ANADOLUBANK ANONİM ŞİRKETİ
ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 WITH INDEPENDENT AUDITOR'S REPORT THEREON

(Convenience translation of publicly announced consolidated financial statements, related disclosures and independent auditor's report at 31 December 2022, see Note I. of Section Three)

CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH
(See Note I of Section Three)
INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Anadolubank Anonim Şirketi

A. Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of Anadolubank Anonim Şirketi (the "Bank"), and its subsidiaries (collectively referred to as the "Group") which comprise the statement of consolidated balance sheet as at 31 December 2022, consolidated statements of profit and loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

2. Basis for Opinion

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

3. Key Audit Matters

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

Key Audit Matters	***How the key audit matter was addressed in the audit***
Expected credit losses for loans The Group has total expected credit losses for loans amounting to TL 760,706 thousand in respect to total loans and receivables amounting to TL 30,986,781 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as of 31 December 2022. Explanations and notes related to expected credit losses for loans and receivables are presented in Section Three Part VIII, Section Three Part IX, Section Four Part II, and Section Five Part IV-6, in the accompanying consolidated financial statements as of 31 December 2022. The Group recognizes provision for impairment in accordance with "TFRS 9 Financial Instruments" ("TFRS 9") requirements and the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750. The Group exercises significant decisions using subjective judgement, interpretation and assumptions over when and how much to record as loan impairment.	With respect to stage classification of loans and receivables and calculation of expected credit losses, we have assessed policy, procedure and management principles of the Group within the scope of our audit. We tested the design, and the operating effectiveness of relevant systems and processes implemented in accordance with these principles. For significant loans and receivable portfolios, we checked appropriateness of matters considered in methodology applied by the Group with TFRS 9 for calculation of the provision amount through stage classification of loans and receivables. For forward looking assumptions made by the Group's management in its expected credit losses calculations, we held discussions with management, evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed and tested model segmentation, lifetime probability of default model, exposure at default model, loss given default model and as well as the approaches for incorporating reasonable and supportable forward-looking estimates, together with our financial risk experts. We also assessed the expert opinions used in interpreting reasonable and supportable forward-looking estimates, including macroeconomic factors.

Key Audit Matters	*How the key audit matter was addressed in the audit*
Expected credit losses for loans (Continued The Group determines the stage of loans by identifying significant increases in credit risk and default events through quantitative and qualitative assessments to establish expected credit loss provisions. The Group employs complex models derived from multiple systems to detect significant increases in credit risk and calculate expected credit loss provisions. These models incorporate judgments and estimates, such as forward-looking expectations based on expert opinions, scenario analysis of macroeconomic conditions, and the weighting of these scenarios. Information considered in the accounting for expected credit loss provisions, whether assessed individually or collectively, must be reasonable and supportable, including past events, current conditions, and macroeconomic forecast Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macro-economic expectations, current conditions, historical loss experiences, development and weighting of macro-economic scenarios; the significance of the loans and receivables balances; the classification of loans and receivables as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans and receivables. Therefore, this area is considered as key audit matter.	Together with our financial risk experts, we recalculated and verified the models used by the Group to determine provisions for various loans and receivable portfolios on a sample basis. For a selected sample, we checked expected credit losses determined based on individual assessment per Group's policy by means of supporting data and evaluated appropriateness via communications with management. We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists. We checked accuracy of resultant expected credit losses calculations on a sample basis. To assess appropriateness of the Group's determination of staging for credit risk, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample. We evaluated the adequacy of the disclosures made in the consolidated financial statements regarding the provision for impairment of loans and receivables.

4. Other Matter

The consolidated financial statements of the Group as at 31 December 2021 were audited by another auditor whose report dated 22 March 2022 expressed an unqualified opinion.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed because of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

B. Other Responsibilities Arising from Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Bank’s bookkeeping activities concerning the period from 1 January to 31 December 2022 period are not in compliance with the TCC and provisions of the Bank’s articles of association related to financial reporting.

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

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 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 Group in accordance with IFRS.

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



Talar Gül, SMMM
Independent Auditor

Istanbul, 23 March 2023

THE CONSOLIDATED FINANCIAL REPORT OF ANADOLUBANK A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2022

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'nin ("the Bank"),The consolidated financial report for the year ended 31 December 2022, 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
- INDEPENDENT AUDIT 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 A.Ş.
2. Anadolu Faktoring A.Ş.
3. Anadolubank Nederland NV

The consolidated financial statements for the year-end 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**	**Suat İNCE**	**Namık ÜLKE**
Chairman of the Board of Directors	Member of Audit Committee	Member of Audit Committee	General Manager

Ferudun CANBAY	**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

		Sayfa No
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 Parent 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 (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
VII.	Consolidated Statement of Profit Appropriation	10

SECTION THREE

Explanations on Accounting Policies

I.	Explanations on Basis of Presentation	11-12
II.	Explanations on Strategy of Using Financial Instruments and Explanations on Foreign Currency Transactions	12-13
III.	Information on Consolidation	13
IV.	Information on Subsidiaries and Related Entities	13
V.	Explanations on Forward Transactions, Options and Derivative Instruments	13
VI.	Explanations on Interest Income and Expenses	14
VII.	Explanations on Fee and Commission Income and Expenses	14
VIII.	Explanations and Disclosures on Financial Instruments	15-16
IX.	Explanations on Expected Credit Losses	16-18
X.	Explanations on Netting of Financial Instruments	18
XI.	Explanations on Sales and Repurchase Agreements and Lending of Securities	18
XII.	Explanations on Assets Held for Sale and Discontinued Operations	18
XIII.	Explanations on Goodwill and Other Intangible Assets	19
XIV.	Explanations on Tangible Assets	19-20
XV.	Explanations on Leasing Transactions	20-21
XVI.	Explanations on Provisions and Contingent Liabilities and Contingent Assets	20
XVII.	Explanations on Obligations Related to Employee Rights	21
XVIII.	Explanations on Taxation	22-24
XIX.	Explanations on Borrowings	24
XX.	Explanations on Issuance of Share Certificates	24
XXI.	Explanations on Avalized Drafts and Acceptances	24
XXII.	Explanations on Government Incentives	24
XXIII.	Explanations on Segment Reporting	24
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 Credit Risk	28-41
III.	Explanations on Consolidated Market Risk	41-42
IV.	Explanations on Consolidated Operational Risk	42
V.	Explanations on consolidated Currency risk	43-44
VI.	Explanations on Consolidated Interest Rate Risk	45-48
VII.	Explanations on Consolidated Position Risk of Equity Securities in Banking Book	48
VIII.	Explanations on Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio	48-55
IX.	Explanations on Consolidated Leverage Ratio	56
X.	Explanations on Consolidated Risk Management	56-63
XI.	Explanations on the presentation of consolidated financial assets and liabilities at their fair values	63-65
XII.	Explanations on Consolidated Operating Segments	65-66

SECTION FIVE

Explanations and Notes Related to Consolidated Financial Statements

I.	Explanations and Disclosures Related to Consolidated Assets	67-83
II.	Explanations and Disclosures Related to Consolidated Liabilities	83-89
III.	Explanations and Disclosures Related to Consolidated Off-Balance Sheet Items	89-92
IV.	Explanations and Disclosures Related to Consolidated Statement of Profit or Loss and Other Comprehensive Income	93-98
V.	Explanations and Disclosures Related to Consolidated Statement of Changes in Shareholders' Equity	99
VI.	Explanations and Disclosures Related to Consolidated Statement of Cash Flows	100-101
VII.	Explanations and Disclosures Related to the Parent Bank's Risk Group	101-103
VIII.	Explanations on the Parent Bank's Domestic, Foreign and Off-Shore Banking Branches and Foreign Representatives of the Group	103

SECTION SIX

Other Explanations

I.	Other Explanations Related to the Parent Bank's Operations	104
II.	Summary of information regarding the ratings of the Parent Bank by international rating agencies	104
III.	Unsettled transactions after balance sheet date and related effects on financial tables	104
IV.	The impact of significant changes in exchange rates arising after the balance sheet date, which, if not disclosed, would affect the users' assessment and decision-making on the financial statements, on foreign currency transactions and items, and on the financial statements, as well as the impact on the Bank's overseas operations	104

SECTION SEVEN

Explanations on Independent Auditor's Report

I.	Explanations on Independent Auditor's Report	105
II.	Explanations and Notes Prepared by Independent Auditor	105

SECTION ONE: GENERAL INFORMATION ABOUT THE BANK

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 Parent 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
Yusuf GEZGÖR	Member	-
İbrahim Sencan DEREBEYOĞLU	Member -Member of Audit Committee	-
Suat İNCE	Member -Member of Audit Committee	-
Assistant General Managers		
Merih YURTKURAN	International Banking	-
Zeki Murat URAL	Treasury	-
O. Asım Tunç BERGSAN	Information Technologies	-
Ferudun CANBAY	Financial Affairs	-
Ali Tunç DORÖZ	Credit Monitoring and Follow up	-
Arif Kürşad ORHUN(*)	Operation(**)	-
İsmail Atakan ÖZGÜNEY	Credit Allocation	-
Zafer CAN	SME Business and Agricultural Banking	-
Ahmet YİĞİT	Corporate and Commercial Banking	-

(*) On 31 March 2023, Assistant General Manager of Operations Arif Kürşad ORHUN will resign from his position.

