Turkish Lira liabilities (December 31, 2022: 3.0%-8.0%) and from 5% to 29% for foreign currency liabilities (December 31, 2022: 5.0%-26.0%), based on their maturities.

According to the "Communique on Reserve Requirements" published in the Official Gazette No. 32060 on December 31, 2022, the option to hold reserve requirements for Turkish Lira in gold has been terminated as of June 23, 2023.

Information related to balances with the CBRT:

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Unrestricted Demand Deposit	131,008	1,310,795	46,752	834,555
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	1,308,881
Reserve Requirements	3,373,946	2,994,151	862,607	2,263,965
Total	**3,504,954**	**4,304,946**	**909,359**	**4,407,401**

Information on foreign banks account

2. Information on banks and other financial institutions:

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Banks	2,553,623	8,623,918	222,604	7,599,065
Domestic	2,553,623	89,503	222,604	1,605,805
Foreign	-	8,534,415	-	5,993,260
Total	**2,553,623**	**8,623,918**	**222,604**	**7,599,065**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

3. *Information on financial assets measured at fair value through profit or loss*

Financial assets at fair value through profit/loss provided as collateral/blocked

None (31 December 2022: None).

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

None (31 December 2022: None).

Securities at Fair Value Through Profit or Loss

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Government debt securities	-	58,462	5,783	38,692
Share certificates	-	-	-	-
Other Assets (*)	-	48,624	-	6,945
Total	**-**	**107,086**	**5,783**	**45,637**

(*) Other Financial Assets consist of bonds issued by Türkiye Vakıflar Bankası T.A.O. (TRY 55) and Türkiye Sınai Kalkınma Bankası A.Ş. (TRY 48,569).

4. Information on financial assets measured at fair value through other comprehensive income

Information on financial assets measured at fair value through other comprehensive income

	Current Period	Prior Period
Debt Securities	**5,846,720**	**2,750,215**
Quoted at Stock Exchange	5,777,069	2,692,369
Unquoted at Stock Exchange	69,651	57,846
Share Certificate	**79,931**	**54,187**
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	79,931	54,187
Impairment Provision (-)	**698,663**	**273,497**
Total	**5,227,988**	**2,530,905**

As of 30 September 2023, the financial assets at fair value through other comprehensive income that are subject to repo transactions amount to TRY 2,821,440 (31 December 2022: TRY 356,607).

5. Positive differences table related to trading derivative financial assets

	Current Period		Prior Period	
Trading derivative financial assets	**TRY**	**FC**	**TRY**	**FC**
Forward Transactions	155,698	140	130,207	2,504
Swap Transactions	94,167	330,061	37,541	113,598
Futures Transactions	-	-	-	-
Options	1,694,555	69,519	227,585	270,402
Other	-	-	-	-
Total	**1,944,420**	**399,720**	**395,333**	**386,504**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

6. Information Related to Loans

Information on all types of loans and advances given to shareholders and employees of the Group:

	Current Period		Prior Period	
	Cash	**Non-Cash**	**Cash**	**Non-Cash**
Direct Loans Granted to Shareholders	**396,171**	**67,713**	**60,327**	**51,248**
Corporate Shareholders	395,816	67,713	60,110	51,248
Real Person Shareholders	355	-	217	-
Indirect Loans Granted to Shareholders	**867,046**	**19,193**	**347,400**	**53,818**
Loans Granted to Employees	**15,903**	**83**	**6,997**	**71**
Total	**1,279,120**	**86,989**	**414,724**	**105,137**

Loans at fair value through other comprehensive income

	Current Period Carrying Value	Prior Period Carrying Value
Loans at fair value through other comprehensive income	894,669	-

Loans measures at amortized cost

Current Period		**Loans under Close Monitoring**		
			Restructured Loans	
Cash Loans	**Standard Loans**	**Non-Restructured Loans**	**Loans with Revised Contract Terms**	**Refinancing**
Non-specialized Loans	**44,655,883**	**115,861**	**106,147**	**-**
Enterprise Loans	-	-	-	-
Export Loans	9,858,228	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	9,267,814	-	-	-
Retail Loans	182,213	6,206	247	-
Credit Cards	147,117	360	-	-
Other	25,200,511	109,295	105,900	-
Specialized Loans	**-**	**-**	**5,184**	**-**
Other Receivables	**-**	**-**	**-**	**-**
Total	**44,655,883**	**115,861**	**111,331**	**-**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

6. Information Related to Loans (Continued)

	Current Period		Prior Period	
	Standard Loans	Loans Under Follow-up	Standard Loans	Loans Under Follow-up
12 Months Expected Credit Loss	147,395	-	90,157	-
Significant Increase in Credit Risk	-	72,678	-	76,146

Information on consumer loans, personal credit cards, personnel loans and personnel credit cards

Current Period	Short-term	Medium and Long-term	Total
Consumer Loans - TRY	**45,501**	**127,211**	**172,712**
Mortgage Loans	-	26,285	26,285
Automative Loans	462	1,566	2,028
Consumer Loans	45,039	99,360	144,399
Other	-	-	-
Consumer Loans - Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans - FC	-	-	-
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Individual Credit Cards - TRY	**28,374**	**-**	**28,374**
Installment	6,401	-	6,401
Non Installment	21,973	-	21,973
Individual Credit Cards - FC	**213**	**-**	**213**
Installment	-	-	-
Non Installment	213	-	213
Personnel Loans - TRY	**4,861**	**4,086**	**8,947**
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	4,861	4,086	8,947
Other	-	-	-
Personnel Loans - Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans - FC	-	-	-
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards - TRY	**5,715**	**-**	**5,715**
Installment	1,570	-	1,570
Non Installment	4,145	-	4,145
Personnel Credit Cards - FC	-	-	-
Installment	-	-	-
Non Installment	-	-	-
Overdraft Account - TRY (Individual)	**7,007**	**-**	**7,007**
Overdraft Account - FC (Individual)	**-**	**-**	**-**
Total	**91,671**	**131,297**	**222,968**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