(**) On 16 February 2023, Tuğrul Kürşad AKPINAR was appointed as Assitant General Manager of Operations.

SECTION ONE: GENERAL INFORMATION ABOUT THE BANK (Continued)

IV. Information on individual and corporate shareholders having control shares of the Parent Bank

As at 31 December 2022 and 2021, the composition of shareholders and their respective percentage of ownership can be summarised as follows:

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**

31 December 2021 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. Explanations on the Parent Bank's Services 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 31 December 2022, the Bank has a total of 116 branches, 49 of which are in Istanbul, and 1,671 employees (31 December 2021: a total of 115 branches, 49 of which are in Istanbul, and 1,655 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 - Netherlands
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
FOR THE YEAR ENDED DECEMBER 31, 2022

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

			Audited Current Period 31 December 2022			Audited Prior Period 31 December 2021		
	ASSETS	**Note**	**TRY**	**FC**	**Total**	**TRY**	**FC**	**Total**
I.	**FINANCIAL ASSETS (Net)**		**2,947,702**	**15,070,556**	**18,018,258**	**2,293,049**	**11,165,280**	**13,458,329**
1.1	**Cash and Cash Equivalents**		**1,678,819**	**12,975,277**	**14,654,096**	**1,215,178**	**9,628,602**	**10,843,780**
1.1.1	Cash and Balances with Central Bank	**V-I-1**	1,006,096	5,023,521	6,029,617	1,173,961	4,912,403	6,086,364
1.1.2	Banks	**V-I-2**	222,604	7,599,065	7,821,669	41,366	4,554,544	4,595,910
1.1.3	Money Market Placements		450,256	358,223	808,479	-	164,929	164,929
1.1.4	Expected Credit Losses (-)		137	5,532	5,669	149	3,274	3,423
1.2	**Financial Assets Measured at Fair Value Through Profit or Loss**	**V-I-3**	**5,783**	**45,637**	**51,420**	**512**	**77,056**	**77,568**
1.2.1	Government Securities		5,783	38,692	44,475	512	10,218	10,730
1.2.2	Equity Instruments		-	-	-	-	-	-
1.2.3	Other Financial Assets		-	6,945	6,945	-	66,838	66,838
1.3	**Financial Assets Measured at Fair Value Through Other Comprehensive Income**	**V-I-4**	**867,767**	**1,663,138**	**2,530,905**	**7,819**	**1,369,386**	**1,377,205**
1.3.1	Government Securities		795,980	1,622,892	2,418,872	-	1,339,351	1,339,351
1.3.2	Equity Securities		13,941	40,246	54,187	7,819	30,035	37,854
1.3.3	Other Financial Assets		57,846	-	57,846	-	-	-
1.4	**Derivative Financial Assets**	**V-I-5**	**395,333**	**386,504**	**781,837**	**1,069,540**	**90,236**	**1,159,776**
1.4.1	Derivative Financial Assets Measured at Fair Value Through Profit or Loss		395,333	386,504	781,837	1,069,540	90,236	1,159,776
1.4.2	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)**		**19,733,841**	**15,220,551**	**34,954,392**	**16,968,427**	**11,617,979**	**28,586,406**
2.1	**Loans**	**V-I-6**	**17,294,328**	**13,692,453**	**30,986,781**	**14,658,344**	**10,738,341**	**25,396,685**
2.2	**Lease Receivables**	**V-I-9**	-	-	-	-	-	-
2.3	**Factoring Receivables**	**V-I-8**	**1,349,710**	**-**	**1,349,710**	**841,320**	**-**	**841,320**
2.4	**Other Financial Assets Measured at Amortized Cost**	**V-I-7**	**1,744,224**	**1,634,383**	**3,378,607**	**2,318,250**	**940,829**	**3,259,079**
2.4.1	Government Securities		1,744,224	367,327	2,111,551	2,318,250	207,511	2,525,761
2.4.2	Other Financial Assets		-	1,267,056	1,267,056	-	733,318	733,318
2.5	**Expected Credit Losses (-)**		**654,421**	**106,285**	**760,706**	**849,487**	**61,191**	**910,678**
III.	**ASSETS HELD FOR SALE AND ASSETS DISCONTINUED OPERATIONS (NET)**	**V-I-17**	**218,226**	**-**	**218,226**	**256,962**	**-**	**256,962**
3.1	Held for Sale		218,226	-	218,226	256,962	-	256,962
3.2	Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		-	-	-	-	-	-
4.1	**Investments in Associates (Net)**	**V-I-10**	-	-	-	-	-	-
4.1.1	Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	**Investments in Subsidiaries (Net)**	**V-I-11**	-	-	-	-	-	-
4.2.1	Unconsolidated Financial Investments		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Investments		-	-	-	-	-	-
4.3	**Entities under Common Control (Joint Venture) (Net)**	**V-I-12**	-	-	-	-	-	-
4.3.1	Joint Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	**V-I-13**	**877,593**	**10,767**	**888,360**	**412,247**	**7,502**	**419,749**
VI.	**INTANGIBLE ASSETS (Net)**	**V-I-14**	**71,238**	**-**	**71,238**	**26,951**	**-**	**26,951**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		71,238	-	71,238	26,951	-	26,951
VII.	**INVESTMENT PROPERTY (Net)**	**V-I-15**	-	-	-	-	-	-
VIII.	**CURRENT TAX ASSET**		**-**	**4,693**	**4,693**	**36,320**	**8,653**	**44,973**
IX.	**DEFERRED TAX ASSET**	**V-I-16**	**1,429**	**2,532**	**3,961**	**88,245**	**4,788**	**93,033**
X.	**OTHER ASSETS**	**V-I-18**	**474,265**	**119,102**	**593,367**	**457,890**	**49,697**	**507,587**
	TOTAL ASSETS		**24,324,294**	**30,428,201**	**54,752,495**	**20,540,091**	**22,853,899**	**43,393,990**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET – LIABILITIES
FOR THE YEAR ENDED DECEMBER 31,2022

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

			Audited Current Period 31 December 2022			Audited Prior Period 31 December 2021		
	LIABILITIES	**Note**	**TRY**	**FC**	**Total**	**TRY**	**FC**	**Total**
I.	**DEPOSITS**	**V-II-1**	**19,878,237**	**21,914,991**	**41,793,228**	**9,882,090**	**23,520,267**	**33,402,357**
II.	**FUNDS BORROWED**	**V-II-2**	**1,211,399**	**1,364,772**	**2,576,171**	**673,913**	**946,328**	**1,620,241**
III.	**MONEY MARKET FUNDS**		**371,480**	**1,144,407**	**1,515,887**	**1,508,198**	**698,958**	**2,207,156**
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**	**8,723**	**299,906**	**308,629**	**247,988**	**318,434**	**566,422**
7.1	Derivative Financial Liabilities Measured at Fair Value Through Profit or Loss		8,723	299,906	308,629	247,988	318,434	566,422
7.2	Derivative Financial Liabilities Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	**FACTORING PAYABLES**		**48**	**-**	**48**	**28**	**-**	**28**
IX.	**LEASE PAYABLES**	**V-II-3**	**129,932**	**7,477**	**137,409**	**86,991**	**5,717**	**92,708**
X.	**PROVISIONS**	**V-II-4**	**199,363**	**13,786**	**213,149**	**100,082**	**6,822**	**106,904**
10.1	Restructuring Reserves		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		179,886	-	179,886	80,688	3,772	84,460
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		19,477	13,786	33,263	19,394	3,050	22,444
XI.	**CURRENT TAX LIABILITY**	**V-II-5**	**218,245**	**-**	**218,245**	**60,602**	**-**	**60,602**
XII.	**DEFERRED TAX LIABILITY**	**V-II-6**	**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**	**869,898**	**149,089**	**1,018,987**	**825,516**	**96,190**	**921,706**
XVI.	**SHAREHOLDERS' EQUITY**		**6,831,089**	**83,747**	**6,914,836**	**4,373,549**	**42,317**	**4,415,866**
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**		**432,387**	**18,775**	**451,162**	**125,956**	**14,759**	**140,715**
16.4	**Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss**		**758,118**	**(147,929)**	**610,189**	**440,479**	**(95,902)**	**344,577**
16.5	**Profit Reserves**		**2,756,677**	**-**	**2,756,677**	**2,204,373**	**-**	**2,204,373**
16.5.1	Legal Reserves		164,453	-	164,453	136,838	-	136,838
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		2,592,224	-	2,592,224	2,067,535	-	2,067,535
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	**Profir or Loss**		**1,772,162**	**212,901**	**1,985,063**	**494,375**	**123,460**	**617,835**
16.6.1	Prior Period's Profit/Loss		-	65,531	65,531	-	65,531	65,531
16.6.2	Current Period's Profit/Loss		1,772,162	147,370	1,919,532	494,375	57,929	552,304
16.7	**Minority Interest**		**11,745**	**-**	**11,745**	**8,366**	**-**	**8,366**
	TOTAL EQUITY AND LIABILITIES		**29,774,320**	**24,978,175**	**54,752,495**	**17,758,957**	**25,635,033**	**43,393,990**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES FOR THE YEAR ENDED DECEMBER 31, 2022