6. Information Related to Loans (Continued)

Prior Period	Short-term	Medium and Long-term	Total
Consumer Loans - TRY	**173,897**	**57,475**	**231,372**
Mortgage Loans	214	32,534	32,748
Automative Loans	1,063	2,934	3,997
Consumer Loans	172,620	22,007	194,627
Other	-	-	-
Consumer Loans - Indexed to FC	**-**	**251**	**251**
Mortgage Loans	-	251	251
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans - FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Individual Credit Cards - TRY	**23,238**	**-**	**23,238**
Installment	6,942	-	6,942
Non Installment	16,296	-	16,296
Individual Credit Cards - FC	**8**	**-**	**8**
Installment	-	-	-
Non Installment	8	-	8
Personnel Loans - TRY	**696**	**3,128**	**3,824**
Mortgage Loans	-	-	-
Automative Loan	-	-	-
Consumer Loans	696	3,128	3,824
Other	-	-	-
Personnel Loans - Indexed to FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automative Loan	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans - FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards - TRY	**3,390**	**-**	**3,390**
Installment	977	-	977
Non Installment	2,413	-	2,413
Personnel Credit Cards - FC	**-**	**-**	**-**
Installment	-	-	-
Non Installment	-	-	-
Overdraft Account - TRY (Individual)	**4,422**	**-**	**4,422**
Overdraft Account - FC (Individual)	**-**	**-**	**-**
Total	**205,651**	**60,854**	**266,505**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

6. Information Related to Loans (Continued)

Information on commercial installment loans and corporate credit cards:

Current Period	Short-term	Medium and Long-term	Total
Commercial Installment Loans - TRY	**2,265,734**	**710,836**	**2,976,570**
Mortgage Loans	-	11,900	11,900
Automotive Loans	138,760	165,292	304,052
Consumer Loans	2,126,974	533,644	2,660,618
Other	-	-	-
Commercial Installment Loans - FC Indexed	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans - FC	**7,658**	**193,038**	**200,696**
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	7,658	193,038	200,696
Other	-	-	-
Corporate Credit Cards - TRY	**113,175**	**-**	**113,175**
Installment	21,892	-	21,892
Non Installment	91,283	-	91,283
Corporate Credit Cards - FC	**-**	**-**	**-**
Installment	-	-	-
Non Installment	-	-	-
Overdraft Account - TRY (Commercial)	**57,118**	**-**	**57,118**
Overdraft Account - FC (Commercial)	**-**	**-**	**-**
Total	**2,443,685**	**903,874**	**3,347,559**

Prior Period	Short-term	Medium and Long-term	Total
Commercial Installment Loans - TRY	**1,423,070**	**1,226,063**	**2,649,133**
Mortgage Loans	-	19,121	19,121
Automotive Loans	107,958	182,420	290,378
Consumer Loans	1,315,112	1,024,522	2,339,634
Other	-	-	-
Commercial Installment Loans - FC Indexed	**-**	**5,286**	**5,286**
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	5,286	5,286
Other	-	-	-
Commercial Installment Loans - FC	**158**	**153,000**	**153,158**
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	158	153,000	153,158
Other	-	-	-
Corporate Credit Cards - TRY	**116,140**	**-**	**116,140**
Installment	45,243	-	45,243
Non Installment	70,897	-	70,897
Corporate Credit Cards - FC	**-**	**-**	**-**
Installment	-	-	-
Non Installment	-	-	-
Overdraft Account - TRY (Commercial)	**41,697**	**-**	**41,697**
Overdraft Account - FC (Commercial)	**-**	**-**	**-**
Total	**1,581,065**	**1,384,349**	**2,965,414**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to Consolidated Assets (Continued)

6. Information Related to Loans (Continued)

Loans according to types of borrowers:

	Current Period	Prior Period
Public	1,831,478	1,679,421
Private	43,946,266	28,484,449
Total	**45,777,744**	**30,163,870**

Distribution of domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	38,265,110	25,961,943
Foreign Loans	7,512,634	4,201,927
Total	**45,777,744**	**30,163,870**

Specific provisions provided against loans:

Specific Provisions	Current Period	Prior Period
Loans with Limited Collectability	20,205	7,343
Loans with Doubtful Collectability	87,486	57,205
Uncollectible Loans	468,298	514,709
Total	**575,989**	**579,257**

Information on non-performing loans (Net)

Information on non-performing loans and other receivables restructured loans:

	III. Group:	IV. Group:	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period			
Gross Amounts Before Provisions	195	3,373	44,101
Rescheduled Loans	195	3,373	44,101
Prior Period			
Gross Amounts Before Provisions	594	707	87,758
Rescheduled Loans	594	707	87,758

Information on non-performing loans (Net)

Information on non-performing loans and other receivables restructured loans:

None.

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to Consolidated Assets (Continued)

6. Information Related to Loans (Continued)

Information on the movement of total non-performing loans:

Current Period	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
Balance at the end of Prior Period	**10,515**	**68,059**	**752,056**
Additions (+)	60,473	4,061	42,071
Transfers from Other Categories of Non-Performing Loans (+)	-	30,581	22,599
Transfers to Other Categories of Non-Performing Loans (-)	30,581	22,599	-
Collection During the Period (-)	7,202	3,660	191,030
Loans Written Off (-)	-	-	264
Corporate and Commercial Loans	-	-	*264*
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Foreign Currency Difference	-	24,194	-
Balance at the End of the Period	**33,205**	**100,636**	**625,432**
Provisions (-)	20,205	87,486	468,298
Net Balance in Balance Sheet	**13,000**	**13,150**	**157,134**

Prior Period	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
Balance at the end of Prior Period	**70,241**	**100,077**	**1,094,554**
Additions (+)	68,384	13,009	185,846
Transfers from Other Categories of Non-Performing Loans (+)	-	103,266	116,884
Transfers to Other Categories of Non-Performing Loans (-)	102,071	116,884	1,195
Collection During the Period (-)	26,039	35,085	358,690
Loans Written Off (-)	-	8,627	285,343
Corporate and Commercial Loans	-	8,627	285,343
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Foreign Currency Difference	-	12,303	-
Balance at the End of the Period	**10,515**	**68,059**	**752,056**
Provisions (-)	7,343	57,205	514,709
Net Balance in Balance Sheet	**3,172**	**10,854**	**237,347**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to Consolidated Assets (Continued)

6. Information Related to Loans (Continued)

Information on Non-Performing Loans Granted as Foreign Currency Loans

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period			
Balance at the end of the period [(1)]	906	80,092	55,793
Specific Provision(-) [(1)]	610	73,531	24,776
Net balance in the balance sheet	296	6,561	31,017
Prior Period			
Balance at the end of the period [(1)]	-	52,733	56,290
Specific Provision(-) [(1)]	-	44,920	25,538
Net balance in the balance sheet	-	7,813	30,752

(1) Balances of receivables and special provisions in foreign currency are being followed in TRY and shown in the TRY column in the balance sheet.

Breakdown of gross and net values of the non-performing loans according to their beneficiary group

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period(Net)			
Loans granted to corporate entities and real persons (Gross)	33,205	100,636	616,586
Provisions Amount (-)	20,205	87,486	459,452
Loans granted to corporate entities and real persons (Net)	13,000	13,150	157,134
Banks (Gross)	-	-	-
Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	8,846
Provisions Amount (-)	-	-	8,846
Other Loans (Net)	-	-	-
Prior Period (Net)			
Loans granted to corporate entities and real persons (Gross)	10,515	68,059	746,569
Provisions Amount (-)	7,343	57,205	509,222
Loans granted to corporate entities and real persons (Net)	3,172	10,854	237,347
Banks (Gross)	-	-	-
Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	5,487
Provisions Amount (-)	-	-	5,487
Other Loans (Net)	-	-	-

Uncollectible loans and other receivables are collected through legal proceedings and liquidation of collaterals.

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to Consolidated Assets (Continued)

6. Information Related to Loans (Continued)

Information on Interest Accruals, Rediscount and Valuation Effect and Their Provisions Calculated for Non-Performing Loans Banks which Provide Expected Credit Loss According to TFRS 9

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
Current Period (Net)	**835**	**968**	**45,326**
Interest Accruals and Rediscount with Valuation	2,131	7,606	185,139
Provision amount (-)	1,296	6,638	139,813
Prior Period (Net)	**547**	**1,070**	**75,650**
Interest Accruals and Rediscount with Valuation	1,220	5,214	219,846
Provision amount (-)	673	4,144	144,196

Explanations regarding the write-off policy

Credits and other receivables deemed uncollectible are collected through legal proceedings and the conversion of collateral into cash or may be written off from the balance sheet by the decision of the Bank's Board of Directors. As of September 30, 2023, the Bank has written off loans amounting to TRY 264 from the balance sheet (December 31, 2022: TRY 174,050 in sales and TRY 111,293 written off).

7. Information on financial assets measured at amortized cost

Information on Government Debt Securities measured at amortized cost

	Current Period	Prior Period
Government Bond	571,403	2,111,551
Treasury Bill	-	-
Other Public Debt Securities	138,091	96,125
Total	**709,494**	**2,207,676**

Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt Securities	3,100,941	3,378,607
Quoted at Stock Exchange	3,100,941	3,378,607
Unquoted at Stock Exchange	-	-
Impairment Provision (-)	-	-
Total	**3,100,941**	**3,378,607**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to Consolidated Assets (Continued)

7. Information on financial assets measured at amortized cost (Continued)

Movements of financial assets measured at amortized cost during the year:

	Current Period	Prior Period
Value at the Beginning of the Period	3,378,607	3,259,079
Currency Differences in Monetary Assets	680,291	262,349
Purchases During the Year	920,087	521,598
Disposal through Sale and Redemption	(1,873,864)	(700,255)
Valuation Effect	(4,180)	35,836
Total at the end of the Period	**3,100,941**	**3,378,607**

8. Information on lease receivables

None.

9. Information on investments in associates

None.

10. Consolidated Subsidiaries:

	Title	Address (City/Country)	The Parent Bank's Share Percentage- If Different Voting Percentage (%)	Bank's Risk Group Share Percentage (%)
1	Anadolubank Nederland NV	Amsterdam/Holland	100.00	-
2	Anadolu Yatırım Menkul Kıymetler A.Ş.	İstanbul/Türkiye	91.90	8.10
3	Anadolu Faktoring A.Ş.	İstanbul/Türkiye	99.99	0.01

	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	26,872,258	3,680,308	16,788	881,244	59,891	355,601	98,807	-
2	1,016,948	217,315	1,497	136,605	(1)	72,623	28,147	-
3	2,305,522	588,630	215	388,080	-	187,890	76,602	-

Information related to subsidiaries (Movement Schedule)

	Current Period	Prior Period
Balance at the Beginning of the Period	**2,770,012**	**1,932,989**
Movements During the Period	**1,698,581**	**837,023**
Purchases	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends From Current Year Profit	610,213	304,647
Transfer to Other Account	-	-
Sales	-	-
Revaluation Increase, Inflation Adjustment Difference and Exchange Rate Difference	1,088,368	532,376
Impairment Provision		-
Balance at the End of the Period	**4,468,593**	**2,770,012**
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to Consolidated Assets (Continued)

10. Information on Subsidiaries (Continued)

Valuation of Investment in Subsidiaries

	Current Period	Prior Period
Valuation at Cost	-	-
Valuation at Fair Value	-	-
Valuation Using the Equity Accounting	4,468,593	2,770,012
Total	**4,468,593**	**2,770,012**

Sectoral information on financial subsidiaries and the related carrying amounts

	Current Period	Prior Period
Banks	3,680,308	2,235,375
Insurance Companies	-	-
Factoring Companies	588,572	401,835
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	199,713	132,802

Investments in associates sold during the current period

There are no disposed investment in associates.

Subsidiaries acquired within the scope of consolidation during the current period

There are no subsidiaries acquired and included in the scope of consolidation.

11. Information on investments in joint ventures

None

If impairment on individual asset recorded or reversed in the current period is material for the overall financial statements. Events and conditions for recording or reversing impairment and amount of recorded or reversed impairment in the financial statements

None.

Amount of impairment recorded or reversed in the financial statements

None.

The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially effecting the overall financial statements, and the reason and conditions for this

None.

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to Consolidated Assets (Continued)

12. Explanations on Intangible Assets

Useful lives and depreciation rates used

The depreciable amount of an intangible asset is allocated on a systematic basis over its useful life, and the amortization period begins when the asset is available for use and is amortized over its estimated useful life.

Depreciation Methods Used

For assets that have been held for less than one fiscal period as of the balance sheet date, depreciation has been calculated on a straight-line basis by prorating the annual depreciation amount projected for a full year to the period the asset has been held.

Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements

None.

Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition

None.

The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition

None.

The book value of intangible fixed assets that are pledged or restricted for use

None.

Amount of purchase commitments for intangible fixed assets

None.

Information on revalued intangible assets according to their types

None.

Amount of total research and development expenses recorded within the period if any

None.

Explanations on goodwill

None.

13. Explanations on investment properties

None.