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

			Audited Current Period 31 December 2022			Audited Prior Period 31 December 2021		
		Note	TRY	FC	Total	TRY	FC	Total
A.	**OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)**		**28,529,167**	**44,556,619**	**73,085,786**	**20,218,475**	**29,084,717**	**49,303,192**
I.	**GUARANTEES AND COLLATERALS**	**V-III-2**	**7,120,447**	**2,712,677**	**9,833,124**	**3,507,322**	**5,240,948**	**8,748,270**
1.1	Letters of Guarantee		5,477,762	1,316,222	6,793,984	3,471,185	1,604,773	5,075,958
1.1.1	Guarantees Subject to State Tender Law		68,477	1,125	69,602	75,826	-	75,826
1.1.2	Guarantees Given for Foreign Trade Operations		75,873	4,424	80,297	44,005	3,307	47,312
1.1.3	Other Letters of Guarantee		5,333,412	1,310,673	6,644,085	3,351,354	1,601,466	4,952,820
1.2	Bank Acceptances		-	42,802	42,802	-	48,414	48,414
1.2.1	Import Letter of Acceptance		-	42,802	42,802	-	48,414	48,414
1.2.2	Other Bank Acceptance		-	-	-	-	-	-
1.3	Letters of Credit		1,824	1,158,017	1,159,841	-	2,184,148	2,184,148
1.3.1	Documentary Letters of Credit		1,824	1,158,017	1,159,841	-	2,184,148	2,184,148
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Guaranteed Prefinancings		-	-	-	-	-	-
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		1,640,861	195,636	1,836,497	36,137	1,403,613	1,439,750
1.9	Other Collaterals		-	-	-	-	-	-
II.	**COMMITMENTS**	**V-III-1**	**2,458,774**	**2,012,769**	**4,471,543**	**1,764,770**	**1,309,156**	**3,073,926**
2.1	Irrevocable Commitments		2,458,774	2,012,769	4,471,543	1,764,770	1,309,156	3,073,926
2.1.1	Forward Asset Purchase and Sale Commitments		548,216	2,012,769	2,560,985	547,198	1,309,156	1,856,354
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		1,148,216	-	1,148,216	639,474	-	639,474
2.1.5	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Payment Commitment for Checks		488,216	-	488,216	360,826	-	360,826
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Expenditure Limits		212,182	-	212,182	148,513	-	148,513
2.1.10	Commitments for Promotions Related with Credit Cards and Banking Activities		1,085	-	1,085	909	-	909
2.1.11	Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		60,859	-	60,859	67,850	-	67,850
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**V-III-6**	**18,949,946**	**39,831,173**	**58,781,119**	**14,946,383**	**22,534,613**	**37,480,996**
3.1	Derivative Financial Instruments for Hedging Purposes		-	1,123,882	1,123,882	-	1,515,344	1,515,344
3.1.1	Fair Value Hedges		-	637,917	637,917	-	769,422	769,422
3.1.2	Cash Flow Hedges		-	485,965	485,965	-	745,922	745,922
3.1.3	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2	Trading Transactions		18,949,946	38,707,291	57,657,237	14,946,383	21,019,269	35,965,652
3.2.1	Forward Foreign Currency Purchase/Sale Transactions		3,116,413	4,034,743	7,151,156	1,805,601	2,796,978	4,602,579
3.2.1.1	Forward Foreign Currency Transactions- Purchases		3,100,200	574,760	3,674,960	1,645,966	628,283	2,274,249
3.2.1.2	Forward Foreign Currency Transactions- Sales		16,213	3,459,983	3,476,196	159,635	2,168,695	2,328,330
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rate		5,389,954	23,522,937	28,912,891	9,143,322	11,611,129	20,754,451
3.2.2.1	Foreign Currency Swap- Purchases		371,848	12,160,826	12,532,674	102,997	6,761,962	6,864,959
3.2.2.2	Foreign Currency Swap- Sales		2,198,106	10,484,975	12,683,081	2,050,325	4,849,167	6,899,492
3.2.2.3	Interest Rate Swap- Purchases		1,410,000	438,568	1,848,568	3,495,000	-	3,495,000
3.2.2.4	Interest Rate Swap- Sales		1,410,000	438,568	1,848,568	3,495,000	-	3,495,000
3.2.3	Foreign Currency, Interest Rate, and Securities Options		10,443,579	11,149,611	21,593,190	3,997,460	6,611,162	10,608,622
3.2.3.1	Foreign Currency Options- Purchases		7,882,582	3,041,187	10,923,769	794,281	4,455,526	5,249,807
3.2.3.2	Foreign Currency Options- Sales		2,560,997	8,108,424	10,669,421	3,203,179	2,155,636	5,358,815
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)**		**409,403,902**	**28,699,548**	**438,103,450**	**337,254,155**	**20,669,188**	**357,923,343**
IV.	**ITEMS HELD IN CUSTODY**		**133,898,290**	**2,875,588**	**136,773,878**	**137,342,634**	**2,225,378**	**139,568,012**
4.1	Customers' Securities Held		412,028	-	412,028	10,594,318	-	10,594,318
4.2	Investment Securities Held in Custody		125,104,007	2,734,197	127,838,204	152,070	1,646,542	1,798,612
4.3	Checks Received for Collection		7,860,208	75,459	7,935,667	6,406,986	553,346	6,960,332
4.4	Commercial Notes Received for Collection		95,177	37,971	133,148	120,189,260	25,490	120,214,750
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		426,870	27,961	454,831	-	-	-
4.8	Custodians		-	-	-	-	-	-
V.	**PLEDGED ITEMS**		**273,908,627**	**25,823,960**	**299,732,587**	**199,911,521**	**18,443,810**	**218,355,331**
5.1	Marketable Securities		9,765,650	-	9,765,650	14,036	-	14,036
5.2	Guarantee Notes		15,220	46,154	61,374	43,026	42,926	85,952
5.3	Commodities		-	-	-	-	-	-
5.4	Warranties		2,219,760	-	2,219,760	-	-	-
5.5	Real Estate		-	-	-	334	-	334
5.6	Other Pledged Items		261,907,997	25,777,806	287,685,803	199,854,125	18,400,884	218,255,009
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	**CONFIRMED BILLS OF EXCHANGE AND SURETIES**		1,596,985	-	1,596,985	-	-	-
	TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		**437,933,069**	**73,256,167**	**511,189,236**	**357,472,630**	**49,753,905**	**407,226,535**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

	INCOME AND EXPENSE ITEMS	Note	Audited Current Period 1 January – 31 December 2022	Audited Prior Period 1 January – 31 December 2021
I.	**INTEREST INCOME**		**5,504,828**	**3,446,049**
1.1	Interest Income on Loans	**V-IV-1**	4,693,026	2,662,809
1.2	Interest Received on Reserve Deposits		16,238	67,685
1.3	Interest Received on Banks	**V-IV-1**	76,944	6,115
1.4	Interest Received on Money Market Transactions		47,001	7,796
1.5	Interest Received on Securities Portfolio	**V-IV-1**	357,937	522,278
1.5.1	Financial Assets Measured at Fair Value through Profit or (Loss)		10,985	1,347
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		59,387	46,338
1.5.3	Financial Assets Measured at Measured at Amortized Cost		287,565	474,593
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		313,682	179,366
II.	**INTEREST EXPENSE (-)**		**3,303,018**	**2,453,855**
2.1	Interest on Deposits	**V-IV-2**	2,954,959	1,820,149
2.2	Interest on Funds Borrowed	**V-IV-2**	150,752	104,989
2.3	Interest on Money Market Transactions		119,911	497,793
2.4	Interest on Securities Issued	**V-IV-2**	-	-
2.5	Interest on Leases		19,429	16,201
2.6	Other Interest Expenses		57,967	14,723
III.	**NET INTEREST INCOME/EXPENSE (I - II)**		**2,201,810**	**992,194**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSE**		**526,762**	**288,845**
4.1	Fees and Commissions Received		612,454	332,188
4.1.1	Non-Cash Loans		76,921	51,541
4.1.2	Other	**V-IV-11**	535,533	280,647
4.2	Fees and Commissions Paid (-)		85,692	43,343
4.2.1	Non-Cash Loans		5	-
4.2.2	Other		85,687	43,343
V.	**DIVIDEND INCOME**	**V-IV-3**	**322**	**238**
VI.	**TRADING GAIN/(LOSS) (Net)**	**V-IV-4**	**954,016**	**180,619**
6.1	Trading Gains/(Losses) on Securities		54,459	27,340
6.2	Gains/losses from derivative transactions		2,178,171	1,001,946
6.3	Foreign Exchange Gains/(Losses)		(1,278,614)	(848,667)
VII.	**OTHER OPERATING INCOME**	**V-IV-5**	**583,374**	**305,262**
VIII.	**TOTAL OPERATING GROSS PROFIT (III+IV+V+VI+VII)**		**4,266,284**	**1,767,158**
IX.	**EXPECTED CREDIT LOSSES (-)**	**V-IV-6**	**219,959**	**214,119**
X.	**OTHER PROVISION EXPENSES (-)**	**V-IV-6**	**1,822**	**87,886**
XI.	**PERSONNEL EXPENSES (-)**		**669,535**	**393,299**
XII.	**OTHER OPERATING EXPENSES (-)**	**V-IV-7**	**765,016**	**381,198**
XIII.	**NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)**		**2,609,952**	**690,656**
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+...+XVI)**	**V-IV-9**	**2,609,952**	**690,656**
XVIII.	**PROVISION FOR TAXES OF CONTINUING OPERATIONS (±)**	**V-IV-9**	**(687,062)**	**(135,804)**
18.1	Current Tax Charge		(426,132)	(48,499)
18.2	Deferred Tax Charge (+)		(322,808)	278,795
18.3	Deferred Tax Credit (-)		61,878	191,490
XIX.	**NET PROFIT/LOSS AFTER TAXES (XVII±XVIII)**	**V-IV-9**	**1,922,890**	**554,852**
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-9**	-	-
XXIII.	**PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)**	**V-IV-9**		
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-11**	**1,922,890**	**554,852**
25.1	Group's profit/loss		1,919,532	552,304
25.2	Non-Controlling interest		3,358	2,548
	Earnings per Share	**III-XXIV**	0.017481	0.000502