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to Consolidated Assets (Continued)

14. Explanations on deferred tax asset:

As of 30 September 2023 and 31 December 2022, the items giving rise to deferred tax assets and liabilities are as follows

	Current Period	Prior Period
Deferred tax asset	**305,503**	**151,539**
Provisions for bonus premium	10,800	10,500
Provisions for severance pay and unused leave	40,645	33,726
TAS – TPL Depreciation differences	3,422	1,586
Stage 1 and 2 expected credit loss provisions	57,538	41,185
Financial Asset Valuation Differences	116,468	47,007
Other Provisions	6,023	3,640
Financial Loss	-	-
Other	70,607	13,895
Deferred tax liability	**624,843**	**203,484**
Securities valuation differences	29,644	46,790
Tangible fixed assets valuation differences	70,320	70,320
Derivative financial instruments discount	524,879	86,374
Other	-	-
Deferred tax asset/liability, net	**(319,340)**	**(51,945)**

15. Information on other assets

Other assets of the balance sheet do not exceed 10% of the balance sheet total, excluding off-balance sheet commitments.

II. Explanations and Disclosures Related to Consolidated Liabilities

1. Information on maturity structure of deposits

Current Period	Demand	With 7 Days Maturity	Up to 1 Month	1-3 Months	3-6 Months	6 Months - 1 Year	1 Year And Over	Cumulative Deposit	Total
Saving Deposits	**200,102**	-	**1,555,689**	**7,457,821**	**4,228,526**	**762,353**	**1,579,307**	-	**15,783,798**
Foreign Currency Deposits	**10,803,707**	-	**1,003,631**	**13,733,239**	**1,551,550**	**1,459,292**	**4,454,397**	-	**33,005,816**
Residents in Türkiye	3,204,931	-	999,324	10,111,679	1,170,371	722,556	142,928	-	16,351,789
Residents Abroad	7,598,776	-	4,307	3,621,560	381,179	736,736	4,311,469	-	16,654,027
Public Sector Deposits	**8,306**	-	**6**	**8,703**	-	-	-	-	**17,015**
Commercial Deposits	**1,464,405**	-	**1,925,071**	**5,850,112**	**644,333**	**154,388**	**357,602**	-	**10,395,911**
Other Institutions Deposits	**8,053**	-	**6,604**	**88,392**	**1,610**	**628**	-	-	**105,287**
Precious Metal Deposit	**624,467**	-	**76,450**	**509,799**	**9,352**	**7,257**	**966**	-	**1,228,291**
Bank Deposit	**232**	-	**2,008,523**	**210,982**	-	**168,760**	**147,874**	-	**2,536,371**
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	2,008,523	-	-	-	-	-	2,008,524
Foreign Banks	231	-	-	210,982	-	168,760	147,874	-	527,847
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	**13,109,272**	-	**6,575,974**	**27,859,048**	**6,435,371**	**2,552,678**	**6,540,146**	-	**63,072,489**

Prior Period	Demand	With 7 Days Maturity	Up to 1 Month	1-3 Months	3-6 Months	6 Months - 1 Year	1 Year And Over	Cumulative Deposit	Total
Saving Deposits	**186,368**	-	**1,730,543**	**4,817,726**	**5,018,395**	**422,689**	**893,247**	-	**13,068,968**
Foreign Currency Deposits	**8,164,833**	-	**1,356,957**	**8,450,768**	**1,052,894**	**443,488**	**1,717,221**	-	**21,186,161**
Residents in Türkiye	2,079,544	-	1,349,730	7,266,803	836,603	43,956	28,851	-	11,605,487
Residents Abroad	6,085,289	-	7,227	1,183,965	216,291	399,532	1,688,370	-	9,580,674
Public Sector Deposits	**19,713**	-	**6**	**55,210**	-	-	-	-	**74,929**
Commercial Deposits	**1,400,739**	-	**1,177,162**	**1,045,905**	**1,059,408**	**707,551**	**1,131,557**	-	**6,522,322**
Other Institutions Deposits	**6,829**	-	**2,281**	**54,271**	**72,860**	**34,665**	**244**	-	**171,150**
Precious Metal Deposit	**267,076**	-	**43,072**	**380,609**	**4,640**	**10,649**	**22,631**	-	**728,677**
Bank Deposit	**158**	-	-	**40,863**	-	-	-	-	**41,021**
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	157	-	-	40,863	-	-	-	-	41,020
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	**10,045,716**	-	**4,310,021**	**14,845,352**	**7,208,197**	**1,619,042**	**3,764,900**	-	**41,793,228**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

1. Information on maturity structure of deposits (Continued)

Information on savings deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund

	Covered by Deposit Insurance Fund		Exceeding Deposit Insurance Limit	
	Current Period	**Prior Period**	**Current Period**	**Prior Period**
Saving Deposits	3,557,968	2,640,462	12,221,150	10,428,386
Foreign Currency Saving Deposits	1,351,557	834,372	7,414,468	6,379,157
Other Deposits in the Form of Saving	-	-	-	-
Foreign Branches' Deposits under Foreign Authorities' Insurance Coverage	-	-	-	-
Off-Shore Banking Regions' Deposits under Foreign Authorities' Insurance Coverage	-	-	-	-
Total	**4,909,525**	**3,474,834**	**19,635,618**	**16,807,543**

Saving deposits of individuals, which are not under guarantee of saving deposit insurance fund

	Current Period	**Prior Period**
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Major Shareholders and Deposits of their Mother, Father, Spouse, Children under their wardship	2,591,978	1,831,138
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse, Children under their wardship	47,256	32,384
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 Türkiye in Order to Engage in Off-shore Banking Activities	-	-

Information on commercial deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund

	Covered by Deposit Insurance Fund		Exceeding Deposit Insurance Limit	
	Current Period	**Prior Period**	**Current Period**	**Prior Period**
Commercial Deposits	688,763	530,199	10,034,543	6,247,681
Foreign Currency Commercial Deposits	157,711	92,107	3,169,695	3,191,736
Other Commercial Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	**846,474**	**622,306**	**13,204,238**	**9,439,417**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

1. Information on maturity structure of deposits (Continued)

Commercial deposits which are not under guarantee of saving deposit insurance fund

	Current Period	Prior Period
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Major Shareholders and Deposits of their Mother, Father, Spouse, Children under their wardship	1,582,756	1,593,892
Deposits and Other Accounts of Official Institutions	17,014	74,927
Deposits and other accounts of credit institutions and financial institutions	5,254,813	742,835
Saving Deposits in Deposit Bank Which Established in Türkiye in Order to Engage in Off-shore Banking Activities	-	-

2. Information on banks and other financial institutions

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Domestic Bank and Institutions	2,345,730	-	1,211,399	14,705
Foreign Banks and Institutions and Funds	-	20,712	-	1,350,067
Total	**2,345,730**	**20,712**	**1,211,399**	**1,364,772**

Information on the maturity structure of funds borrowed

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FV**
Short-Term [(1)]	2,345,730	20,712	1,207,474	681,147
Medium and Long-Term [(1)]	-	-	3,925	683,625
Total	**2,345,730**	**20,712**	**1,211,399**	**1,364,772**

[(1)] The maturity breakdown of the borrowings has been prepared considering the original maturities.