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 FOR THE YEAR ENDED DECEMBER 31, 2022

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

	CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Note	Audited Current Period 1 January – 31 December 2022	Audited Prior Period 1 January – 31 December 2021
I.	**CURRENT PERIOD PROFIT/LOSS**		**1,922,890**	**554,852**
II	**OTHER COMPREHENSIVE INCOME**		**576,059**	**147,074**
2.1.	**Other Income/Expense Items Not Reclassified Through Profit or Loss**		**310,447**	**66,135**
2.1.1.	Revaluation Surplus on Tangible Assets		398,379	70,217
2.1.2.	Revaluation Surplus on Intangible Assets		-	-
2.1.3.	Defined Benefit Plans' Actuarial Gains/Losses		(51,869)	(3,801)
2.1.4.	Other Income/Expense Items not Reclassified to Profit or Loss		5,865	8,272
2.1.5.	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss		(41,928)	(8,553)
2.2.	**Other Income/Expense Items Reclassified to Profit or Loss**		**265,612**	**80,939**
2.2.1.	Exchange Differences on Translation		525,864	612,942
2.2.2.	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI		46,475	(73,536)
2.2.3.	Gains/losses from Cash Flow Hedges		**17,721**	**(2,239)**
2.2.4.	Gains/Losses on Hedges of Net Investments in Foreign Operations		(484,820)	(592,322)
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		160,372	136,094
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**		**2,498,949**	**701,926**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

(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-Contolling Interest	Non-Controlling Interest	Total Shareholders' Equity
	Prior Period																	
I.	**Balances at Beginning of Period**		**600,000**	-	-	-	**84,681**	**(18,710)**	**8,669**	**624,652**	**(39,996)**	**(321,018)**	**1,804,000**	**480,844**	-	**3,223,122**	**5,833**	**3,228,955**
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-V-VII**	**600,000**	-	-	-	**84,681**	**(18,710)**	**8,669**	**624,652**	**(39,996)**	**(321,018)**	**1,804,000**	**480,844**	-	**3,223,122**	**5,833**	**3,228,955**
IV.	**Total Comprehensive Income**		-	-	-	-	**63,143**	**(3,098)**	**6,090**	**612,942**	**(55,906)**	**(476,097)**	-	-	**552,304**	**699,378**	**2,548**	**701,926**
V.	**Capital Increase in Cash**		**485,000**	-	-	-	-	-	-	-	-	-	-	-	-	**485,000**	-	**485,000**
VI.	**Capital Increase from Internal Sources**		**15,000**	-	-	-	**(60)**	-	-	-	-	-	**(14,940)**	-	-	-	-	-
VII.	**Adjustments to Paid-in Capital**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Convertible Bonds**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Subordinated Liabilities**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Other Changes**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(15)**	**(15)**
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	**415,313**	**(415,313)**	-	-	-	-
11.1	**Dividends**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	**Transfers to Reserves**		-	-	-	-	-	-	-	-	-	-	**415,313**	**(415,313)**	-	-	-	-
11.3	**Others**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of the period (III+IV+…..+X+XI)		**1,100,000**	-	-	-	**147,764**	**(21,808)**	**14,759**	**1,237,594**	**(95,902)**	**(797,115)**	**2,204,373**	**65,531**	**552,304**	**4,407,500**	**8,366**	**4,415,866**

							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**	-	-	-	**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-V-VII**	**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**		-	-	-	-	344,477	(38,046)	4,016	525,864	36,475	(296,727)			1,919,532	2,495,591	3,358	2,498,949
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.	**Other Changes**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	21	21
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	552,304	(552,304)	-	-	-	-
11.1	**Dividends Paid**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	**Transfers to Reserves**		-	-	-	-	-	-	-	-	-	-	552,304	(552,304)	-	-	-	-
11.3	**Others**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of the period (III+IV…+X+XI)		**1,100,000**	-	-	-	**492,241**	**(59,854)**	**18,775**	**1,763,458**	**(59,427)**	**(1,093,842)**	**2,756,677**	**65,531**	**1,919,532**	**6,903,091**	**11,745**	**6,914,836**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

		Note	Audited Current Period January- 31 December 2022	Audited Prior Period 1 January- 31 December 2021
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating profit before changes in operating assets and liabilities**		**3,281,958**	**369,324**
1.1.1	Interest received		5,144,695	3,312,285
1.1.2	Interest paid		(2,948,342)	(2,507,466)
1.1.3	Dividend received		322	238
1.1.4	Fees and commissions received		611,347	332,188
1.1.5	Other income		1,987,708	1,310,511
1.1.6	Collections from previously written-off loans		419,814	288,844
1.1.7	Cash payments to personnel and service suppliers		(669,535)	(393,299)
1.1.8	Taxes paid		(220,626)	(152,313)
1.1.9	Other	V-VI-1	(1,043,425)	(1,821,664)
1.2	**Changes in operating assets and liabilities subject to banking operations**		**1,189,016**	**1,661,186**
1.2.1	Net (increase) decrease in financial assets measured at fair value through profit/loss		(39,935)	60,599
1.2.2	Net (increase) decrease in due from banks		(541,730)	(1,809,605)
1.2.3	Net (increase) decrease in loans		(5,514,758)	(7,281,481)
1.2.4	Net (increase) decrease in other assets	V-VI-1	(1,430,054)	(1,429,573)
1.2.5	Net increase (decrease) in bank deposits		(65,201)	(14,336)
1.2.6	Net increase (decrease) in other deposits		8,139,144	13,709,191
1.2.7	Net increase (decrease) in financial liabilities measured at fair value through profit or loss		950,904	296,628
1.2.8	Net increase (decrease) in funds borrowed		-	-
1.2.9	Net increase (decrease) in matured payables	V-VI-1	(309,354)	(1,870,237)
I.	**Net cash provided from banking operations**		**4,470,974**	**2,030,510**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net cash provided from / (used in) investing activities**		**(1,599,658)**	**1,354,237**
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)	(31,927)
2.4	Fixed assets sales		106,578	52,482
2.5	Cash paid for purchase of financial assets measured at fair value through other comprehensive income		(1,207,263)	(222,067)
2.6	Cash obtained from sale of financial assets measured at fair value through other comprehensive income		-	294,372
2.7	Cash paid for purchase of Financial Assets Measured at Amortized Cost		(521,598)	(234,492)
2.8	Cash obtained from sale of Financial Assets Measured at Amortized Cost		700,255	1,513,189
2.9	Other		(509,944)	(17,320)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net cash provided from / (used in) financing activities**		**(44,701)**	**395,642**
3.1	Cash obtained from funds borrowed and securities issued		-	-
3.2	Cash used for repayment of funds borrowed and securities issued		-	(47,052)
3.3	Issued equity instruments		-	485,000
3.4	Dividends paid		-	-
3.5	Payments for finance leases		(44,701)	(42,306)
3.6	Other		-	-
IV.	**Effect of foreign currency exchange differences on cash and cash equivalents**	V-VI-1	**459,366**	**374,093**
V.	**Net increase / (decrease) in cash and cash equivalents**		**3,285,981**	**4,154,482**
VI.	**Cash and cash equivalents at the beginning of the period**		**7,821,263**	**3,666,781**
VII.	**Cash and cash equivalents at end of the period (V+VI)**		**11,107,244**	**7,821,263**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT APPROPRIATION FOR THE YEAR ENDED DECEMBER 31, 2022

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

		Note	Current Period 31 December 2022	Prior Period 31 December 2021
I.	**DISTRIBUTION OF CURRENT YEAR INCOME**			
1.1	**CURRENT YEAR INCOME**		**2,504,581**	**639,878**
1.2	**TAXES AND DUTIES PAYABLE**		**(585,049)**	**(87,574)**
1.2.1	Corporate Tax (Income Tax)		-	-
1.2.2	Income Withholding Tax		(585,049)	(87,574)
1.2.3	Other Taxes And Duties		-	-
A.	**NET INCOME FOR THE YEAR**		**1,919,532**	**552,304**
1.3	**PRIOR YEARS LOSSES (-)**		**-**	**-**
1.4	**FIRST LEGAL RESERVES (-)**		**-**	**-**
1.5	**OTHER STATUTORY RESERVES (-)**		**-**	**-**
B.	**NET INCOME AVAILABLE FOR DISTRIBUTION**		**1,919,532**	**552,304**
1.6	**FIRST DIVIDEND TO SHAREHOLDERS**		-	-
1.6.1	To Owners of Ordinary Shares		-	-
1.6.2	To Owners of Privileged Shares		-	-
1.6.3	To Owners of Preferred Shares		-	-
1.6.4	To Profit Sharing Bonds		-	-
1.6.5	To Holders of Profit And (Loss) Sharing Certificates		-	-
1.7	**DIVIDENDS TO PERSONNEL (-)**		**-**	**-**
1.8	**DIVIDENDS TO BOARD OF DIRECTORS (-)**		-	-
1.9	**SECOND DIVIDEND TO SHAREHOLDERS (-)**		-	-
1.9.1	To Owners of Ordinary Shares		-	-
1.9.2	To Owners of Privileged Shares		-	-
1.9.3	To Owners of Preferred Shares		-	-
1.9.4	To Profit Sharing Bonds		-	-
1.9.5	To Holders of Profit And (Loss) Sharing Certificates		-	-
1.10	**SECOND LEGAL RESERVES (-)**		**-**	**27,615**
1.11	**STATUTORY RESERVES (-)**		-	-
1.12	**EXTRAORDINARY RESERVES**		-	**524,689**
1.13	**OTHER RESERVES**			
1.14	**SPECIAL FUNDS**		-	-
II.	**DISTRIBUTION OF RESERVES**		-	-
2.1	**APPROPRIATED RESERVES**		-	-
2.2	**SECOND LEGAL RESERVES (-)**		-	-
2.3	**DIVIDENDS TO SHAREHOLDERS (-)**		-	-
2.3.1	To Owners of Ordinary Shares		-	-
2.3.2	To Owners of Privileged Shares		-	-
2.3.3	To Owners of Preferred Shares		-	-
2.3.4	To Profit Sharing Bonds		-	-
2.3.5	To Holders of Profit And (Loss) Sharing Certificates		-	-
2.4	**DIVIDENDS TO PERSONNEL (-)**		-	-
2.5	**DIVIDENDS TO BOARD OF DIRECTORS (-)**		-	-
III.	**EARNINGS PER SHARE**		-	-
3.1	**TO OWNERS OF ORDINARY SHARES**		**0.001745**	**0.000502**
3.2	**TO OWNERS OF ORDINARY SHARES (%)**		**174.57**	**50.22**
3.3	**TO OWNERS OF PRIVILEGED SHARES**			
3.4	**TO OWNERS OF PRIVILEGED SHARES (%)**		-	-
IV.	**DIVIDEND PER SHARE**		-	-
4.1	**TO OWNERS OF ORDINARY SHARES**		-	-
4.2	**TO OWNERS OF ORDINARY SHARES (%)**		-	-
4.3	**TO OWNERS OF PRIVILEGED SHARES**		-	-
4.4	**TO OWNERS OF PRIVILEGED SHARES (%)**		-	-

(1) As of the date these financial statements were prepared, the Company's Ordinary General Assembly Meeting has not conducted yet, and no decision had been made regarding the distribution of profits for 2022; therefore, only the net profit for the period is stated in the 2022 profit distribution table.

(2) The profit distribution table is presented as the Consolidated Profit Distribution Table.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES

I. 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.

Adjustment of financial statements during periods of high inflation

In the announcement published by the Public Oversight Accounting and Auditing Standards Authority ("POA") on 20 January 2022, it was stated that since the cumulative change in the general purchasing power according to the Consumer Price Index ("CPI") rates over the last three years was 74.41%, businesses applying Turkish Financial Reporting Standards ("TFRS") do not need to make any adjustments within the scope of TAS 29 'Financial Reporting in Hyperinflationary Economies' standard in their financial statements for the year 2021.No inflation adjustment has been made in the attached financial statements in accordance with TAS 29. As of 31 December 2022, no new announcement has been made by the POA within the scope of TAS 29, and therefore, no inflation adjustment has been made in the financial statements as of 31 December 2022.

As of the report date, the conflicts between Russia and Ukraine, which began in early 2022 and later turned into a hot conflict, have had no direct negative impact on the bank.

Bank does not carry out major activities in these countries that are subject to the crisis. There is no expectation of direct impact on Bank operations. However, the regional and global economic impacts and the negative effects of the crisis are being closely monitored by the bank's management.

SECTION THREE: ACCOUNTING POLICIES (Continued)

I. 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.

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.

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 period, 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. The resulting exchange differences are recognized in the records as foreign exchange gains or losses.

Exchange differences arising from the translation of the financial statements of net investments in subsidiaries established abroad into TRY for consolidation purposes are recognized under equity within the 'Accumulated Other Comprehensive Income or Expense to be Reclassified through Profit or Loss' account, under the sub-account exchange differences from associates, subsidiaries, and jointly controlled entities.

SECTION THREE: ACCOUNTING POLICIES (Continued)

II. Strategy for the Use of Financial Instruments and the Foreign Currency Transactions (Continued)

Foreign currency transactions (Continued)

Starting from 1 May 2018, the Parent Bank has decided to implement a hedging strategy in its consolidated financial statements to hedge against the exchange rate risk arising from its foreign subsidiary, Anadolubank Nederland NV. This strategy is implemented by designating the net asset value of Anadolubank Nederland NV in foreign currency as the hedged item and associating a portion of the Bank's Euro time deposit accounts as the hedging instrument using the net investment hedge method. Exchange rate differences arising from foreign currency financial liabilities related to the subject are accounted for under equity in the 'Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss' account.

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 Related Entities

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 Measured at Fair Value Through Profit or Loss”; and if the fair value difference is negative, it is disclosed under “Derivative Financial Liabilities Measured 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.

SECTION THREE: ACCOUNTING POLICIES (Continued)

V. Explanations on Futures and Options Contracts and Derivative Products (Continued)

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.

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 Fees 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.

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

Financial assets measured 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 Measured at Fair Value Through Profit or Loss.

Financial assets measured 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 Disclorues on Financial Assets Measured at Fair Value Through Other Comprehensive Income

Financial assets measured 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 measured 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 measured 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 measured 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:

Below is the Parent Bank's approach to the components of the counterpart calculation.

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 Assesment: 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 recognised 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: 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.

As of 31 December 2022, the Group used a discount rate of 3.83%, taking into account the expected payment period in the calculation of the total liability.

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.

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.

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.

SECTION THREE: ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued)

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 January 1, 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.

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 2022 and 2021. 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. Therefore, the Bank has calculated deferred tax on its assets and liabilities at the rate of 25% as of 31 December 2022.

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.

SECTION THREE: ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued)

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 measured 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 31 December 2022, the Group does not have any governmental incentives or support (31 December 2021 – 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.

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 31 December 2022, is Full TRY 0.017481 (31 December 2021: Full TRY 0.000502).

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 19.30% (31 December 2021: 15.76%).The Bank's non-consolidated capital adequacy standart ratio is 22.38% (31 December 2021 : 17.65%).

The Group's tier 1 capital adequacy ratio is 18.76% (31 December 2021: 15.32%); the core capital adequacy ratio is 18.76% (31 December 2021: 15.32%). 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	31 December 2022	31 December 2021
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	2,756,677	2,204,373
Gains recognized in equity as per TAS	2,340,005	1,491,062
Profit	1,919,532	552,304
Current Period Profit	1,919,532	552,304
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	11,745	8,366
Common Equity Tier 1 Capital Before Deductions	**8,128,208**	**5,356,354**
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 (-)	1,213,373	915,075
Improvement costs for operating leasing (-)	12,540	9,091
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	71,224	26,951
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	**1,297,137**	**951,117**
Total Common Equity Tier 1 Capital	**6,831,071**	**4,405,237**

SECTION FOUR: Explanations Related to Financial Structure and Risk Management

I. Explanations on Consolidated Equity (Continued)

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

COMMON EQUITY TIER 1 CAPITAL	31 December 2022	31 December 2021
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)	**6,831,071**	**4,405,237**
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)	197,383	125,791
Tier II Capital Before Deductions	**197,383**	**125,791**
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	**197,383**	**125,791**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**7,028,454**	**4,531,028**
Total Capital	**7,028,454**	**4,531,028**

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	31 December 2022	31 December 2021
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	230	358
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	**7,028,224**	**4,530,670**
Total risk weighted amounts	**36,408,130**	**28,754,302**
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	18.76	15.32
Tier 1 Capital Adequacy Ratio (%)	18.76	15.32
Capital Adequacy Ratio (%)	19.30	15.76
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 (%)	14.26	10.82
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	197,383	125,791
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 credit risk

In terms of credit risks, subjecting borrower or a group of borrowers or geographic region and sectors to a risk limitation, the segmentation structure of the risk limits and determining the risk limit ranges

Companies for which loans are allocated are grouped according to their capital owners, and in addition to the credit limits allocated on a company basis, group credit limits are also allocated, which determine the maximum credit amount that can be extended to the capital group to which the company belongs.

Apart from firm or capital group limits, there are no risk restrictions or limitations based on geographical regions or sectors. However, sector concentrations are taken into account in credit allocations to prevent the concentration of credits in certain sectors.

Determining daily risk limits and allocating risks regarding the transactions conducted, customer's and bank's treasury department staff based monitoring on daily risk concentrations of off-balance risks

Daily loan disbursement requests made in favor of companies from the allocated credit limits are examined by the Credit Monitoring Department and the Central Operations Departments in terms of compliance with the limits, collateral, and other credit allocation conditions. If it is determined that there is no violation as a result of the examination, the limits are made available in the banking system.

Off-balance sheet derivative transactions that create risk are carried out by the Treasury Department within the authorities granted by the Board of Directors, and risk concentration is also taken into account by the said department.