Table of negative differences for trading derivative financial liabilities:

	Current Period		Prior Period	
Derivative Financial Liabilities	**TRY**	**FC**	**TRY**	**FC**
Forward Transactions	317,606	11,921	2,301	-
Swap Transactions	72,702	255,808	5,963	165,900
Future Transactions	-	-	-	-
Options	-	52,495	459	134,006
Other	-	-	-	-
Total	**390,308**	**320,224**	**8,723**	**299,906**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

3. Information on Lease Liability (Continued)

With the "TFRS 16 Leases" standard valid from 1 January 2019, the difference between operating leases and finance leases has been eliminated and the lease transactions have been expressed under the "Lease Payables" as liability by lessees. The application and effects of the transition to TFRS 16 are explained in Note XXIV of Section Three.

The Bank's liabilities from lease transactions as of 30 September 2023 are as follows.

30 September 2023	Gross	Net
Less than 1 year	24,448	20,457
Between 1- 4 years	77,150	56,761
More than 4 years	202,847	115,366
Total	**304,445**	**192,584**

31 December 2022	Gross	Net
Less than 1 year	35,396	32,241
Between 1- 4 years	39,297	30,927
More than 4 years	140,704	74,241
Total	**215,397**	**137,409**

4. Explanation on provisions

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

None (31 December 2022: None).

Information on other provisions

Information on items and amounts causing an excess if other provisions exceed 10% of the total provisions

	Current Period	Prior Period
Provisions for non-cash loans	13,876	10,267
Provisions for lawsuit	428,996	9,120
Provision for credit card promotion expenses	540	1,086
Other provisions	29,875	12,790
Total	**473,287**	**33,263**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

4. Information on provisions (Continued)

Reserve for Employee Benefits

As of 30 September 2023, the Group presented the provision for severance pay of TRY 87,971 (31 December 2022: TRY 96,121), the vacation liability of TRY 49,421 (31 December 2022: TRY 40,973), and the bonus provision of TRY 36,992 (31 December 2022: TRY 42,792) under the 'Provision for Employee Benefits' item in the financial statements.

Information on Provisions for Severance Pay

	Current Period	Prior Period
Balance at the beginning of the period	96,121	40,370
Changes during the period	28,139	16,364
Actuarial loss/(gain) transferred to equity	41,630	51,869
Paid current period	(77,919)	(12,482)
Total	**87,971**	**96,121**

5. Explanations on current tax liability

Information on tax provision

As of 30 September 2023, the Bank's tax liability after deducting the prepaid taxes paid during the period from the corporate tax is TRY 67,400 (31 December 2022: TRY 143,407). If the differences arising between the carrying amount and the tax base of the assets subject to the current tax liability are related to the equity accounts group, the current tax asset or liability is offset with the related accounts in this group.

Information on taxes payable

	Current Period	Prior Period
Corporate Tax Payable	67,400	143,407
Banking Insurance Transaction Tax	39,887	7,607
Taxation on Marketable Securities	21,416	737
Capital Gains Tax on Property	1,163	25,176
Value Added Tax Payable	2,386	2,515
Other	64,509	26,245
Total	**196,761**	**205,687**

Information on premium payables

	Current Period	Prior Period
Social Security Premiums – Employee	20,165	5,594
Social Security Premiums – Employer	25,556	5,897
Bank Social Aid Pension Fund Premium – Employee	-	-
Bank Social Aid Pension Fund Premium – Employer	-	-
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	1,115	331
Unemployment Insurance – Employer	2,344	736
Other	131	-
Total	**49,311**	**12,558**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

5. Information on Deferred Tax Liability

Section Five, I. Matters to be disclosed regarding the asset items of the balance sheet are explained in Note 16 (V-I-16).

7. Information on Liabilities Regarding Assets Held for Sale and Discontinued Operations

None.

8. Information on subordinated loans

None.

9. At least 20% of account of other liabilities on the balance sheet, exceeding 10% of the total liabilities excluding the off balance sheet items

None.

10. Information on consolidated shareholder's equity

Presentation of paid-in capital

	Current Period	Prior Period
Common Stock Provision	1,100,000	1,100,000
Preferred Stock Provision	-	-

Amount of paid-in-capital, explanations as to whether the registered share capital system is applied, if so the amount of registered share capital ceiling:

The Bank is not subject to registered share capital system.

Information on the share capital increases from capital reserves during the current period

None.

Information on share capital increases from revaluation funds

None.

Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and estimated resources required to meet these commitments

None.

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

None.

Information on privileges given to shares representing the capital

None.

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to Consolidated Liabilities (Continued)

11. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	110,000,000	110,000,000
Preferred Capital Stock	-	-
Common Stock Issue Premiums	-	-
Common Stock Withdrawal Profits	-	-
Other equity instruments	-	-
Total common stock withdrawal	-	-

12. Information on securities value increase fund

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From Associates and Subsidiaries	2,847,229	-	1,750,609	7,032
Securities Measured at FV Through Other Comprehensive Income	(39,303)	(184,291)	88,502	(129,154)
From the Securities Subject to Structural Position	-	-	-	-
Total	**2,807,926**	**(184,291)**	**1,839,111**	**(122,122)**

III. Explanations and Disclosures Related to Consolidated Off-Balance Sheet Items

1. Explanations on off-balance-sheet-commitments

Type and amount of irrevocable commitments

	Current Period	Prior Period
Payment Commitments for Cheques	822,604	488,216
Commitment For Use Guaranteed Credit Allocation	1,998,594	1,148,216
Credit Cards Limit Commitments	294,915	212,182
Liabilities From Guarantee Letters Issued in Our Favor	330,581	60,859
Forward Asset Purchase Commitments	1,932,737	2,560,985
Commitments for Promotions Related with Credit Cards and Banking Activities	542	1,085
Payment Commitments for Cheques	9	-
Total	**5,379,982**	**4,471,543**

Possible losses and commitments resulted from off-balance sheet items including the following

2. Guarantees, suretyships and other similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	6,873,766	4,787,059
Letters of Guarantee Given to Customs Offices	96,177	80,297
Advance Letters of Guarantee	236,992	271,805
Final Letters of Guarantee	432,324	286,212
Other Letters of Guarantee	3,740,330	1,368,611
Total	**11,379,589**	**6,793,984**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Disclosures Related to Consolidated Off-Balance Sheet Items (Continued)

3. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	3,802,059	1,441,505
Less Than or Equal to One Year with Original Maturity	311,394	261,197
More Than One Year with Original Maturity	3,490,665	1,180,308
Other Non-Cash Loans	12,830,763	8,391,619
Total	**16,632,822**	**9,833,124**

4. Non-cash loans classified under Group I and II

	I. Group		II. Group	
Current Period	**TRY**	**FC**	**TRY**	**FC**
Letters of Guarantee	9,013,114	2,327,695	38,780	-
Bank Acceptances	-	36,951	-	-
Letters of Credit	-	3,009,043	-	-
Endorsements	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	2,163,693	43,546	-	-
Non-cash loans	**11,176,807**	**5,417,235**	**38,780**	**-**

	I. Group		II. Group	
Prior Period	**TRY**	**FC**	**TRY**	**TRY**
Letters of Guarantee	5,435,130	1,316,023	42,632	199
Bank Acceptances	-	42,802	-	-
Letters of Credit	1,824	1,158,017	-	-
Endorsements	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	1,640,861	195,636	-	-
Non-cash loans	**7,077,815**	**2,712,478**	**42,632**	**199**

5. Explanations on Credit Derivatives and Risk Exposures on Credit Derivatives

None.

6. Explanations on Contingent Liabilities and Assets

None.

7. Explanations on Fiduciary Services Rendered on Behalf of Third Parties

The Parent Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income

1. Interest Income

Information on interest income on loans

	Current Period [1]		Prior Period [1]	
	TRY	**FC**	**TRY**	**FC**
Short-Term Loans	2,802,221	656,373	2,577,426	226,788
Medium and Long-Term Loans	329,330	400,205	397,892	162,556
Non-Performing Loans	53,634	4,784	56,248	2,131
Total	**3,185,185**	**1,061,362**	**3,031,566**	**391,475**

[1] Includes fee and commission income related to cash loans.

Information on interest income from banks

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Domestic Banks	206,823	7,177	9,337	4,523
Foreign Banks	-	146,810	39	18,182
Total	**206,823**	**153,987**	**9,376**	**22,705**

Information on interest income on marketable securities

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Financial Assets Measured at Fair Value through Profit/Loss	223	7,850	7,830	2,464
Financial Assets Measured at Fair Value through Other Comprehensive Income	120,438	11,863	9,739	10,571
Financial Assets Measured at Amortized Cost	78,774	55,915	193,391	32,206
Total	**199,435**	**75,628**	**210,960**	**45,241**

Information on interest income received from associates and subsidiaries

None.

Information on Other Interest Income

Of the other interest income amounting to TRY 390,513 for the accounting period ending on 30 September 2023 TRY 384,781 (30 September 2022: TRY 206,779) consists of interest income from factoring transactions.

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

2. Interest Expense

Information on interest expense on borrowings

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Banks	**259,428**	**22,491**	**110,202**	**469**
CBRT	-	-	-	-
Domestic Banks	259,428	204	108,122	469
Foreign Banks	-	22,287	2,080	-
Other Institutions	-	-	-	-
Total	**259,428**	**22,491**	**110,202**	**469**

Information on Interest expense paid to associates and subsidiaries

None.

Information about the interest on the securities issued

None.

Information on maturity structure of interest expenses on deposits

		Time Deposit						
Current Period	**Demand Deposits**	**Up to 1 month**	**Up to 3 months**	**Up to 6 months**	**Up to 12 months**	**More than 1 year**	**Cumulative Deposits**	**Total**
Turkish Lira								
Bank Deposits	-	48,534	-	-	-	-	-	48,534
Saving Deposits	-	318,916	1,525,322	535,459	139,644	262,700	-	2,782,041
Public Sector Deposits	-	4	5,340	-	-	-	-	5,344
Commercial Deposits	-	129,374	695,969	57,228	41,340	100,445	-	1,024,356
Other Deposits	-	377	23,545	426	551	13	-	24,912
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	**-**	**497,205**	**2,250,176**	**593,113**	**181,535**	**363,158**	**-**	**3,885,187**
Foreign Currency								
Deposits	52,968	15,121	250,084	41,266	22,946	22,361	-	404,746
Bank Deposits	-	6,701	6,853	15,010	3,913	-	-	32,477
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	225	1,419	230	5	56	-	1,935
Total	**52,968**	**22,047**	**258,356**	**56,506**	**26,864**	**22,417**	**-**	**439,158**
Grand Total	**52,968**	**519,252**	**2,508,532**	**649,619**	**208,399**	**385,575**	**-**	**4,324,345**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

2. Interest Expense (Continued)

		Time Deposit						
Prior Period	**Demand Deposits**	**Up to 1 month**	**Up to 3 months**	**Up to 6 months**	**Up to 12 months**	**More than 1 year**	**Cumulative Deposits**	**Total**
Turkish Lira								
Bank Deposits	-	8,662	-	-	-	-	-	8,662
Saving Deposits	-	201,508	292,968	496,240	93,803	65,019	-	1,149,538
Public Sector Deposits	-	-	2,048	-	-	-	-	2,048
Commercial Deposits	-	146,169	231,113	48,107	161,858	57,893	-	645,140
Other Deposits	-	863	16,235	57	14,370	19	-	31,544
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	**-**	**357,202**	**542,364**	**544,404**	**270,031**	**122,931**	**-**	**1,836,932**
Foreign Currency								
Deposits	483	11,666	168,459	15,949	2,675	7,738	-	206,970
Bank Deposits	-	2,002	-	-	-	-	-	2,002
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	155	697	5	104	1,410	-	2,371
Total	**483**	**13,823**	**169,156**	**15,954**	**2,779**	**9,148**	**-**	**211,343**
Grand Total	**483**	**371,025**	**711,520**	**560,358**	**272,810**	**132,079**	**-**	**2,048,275**

3. Information on dividend income

	Current Period	**Prior Period**
Financial Assets at Fair Value Through Profit or Loss	**-**	**-**
Financial Assets Measured at Fair Value through Other Comprehensive Income		**-**
Other	2,710	282
Total	**2,710**	**282**