Monitoring loan valuableness of the debtors of loan and other receivables at regular intervals in accordance with the relevant legislation, if the financial tables which are obtained for opened credits are audited in accordance with the relevant legislation or not, and if not the reasons of not auditing, changing the limits of loans, guarantees of the loans and other receivables

The creditworthiness of loan debtors is re-evaluated with each limit increase or loan disbursement request, and as a result of the evaluation, it is decided to increase the existing limit, maintain it as is or with additional collateral, or to urgently liquidate the risk by blocking the existing limits.

On the other hand, during the evaluation of both the companies that are proposed for the first time for credit allocation and the requests for the increase of the existing limit or disbursement from the existing limit, it is ensured that the company's current balance sheet and profit or loss statements are audited as stipulated in the legislation.

SECTION FOUR : Explanations Related to Financial Structure and Risk Management (Continued)

II. Explanations on Consolidated Credit Risk (Continued)

Definitions of Past Due and Impaired Elements in Accounting Practices

The Parent Bank considers loans classified as Group II under the Regulation on the Procedures and Principles for Determining the Qualifications of Loans and Other Receivables by Banks and the Provisions to be Set Aside for Them as past due if the collection of principal and interest payments has not occurred at their maturities or on the dates they are due. Loans for which the collection of principal and interest payments is more than 90 days past due from their maturities or due dates, and loans for which the Bank has determined that the debtor has lost creditworthiness, are considered impaired loans.

Movements in value adjustments and provisions

The bank has taken into consideration the general provision for overdue loans and special provision for impaired loans under the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables (the Provisioning Regulation).

Total amount of risks after offsetting transactions and average amount of risks allocated to different risk classes and types for relevant period without considering effects of credit risk mitigation

Exposure Categories	Current Period Risk Amount (1)	Current Period Average Risk Amount(2)	Prior Period Risk Amount(1)	Prior Period Average Risk Amount(2)
Conditional and unconditional receivables from central governments and Central Banks	9,691,912	9,101,076	9,064,687	9,089,100
Conditional and unconditional receivables from regional or local governments	182,860	63,544	-	-
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	24,144	8,367	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	9,592,271	9,670,204	6,459,324	5,347,815
Conditional and unconditional receivables from corporates	19,945,344	20,357,814	16,097,257	15,025,745
Conditional and unconditional receivables from retail portfolios	9,208,315	7,750,994	6,032,920	5,140,108
Conditional and unconditional receivables secured by mortgages	1,125,508	1,187,138	1,427,954	1,317,213
Past due receivables	249,788	355,519	497,056	546,072
Receivables defined in high risk category by BRSA	8,061	11,301	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment Funds	-	-	-	-
Investment in equities	-	-	-	-
Other receivables	2,537,251	2,610,209	2,104,744	1,697,645

(1) Represents the total risk amount before credit risk mitigation and after the credit conversion factor.
(2) The average risk amount is determined by taking the arithmetic average of the risk amounts in the monthly reports prepared during the current period.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

II. Explanations on Consolidated Credit Risk (Continued)

Control limits over the positions of the Group in terms of forward and option contracts and other similar contracts, the manageability of the credit risk assumed for such instruments together with the potential risks arising from market movements

Including forward transactions made on behalf of group companies, such transactions are managed by the Treasury Department just like transactions made on behalf of other customers, and the potential risks arising from market movements of these transactions are also taken into account by the said department.

When the Group is significantly subject to the loan risk, in order to reduce the total risks, the Bank terminates the forward transactions, option and similar agreements in a short time period through using, fulfilling the acts or selling

There has been no exposure to credit risk from futures and options contracts, and no situation has arisen that would result in the fulfillment or sale of obligations.

Whether the risk weight of indemnified non-cash loans are imposed upon the same weighted risk as those such as non-performing loans

Indemnified non-cash loans are weighted in the same risk group with the past due but not impaired loans.

Information on whether the loans that are renewed and rescheduled are included in a new rating group as determined by the Bank's risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are considered in these methods or not; whether the Bank's risk management accepts long term commitments as having more risk than short-term commitments which results in a diversification of risk or not

There is no credit risk in the current year or in the past year that has been transferred to the account of rescheduled and restructured loans from the loans granted and monitored in this account.

Evaluation of the significance of country specific risk if the banks have foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities

When evaluated in terms of the unconsolidated financial statements, the Parent Bank does not have any banking transactions conducted abroad or any loans extended abroad, other than intermediating import-export transactions. In intermediating import-export transactions, efforts are made to work with banks that are considered to be of the highest standard according to international evaluation criteria. Therefore, the Bank's management perceives the likelihood of encountering a risk arising from either the economic conditions of the country where the correspondent bank operates or the structure of the correspondent bank itself as low.

Evaluation of the Bank's competitive credit risk as being an active participant in the international banking transactions market

Due to the significantly lower amount of these transactions compared to the total volume of import and export intermediation transactions of other financial institutions, there is no significant credit risk concentration in this area.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

II. Explanations on Consolidated Credit Risk (Continued)

a) The proportion of the Group's top 100 and 200 cash loan balances in total cash loan

The percentage of top 100 and top 200 cash loans in the total cash loan portfolio is 47.39% and 57.82% respectively (31 December 2021: 44.85% and 54.84%).

b) The proportion of the Group's top 100 and 200 non-cash loan balances in total non-cash loans

The percentage of top 100 and top 200 non-cash loans in the total non-cash loan portfolio is 45.91% and 61.40% respectively (31 December 2021: 53.71% and 66.70%).

c) The proportion of the Group's cash and non-cash loan balances with the first 100 and 200 customers comprises of total cash loans and non-cash loans

The percentage of top 100 and top 200 cash and non-cash loans in the total cash and non-cash loan portfolio is 39.48% and 49.62% respectively (31 December 2021: 40.01% and 50.29%).

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

II. Explanations on Consolidated Credit Risk (Continued)

Profile of significant exposures in major regions

	Risk Classifications [1]									
Current Period	**Conditional and unconditional exposures to central governments or central banks**	**Conditional and unconditional exposures to administrative bodies and non-commercial undertakings**	**Conditional and unconditional exposures to banks and brokerage houses**	**Conditional and unconditional exposures to corporates**	**Conditional and unconditional retail exposures**	**Conditional and unconditional exposures secured by real estate property**	**Past due items**	**Short-term exposures to banks, brokerage houses and corporates**	**Other Receivables**	**Total**
Domestic	6,060,004	24,144	5,351,874	16,348,745	9,020,458	264,910	244,227	-	3,573,419	40,887,781
European Union Countries	3,323,580	-	1,649,349	2,157,933	2,109	389	5,561	-	12,431	7,151,352
OEC Countries[2]	-	-	470,883	184,523	-	148	-	-	-	655,554
Offshore Banking Areas	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	518,898	46,005	-	-	-	-	-	564,903
Other Countries	-	-	334,310	680,767	-	-	-	-	-	1,015,077
Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilties[3]	-	-	-	-	-	-	-	-	-	-
Total	**9,383,584**	**24,144**	**8,325,314**	**19,417,973**	**9,022,567**	**265,447**	**249,788**	**-**	**3,585,850**	**50,274,667**

(1) Exposure categories based on Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.
(2) Includes assets and liability items that cannot be allocated on a consistent basis.
(3) Includes assets and liability items that cannot be allocated on a consistent basis.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

II. Explanations on Consolidated Credit Risk (Continued)

Profile of significant exposures in major regions(Continued)

	Risk classifications[1]									
Prior Period	**Conditional and unconditional exposures to central governments or central banks**	**Conditional and unconditional exposures to administrative bodies and non-commercial undertakings**	**Conditional and unconditional exposures to banks and brokerage houses**	**Conditional and unconditional exposures to corporates**	**Conditional and unconditional retail exposures**	**Conditional and unconditional exposures secured by real estate property**	**Past due items**	**Short-term exposures to banks, brokerage houses and corporates**	**Other Receivables**	**Total**
Domestic	6,214,244	-	2,946,105	13,652,401	5,995,980	1,427,608	488,768	-	2,097,520	32,822,626
European Union Countries	1,282,571	-	1,585,728	1,045,063	3,024	122	8,081	-	7,224	3,931,813
OEC Countries[2]	11,808	-	406,040	179,456	-	172	207	-	-	597,683
Offshore Banking Areas	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	898,167	29,852	-	-	-	-	-	928,019
Other Countries	-	-	96,409	609,245	23	-	-	-	-	705,677
Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilties[3]	-	-	-	-	-	-	-	-	-	-
Total	**7,508,623**	**-**	**5,932,449**	**15,516,017**	**5,999,027**	**1,427,902**	**497,056**	**-**	**2,104,744**	**38,985,818**

(1) The risk classes specified in the Regulation on the Measurement and Evaluation of Banks Capital Adequacy will be taken into consideration.
(2) OECD countries other than EU Countries, USA and Canada.
(3) Assets and liabilities that are not distributed according to a consistent principle.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

II. Explanations on Consolidated Credit Risk (Continued)

Risk profile regarding sectors or counterparties

		Risk Classifications											
	Current Period	**Conditional and unconditional exposures to central governments or central banks**	**Conditional and unconditional exposures to administrative bodies and non-commercial undertakings**	**Conditional and unconditional exposures to banks and brokerage houses**	**Conditional and unconditional exposures to corporates**	**Conditional and unconditional retail exposures**	**Conditional and unconditional exposures secured by real estate property**	**Past due items**	**Short-term exposures to banks, brokerage houses and corporates**	**Other receivables**	**TRY**	**FC**	**Total(1)**
1	**Agriculture**	**-**	**-**	**-**	**342,399**	**493,799**	**263,316**	**19,523**	**-**	**59**	**939,429**	**179,667**	**1,119,096**
1.1	Farming and Raising Livestock	-	-	-	280,106	439,004	258,186	19,482	-	59	821,741	175,096	996,837
1.2	Forestry	-	-	-	48,957	26,984	2,299	22	-	-	78,262	-	78,262
1.3	Fishing	-	-	-	13,336	27,811	2,831	19	-	-	39,426	4,571	43,997
2	**Industrial**	**-**	**-**	**-**	**10,675,775**	**3,283,336**	**237,260**	**41,553**	**-**	**385**	**10,301,598**	**3,936,711**	**14,238,309**
2.1	Mining and Quarrying	-	-	-	759,134	90,490	3,611	5,536	-	-	271,514	587,257	858,771
2.2	Production	-	-	-	9,739,979	3,088,818	231,143	27,598	-	67	9,749,378	3,338,227	13,087,605
2.3	Electricity, Gas, Water	-	-	-	176,662	104,028	2,506	8,419	-	318	280,706	11,227	291,933
3	**Construction**	**-**	**-**	**-**	**1,448,982**	**967,087**	**165,732**	**126,895**	**-**	**53**	**2,425,493**	**283,256**	**2,708,749**
4	**Services**	**9,383,584**	**24,144**	**8,325,315**	**6,393,219**	**3,655,764**	**400,435**	**54,025**	**-**	**175,213**	**11,286,018**	**17,125,681**	**28,411,699**
4.1	Wholesale and retail trade	-	-	-	3,386,034	2,799,095	317,409	19,553	-	282	5,625,013	897,360	6,522,373
4.2	Hotel, food and beverage	-	-	-	106,853	111,411	14,604	2,103	-	1	215,141	19,831	234,972
4.3	Transportation and Communication	-	-	-	958,001	340,486	43,546	1,861	-	117	516,427	827,584	1,344,011
4.4	Financial Instutions	9,383,584	-	8,325,315	1,494,246	16,630	596	2	-	13,162	4,039,053	15,194,482	19,233,535
4.5	Real Estate and Rent Services	-	-	-	42,391	3,158	7,652	12,554	-	4	65,534	225	65,759
4.6	Self- Employment Services	-	-	-	422	7,309	1,359	-	-	-	9,067	23	9,090
4.7	Educational Services	-	-	-	307,478	195,830	10,653	2,313	-	41	335,850	180,465	516,315
4.8	Health and Social Services	-	24,144	-	97,794	181,845	4,616	15,639	-	161,606	479,933	5,711	485,644
5	**Other**	**-**	**-**	**-**	**557,598**	**622,579**	**56,382**	**7,792**	**-**	**2,552,463**	**3,244,397**	**552,417**	**3,796,814**
6	**Total**	**9,383,584**	**24,144**	**8,325,315**	**19,417,973**	**9,022,565**	**1,123,125**	**249,788**	**-**	**2,728,173**	**28,196,935**	**22,077,732**	**50,274,667**

(1) Risk amounts are given as to loan reduction and after the loan conversion.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

II. Explanations on Consolidated Credit Risk (Continued)

Risk profile regarding sectors or counterparties (Continued)

		Risk Classifications											
	Prior Period	**Conditional and unconditional exposures to central governments or central banks**	**Conditional and unconditional exposures to administrative bodies and non-commercial undertakings**	**Conditional and unconditional exposures to banks and brokerage houses**	**Conditional and unconditional exposures to corporates**	**Conditional and unconditional retail exposures**	**Conditional and unconditional exposures secured by real estate property**	**Past due items**	**Short-term exposures to banks, brokerage houses and corporates**	**Other receivables**	**TRY**	**FC**	**Total(1)**
1	**Agriculture**	**-**	**-**	**-**	**353,152**	**203,534**	**262,855**	**44,202**	**-**	**-**	**734,618**	**129,125**	**863,743**
1.1	Farming and Raising Livestock	-	-	-	327,019	176,188	256,426	43,647	-	-	692,533	110,747	803,280
1.2	Forestry	-	-	-	19,717	12,892	2,423	364	-	-	30,950	4,446	35,396
1.3	Fishing	-	-	-	6,416	14,454	4,006	191	-	-	11,135	13,932	25,067
2	**Industrial**	**-**	**-**	**-**	**7,473,273**	**2,193,670**	**325,476**	**78,271**	**-**	**-**	**6,467,586**	**3,603,104**	**10,070,690**
2.1	Mining and Quarrying	-	-	-	497,629	72,350	4,368	14,834	-	-	246,552	342,629	589,181
2.2	Production	-	-	-	6,851,585	2,035,619	295,398	53,746	-	-	6,019,051	3,217,297	9,236,348
2.3	Electricity, Gas, Water	-	-	-	124,059	85,701	25,710	9,691	-	-	201,983	43,178	245,161
3	**Construction**	**-**	**-**	**-**	**981,643**	**690,860**	**261,012**	**214,952**	**-**	**-**	**1,994,462**	**154,005**	**2,148,467**
4	**Services**	**7,508,623**	**-**	**5,932,449**	**6,499,550**	**2,712,950**	**524,471**	**156,070**	**-**	**410,929**	**11,070,146**	**12,674,896**	**23,745,042**
4.1	Wholesale and retail trade	-	-	-	3,278,942	2,249,745	370,466	84,288	-	-	5,070,115	913,326	5,983,441
4.2	Hotel, food and beverage	-	-	-	119,000	60,927	50,072	4,583	-	-	169,715	64,867	234,582
4.3	Transportation and Telecommunication	-	-	-	764,311	163,327	64,238	8,117	-	-	418,516	581,477	999,993
4.4	Financial Instutions	7,508,623	-	5,932,449	1,674,288	10,440	433	11	-	410,929	4,589,215	10,947,958	15,537,173
4.5	Real Estate and Rental Services	-	-	-	13,737	1,687	9,102	18,722	-	-	30,230	13,018	43,248
4.6	Self- Employment Services	-	-	-	949	4,749	70	81	-	-	5,836	13	5,849
4.7	Educational Services	-	-	-	255,043	89,761	7,296	12,786	-	-	226,291	138,595	364,886
4.8	Health and Social Services	-	-	-	393,280	132,314	22,794	27,482	-	-	560,228	15,642	575,870
5	**Other**	**-**	**-**	**-**	**208,399**	**198,013**	**54,088**	**3,561**	**-**	**1,693,815**	**1,649,320**	**508,556**	**2,157,876**
6	**Total**	**7,508,623**	**-**	**5,932,449**	**15,516,017**	**5,999,027**	**1,427,902**	**497,056**	**-**	**2,104,744**	**21,916,132**	**17,069,686**	**38,985,818**

(1) Includes risk amounts given before the effect of credit risk mitigation but after the credit conversions

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

II. Explanations on Consolidated Credit Risk (Continued)

Analysis of maturity-bearing exposures according to remaining maturities

	Term To Maturity					
Current Period Exposure Categories	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**Over 1 year**	**Unallocated**
Conditional and unconditional receivablesfrom central governments and Central Banks	9,383,584	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	338	356	37,054	32,471	112,641	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	24,144	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	3,115,699	1,339,918	1,576,443	1,406,850	886,405	-
Conditional and unconditional receivables from corporates	3,000,556	3,759,415	4,460,010	4,200,255	3,997,737	-
Conditional and unconditional receivables from retail portfolios	1,377,269	2,585,876	2,450,404	1,907,528	701,489	-
Conditional and unconditional receivables secured by mortgages	76,128	224,754	229,276	326,972	265,995	-
Past due receivables	6,108	47	-	-	-	243,633
Receivables defined in high risk category by BRSA	-	-	2,442	-	5,619	-
Securities collateralized by mortgages	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-
Short-term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the nature of collective investment undertakings	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	2,537,251
Total[1]	**16,959,682**	**7,910,366**	**8,755,629**	**7,874,076**	**5,994,030**	**2,780,884**

(1) Risk amounts are given as prior to loan reduction and after the loan conversion.

Current Period Exposure Categories	Term To Maturity					
	Up to 1 month	**1-3 months**	**3-6 months**	**6-12 months**	**Over 1 year**	**Unallocated**
Conditional and unconditional receivables from central governments and Central Banks	7,508,623	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	2,540,330	711,214	742,214	1,423,348	515,343	-
Conditional and unconditional receivables from corporates	1,472,402	2,585,030	4,416,742	3,531,399	3,510,444	-
Conditional and unconditional receivables from retail portfolios	466,362	1,503,987	2,113,056	1,099,351	816,271	-
Conditional and unconditional receivables secured by mortgages	103,185	177,262	308,514	312,691	526,250	-
Past due receivables	11,641	745	4,083	-	-	480,587
Receivables defined in high risk category by BRSA	-	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the nature of collective investment undertakings	-	-	-	-	-	-
Other receivables	-	-	-	-	-	2,104,744
General Total[1]	**12,102,543**	**4,978,238**	**7,584,609**	**6,366,789**	**5,368,308**	**2,585,331**

(1) Risk amounts are given as prior to loan reduction and after the loan conversation.