4. Information on trading income/loss

	Current Period	**Prior Period**
Trading Gain	**10,263,853**	**6,945,171**
Gain on Capital Market Transactions	133,084	34,890
From Derivative Transactions	4,919,461	4,239,594
Foreign Exchange Gains	5,211,308	2,670,687
Trading Loss (-)	**7,200,662**	**6,178,854**
Losses on Capital Market Transactions	8,721	8,006
From Derivative Transactions	4,365,168	2,181,028
Foreign Exchange Losses	2,826,773	3,989,820
Net Trading Gain/Loss	**3,063,191**	**766,317**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

5. Information on other operating income

	Current Period	Prior Period
Released Provisions	183,960	186,546
Checkbook Fee	10,405	1,442
Provision for Notary Statement Expenses	512	757
Communication Revenues	1,359	992
Income from the Sale of Assets	2,179	158
Collections Related to Expenses of Previous Years	23,882	5,479
Income from the Sale of Real Estate	21,847	51,659
Collections Due to Right of Redemption Agreement	16,382	9,956
Loan Reflected in Profit/Loss at Fair Value Impairment Provision	-	114,566
Other	53,339	878
Total	**313,865**	**372,433**

6 Provision for losses and other provision expenses

	Current Period	Prior Period
Expected Credit Losses	**221,021**	**228,405**
12 Months Expected Credit Loss (Stage 1)	121,248	105,099
Significant Increase in Credit Risk (Stage 2)	36,013	45,997
Lifetime ECL Impaired Credits (Stage 3)	63,760	77,309
Other Provision Expenses	**18,977**	**1,587**
Marketable Securities Impairment Provision	12,220	763
Financial Assets Measured at Fair Value Through Profit/Loss	-	*733*
Financial Assets Measured at Other Comprehensive Income	12,220	*30*
Provisions for Impairment of Associates, Subsidiaries and Joint Ventures	-	-
Investment in Associates	-	-
Subsidiaries	-	-
Other	6,757	824
Total	**239,998**	**229,992**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

7 Information Regarding Other Operating Expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits (**)	222	868
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Property and Equipment	-	-
Depreciation Expenses of Property and Equipment	26,779	16,459
Impairment Expenses of Intangible Assets	-	-
Amortization Expenses of Intangible Assets	17,131	9,239
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses on Assets Held for Sale	-	-
Depreciation Expenses of Right-of-Use Assets	48,502	28,074
Impairment Expenses on Non-Current Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	725,855	161,847
Operating Lease Expenses (*)	*2,816*	*3,151*
Repair and Maintenance Expenses	*28,736*	*13,993*
Advertisement Expenses	*45,812*	*28,501*
Other Expenses (****)	*648,491*	*116,202*
Loss on Sales of Assets	311	96
Other (***)	237,016	258,578
Total	**1,055,816**	**475,161**

(*) Includes lease expenses not considered within the scope of TFRS 16.
(**) The Provision for Severance Pay is not included in the Personnel Expenses line of the Profit or Loss Statement..
(***) Includes provisions for bonus premiums, SDIF, and financial activity fees.
(****) Includes a provision expense of TRY 419,098.

8. Explanation on profit/loss before tax from continuing and discontinued operations

As of 30 September 2023, the Group has no discontinued operations.

The explanations and tables related to the profit/loss before tax from the Group's continuing operations for the accounting period ended 30 September 2023, are shown in detail in notes 1 to 7 of this section.

Explanation on tax provision for continuing and discontinued operations

As of 30 September 2023, the Group has no discontinued operations.

The explanations and tables related to the tax provision arising from the Group's continuing operations for the accounting period ended 30 September 2023, are shown in detail in note 9 of this section. The Group has no tax provision for discontinued operations for the accounting period ended 30 September 2023.

Explanation on Net Profit/Loss for the Period from Continuing and Discontinued Operations

As of 30 September 2023, the Group has no discontinued operations.

The explanations and tables related to the period net profit/loss arising from the Group's continuing operations for the accounting period ended 30 September 2023, are shown in detail in notes 1 to 7 and 9 to 11 of this section. The Group has no period net profit/loss for discontinued operations for the accounting period ended 30 September 2023.

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

9. Tax Provision

Calculated current tax income or expense and deferred tax income or expense

For the accounting period ended 30 September 2023, the Group's current tax expense is TRY 384,252 (30 September 2022: current tax expense TRY 251,190).

For the accounting period ended 30 September 2023, the Group has a net deferred tax expense of TRY 731,473 (30 September 2022: deferred tax expense of TRY 268,793).

10. Explanations on net profit and loss for the period

If disclosure of the nature, amount and recurrence rate of income and expense items arising from ordinary banking transactions is necessary for an understanding of the Group's performance during the period, the nature and amount of these items

None.

If it is possible that the effect on profit/loss of a change in an estimate related to financial statement items will affect subsequent periods, it shall be disclosed in a manner that includes those periods as well

None.

11. Information on the components of other items in the statement of consolidated profit or loss and other comprehensive income exceeding 10% of the total, or items that comprise at least 20% of the statement of profit or loss and other comprehensive income

The 'Other' item under 'Fees and Commissions Received' consists of fees and commissions received from various banking transactions, primarily including credit and credit card transactions, insurance services, and capital market transactions.

V. Explanations and Disclosures Related to the Parent Bank's Risk Group

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

Explanations and Disclosures Related to the Parent Bank's Risk Group

Parent Bank's Risk Group-current period	Associates and Subsidiaries (Partnerships)		Bank's Direct and Indirect Shareholders		Other Individuals and Legal Entities in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	407,727	105,067	278	71
Balance at the End of the Period	-	-	1,263,217	86,906	2,320	83
Interest and Commission Income	-	-	35,899	16	85	-

Parent Bank's Risk Group-prior period	Associates and Subsidiaries (Partnerships)		Bank's Direct and Indirect Shareholders		Other Individuals and Legal Entities in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	414,325	91,522	294	71
Balance at the End of the Period	-	-	407,727	105,067	278	71
Interest and Commission Income	-	-	790	10	564	-

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and Disclosures Related to the Parent Bank's Risk Group (Continued)

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

Information on deposits of the Parent Bank's risk group

	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)		Direct or Indirect Shareholders of the Parent Bank		Other Individuals and Legal Entities in the Risk Group	
Parent Bank's Risk Group	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**
Deposit						
Balance at the beginning of the Period	-	-	5,075,996	6,581,596	32,766	22,976
Balance at the end of the period	-	-	10,319,353	5,075,996	45,953	32,766
Deposit interest expense	-	-	313,460	53,034	3,179	1,212

Information on forward and option agreements and similar agreements made with the Parent Bank's risk group

	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)		Direct or Indirect Shareholders of the Parent Bank		Other Individuals and Legal Entities in the Risk Group	
Group's Risk Group	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**
The Fair Value Differences Through Profit and Loss						
Opening Balance	-	-	1,852,253	2,277	-	-
Closing Balance	-	-	3,172,514	1,852,253	-	-
Total Profit/Loss [(1)]	-	-	(146,669)	14,521	-	-
Transactions for Hedging Purposes						
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

(1) Transactions at fair value through profit or loss consist of leveraged transactions and futures transactions conducted with Anadolu Yatırım Menkul Kıymetler A.Ş.

2. Information on transactions with the risk group that includes the Parent Bank

Relations with entities in the risk group of/or controlled by the Parent Bank regardless of the nature of relationship among the parties

The Parent Bank conducts various transactions with group companies during banking operations. These transactions are commercial in nature and are within the scope of ordinary banking activities.

For the accounting period ending on 30 September 2023, the Parent Bank collected a total of TRY 1,602 in stock trading commissions and mutual fund commissions from Anadolu Yatırım Menkul Kıymetler A.Ş. (30 September 2022: TRY 965).

In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other matters

Current Period	**Balance**	**According to the Magnitudes in the Financial Statements %**
Cash loans	1,265,537	2.8%
Non-cash loans	86,989	0.5%
Deposit	10,365,306	16.4%

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and Disclosures Related to the Parent Bank's Risk Group (Continued)

2. Information on transactions with the risk group that includes the Parent Bank(Continued)

Prior Period	Balance	According to the Magnitudes in the Financial Statements %
Cash loans	408,005	1.4
Non-cash loans	105,138	1.1
Deposit	5,107,694	12.2

Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

There are Support Service Agreements between the Parent Bank and Anadolu Yatırım Menkul Kıymetler A.Ş., Anadolu Faktoring A.Ş., Anadolu Finansal Kiralama A.Ş., and Anadolubank Nederland NV, which are in the same risk group as the Parent Bank, covering Human Resources, Training, Information Technologies, Risk Management, Legal Issues, Call Center Service, Document Management, and Administrative matters.

For the accounting period ending on 30 September 2023, the income obtained by the Parent Bank from its subsidiary Anadolubank Nederland NV within the framework of service procurement and license agreements is TRY 3,549 (30 September 2022: TRY 2,203).

There are no transactions for the purchase and sale of real estate and other assets, transfer of information obtained as a result of research and development, or management agreements with the risk group to which the Bank belongs.

Information on benefits provided to the Group's top management

For the accounting period ending on 30 September 2023 the amount of tangible benefits provided and to be provided to the Group's senior management is TRY 102,561 (30 September 2022: TRY 51,792).

VI. Explanations and Notes on Subsequent Events

The Bank's Board of Directors, in its decision dated October 9, 2023, with decision number 2023/124, has decided that the Malatya Branch, operating at "Şifa Mahallesi Buhara Caddesi No:227/B Battalgazi-Malatya," will be transferred to the Elazığ Branch as of October 31, 2023.

The Bank's Board of Directors, in its decision dated October 9, 2023, with decision number 2023/125, has decided that the Osmaniye Branch, operating at "Esenevler Mahallesi Musa Şahin Bulvarı No:353/A Osmaniye," will be transferred to the Ceyhan Branch as of October 31, 2023.

Due to the unfavorable outcome of a lawsuit filed against the Bank in the commercial court, and since the decision's correction procedure did not suspend the execution, a payment of TRY 432,358,410 (full amount) was made on October 5, 2023. A provision of TRY 413,130,000 (full amount) for the said lawsuit was recognized in the Bank's financial statements as of September 30, 2023.

SECTION SIX: AUDITOR'S CONSOLIDATED REVIEW REPORT

I. Explanations on Auditor's Review Report

The Group's consolidated financial statements and notes for the period ended 30 September 2023, which are to be publicly disclosed, have been subject to a limited review by PwC Independent Audit and Certified Public Accounting A.Ş., and the limited review report dated 23 November 2023 has been presented preceding this report.

II. Explanations and Notes Prepared by the Independent Auditor

None.

SECTION SEVEN: INTERIM OPERATING REPORT

I. Interim Activity Report Including the Evaluations of the Board of Directors Chairman and the CEO Regarding Interim Activities

Summary Financial Information on the Results of Operations for the Period

Selected Financial Indicators	Current Period	Prior Period
Total Assets	80,986,589	54,752,495
Total Credits (Net)(***)	47,987,326	31,590,928
Marketable securities	8,402,368	5,945,789
Equity	9,169,316	6,914,836
Total Deposits	63,072,489	41,793,228
Net Profit(*)	1,987,003	1,415,595

Financial Ratios (%)	Current Period	Prior Period
Capital Adequacy Ratio	15.42	19.30
Net Profit / Total Assets (**)(****)	3.90	3.85
Net Profit / Equity(**)(****)	32.94	33.32
Marketable securities/Total Assets(****)	12.38	12.12
Total Credits/ Total Assets (***)(****)	70.71	64.38
Total Deposits / Total Assets (****)	92.93	85.17

(*) To ensure comparability, the figure for September 30, 2022, is shown in the previous period column.
(**) Items including net profit have been annualized.
(***) Includes factoring receivables.
(****) The average of the current period and previous period totals has been used for asset and equity totals.

Evaluations of the Board of Directors Chairman Regarding the Period

Anadolubank has had a successful third quarter in 2023 in terms of asset quality, source diversification, profitability, and capital strength. During this period, it maintained its strong position in the sector with a return on equity of 32.94%, asset efficiency of 3.90%, and a capital adequacy ratio of 15.42%. Our bank will continue its strong operations in industrial and commercial financing in the upcoming periods.

Mehmet Rüştü BAŞARAN

Evaluations of the General Manager Regarding the Period

Anadolubank has carefully managed the risks we can measure and relate to returns, maintaining our traditional prudent and cautious credit policy. As a result of this policy, our bank has successfully completed the period with a non-performing loan (NPL) ratio of 1.56%, asset efficiency of 3.90%, return on equity of 32.94%, and a capital adequacy ratio of 15.42%. Our bank will continue to provide the necessary support to its corporate, commercial, agricultural, and individual customers for the remainder of the year.

Namık ÜLKE

.....