Information on Risk Classifications

In determining the risk weights for the risk classes specified in 6th article of the Regulation on the Measurement and Assesment of Capital Adequacy of Banks, while the international rating scores are taken into account for the entire risk class of receivables from central governments or central banks, for central governments and central banks that are not rated by an International Rating Agency, the country risk classification published by the Organisation for Economic Co-operation and Development (OECD) is taken as basis.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

II. Explanations on Consolidated Credit Risk (Continued)

According to capital adequacy regulations, the use of external rating scores for the risk weight of receivables from banks and intermediary institutions and corporate receivables risk classes is limited to receivables whose counterparties are domiciled abroad. Receivables from counterparties domiciled in the country are included in the capital adequacy calculation by being considered unrated.

For determination of risk weight regarding items that export or issuer rating not included to purchase/sale accounts are firstly considered to export rating, and also issuer's credit rating is considered in the absence of export rating.

The mapping of the ratings given by the international rating agency to risk weights according to credit quality steps and risk classes is shown in the table below:

		Risk Categories				
				Receivables from banks and brokerage houses		
Credit Quality Degrees	Fitch Risk Rating	Receivables from Central Governments or Central Banks	Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	Receivables With Remaining Maturity Less Than 3 Months	Receivables With Remaining Maturity More Than 3 Months	Receivables from corporates
1	AAA					
	AA+					
	AA					
	AA-	0%	20%	20%	20%	20%
2	A+					
	A					
	A-	20%	50%	20%	50%	50%
3	BBB+					
	BBB					
	BBB-	50%	100%	20%	50%	100%
4	BB+					
	BB					
	BB-	100%	100%	50%	100%	100%
5	B+					
	B					
	B-	100%	100%	50%	100%	150%
6	CCC+	150%	150%	150%	150%	150%

Risk Amounts According to Risk Weights:

	Distribution of Risk Weights												
Current Period	0%	10%	20%	20% (Unrated)	35% exposures secured by real estate property	50%	50% (Unrated)	75%	100%	100% (Unrated)	150%	200%	500%	Deducted From Equity
Amount Before Credit Risk Mitigation	10,303,673	-	-	3,628,062	-	97,824	6,827,898	9,068,493	-	19,388,584	102,099	851,169	6,865	1,297,137
Amount After Credit Risk Mitigation	10,306,297	-	-	3,624,752	256,390	97,824	6,832,105	8,147,746	-	17,483,953	43,669	851,169	6,865	1,297,137

	Distribution of Risk Weights												
Prior Period	0%	10%	20%	20% (Unrated)	35% exposures secured by real estate property	50%	50% (Unrated)	75%	100%	100% (Unrated)	150%	200%	500%	Deducted From Equity
Amount Before Credit Risk Mitigation	8,465,963	-	-	3,126,831	92,476	69,041	5,022,464	5,985,435	-	16,026,606	197,002	-	-	950,868
Amount After Credit Risk Mitigation	8,469,909	-	-	3,126,831	92,476	69,041	5,036,554	5,807,677	-	15,697,399	94,723	-	-	950,868

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

II. Explanations on Consolidated Credit Risk (Continue)

Miscellaneous Information Regarding Major Sectors or Counterparty Type

		Loans		
	Current Period	**Significant Increase in Credit Risk (Stage 2)**	**Defaulted (Stage 3)**	**Provision of Expected Credit Losses("TFRS 9") (1)**
1	**Agricultural**	**21,712**	**67,030**	**48,062**
1.1	Farming and Raising Livestock	21,479	64,717	45,784
1.2	Forestry	233	725	708
1.3	Fishing	-	1,588	1,570
2	**Industry**	**53,707**	**201,670**	**190,725**
2.1	Mining and Quarrying	-	55,348	50,432
2.2	Production	53,329	129,626	131,779
2.3	Electricity, Gas, Water	378	16,696	8,514
3	**Construction**	**117,534**	**245,011**	**143,180**
4	**Services**	**108,562**	**234,777**	**181,015**
4.1	Wholesale and Retail Trade	33,452	143,147	129,281
4.2	Hotel and Beverage Service	44	34,108	25,406
4.3	Transportation and Telecommunication	45,281	10,590	9,285
4.4	Financial Institutions	24,652	5	83
4.5	Real Estate and Lending Service	2,768	13,699	1,365
4.6	Self-Employment Service	2,269	20,803	8,998
4.7	Education Service	-	2,262	321
4.8	Health and Social Services	96	10,163	6,276
5	**Other**	**8,337**	**74,423**	**65,915**
	Total	**309,852**	**822,911**	**628,897**

(1) Unindemnified non-cash loans and the provisions related to these loans are not included .

		Loans		
	Prior Period	**Significant Increase in Credit Risk (Stage2)**	**Defaulted (Stage 3)**	**Provision of Expected Credit Losses ("TFRS 9") (1)**
1	**Agricultural**	**77,433**	**129,234**	**85,033**
1.1	Farming and Raising Livestock	74,932	125,997	82,730
1.2	Forestry	2,423	1,345	885
1.3	Fishing	78	1,892	1,418
2	**Industry**	**93,930**	**268,019**	**200,001**
2.1	Mining and Quarrying	17	54,459	42,888
2.2	Production	58,809	192,608	145,440
2.3	Electricity, Gas, Water	35,104	20,952	11,673
3	**Construction**	**154,317**	**369,733**	**171,388**
4	**Services**	**233,843**	**468,188**	**309,076**
4.1	Wholesale and Retail Trade	59,314	235,357	182,521
4.2	Hotel and Beverage Service	67,411	16,075	11,255
4.3	Transportation and Telecommunication	7,950	46,197	35,948
4.4	Financial Institutions	47,069	28	17
4.5	Real Estate and Lending Service	3,129	19,644	949
4.6	Self-Employment Service	18	122,231	59,020
4.7	Education Service	414	15,519	10,052
4.8	Health and Social Services	48,538	13,137	9,314
5	**Other**	**8,570**	**29,697**	**18,268**
	Total	**568,093**	**1,264,871**	**783,766**

(1) Unindemnified non-cash loans and the provisions related to these loans are not included.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

II. Explanations on Consolidated Credit Risk (Continue)

Movements in value adjustments and provisions

Current Period	Opening Balance	Provisions Allocated During the Period	Provision Reversal[2]	Other Adjustments[1]	Closing Balance
Stage 3 Provisions	784,201	155,897	(381,662)	20,821	579,257
Stage 1 and 2 Provisions	121,939	358,589	(306,882)	(7,338)	166,308

(1) Determined according to exchange rate differences, business combinations, acquisitions, and disposals of subsidiaries
(2) Represents the loans written off from the assets amounting to TRY 293,970 for which the Group has allocated 100% provision in the follow-up portfolio, and the sales made from the non-performing loans portfolio are also shown here.

Prior Period	Opening Balance	Provisions Allocated During the Period	Provision Reversal [2]	Other Adjustments[1]	Closing Balance
Stage 3 Provisions	812,691	197,104	(243,922)	18,328	784,201
Stage 1 and 2 Provisions	107,950	211,962	(195,248)	(2,725)	121,939

(1) Determined according to exchange rate differences, business combinations, acquisitions, and disposals of subsidiaries
(2) Represents the loans written off from the assets amounting to TRY 79,369 for which the Group has allocated 100% provision in the follow-up portfolio, and the sales made from the non-performing loans portfolio are also shown here.

Gross and Net Amounts of Specific Loan Provisions by Risk Ratings

	Loans		Other Assets	
31 December 2022	**Gross**	**Net**	**Gross**	**Net**
Provisions for loans and other receivables with limited collectability	10,515	3,172	-	-
Provisions for doubtful loans and other receivables	68,059	10,854	-	-
Provisions for loans and other receivables classified as loss	746,569	237,347	5,487	-
Total	**825,143**	**251,373**	**5,487**	**-**

	Loans		Other Assets	
31 December 2021	**Gross**	**Net**	**Gross**	**Net**
Provisions for loans and other receivables with limited collectability	70,241	21,167	-	-
Provisions for doubtful loans and other receivables	100,077	38,619	-	-
Provisions for loans and other receivables classified as loss	1,089,855	421,323	4,699	-
Total	**1,260,173**	**481,109**	**4,699**	**-**

The bank rates its customers from rate one to five according to the criteria included in the intelligence studies. Loans rated at 1 and 2 represent live loans, and those rated between 3 and 5 comprise non-performing loans. When rating a company, the bank considers debt receiver's revenues, relevant balance sheet analysis, cash flows, operating performance, status witin the industry, its industry expertise, management effectiveness, off-balance sheet risks and general economic and sectoral status.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

II. Explanations on Consolidated Credit Risk (Continue)

Details of Collaterals Held by the Group for Cash and Non-Cash Loan in Active Status

Cash-loans	31 December 2022	31 December 2021
Secured Loans:		
Cash Secured Loans	2,396,152	638,738
Loans Secured by Real Estate Mortgage	2,195,982	1,846,881
Loans Secured by Treasury Guarantee or Public Sector Securities	21,526	26,837
Guarantees Issued by Financial Institutions	7,508	56,956
Other Collaterals (pledges on assets, corporate and personal guarantees, promissory notes)	17,212,638	16,024,507
Unsecured Loans	8,330,065	5,610,857
Total Cash - Loans	**30,163,870**	**24,204,776**

Non-cash loans	31 December 2022	31 December 2021
Secured Loans:		
Cash Secured Loans	344,720	270,875
Loans Secured by Real Estate Mortgage	335,013	231,565
Loans Secured by Treasury Guarantee or Public Sector Securities	7,829	5,334
Guarantees Issued by Financial Institutions	730	714
Other Collaterals (pledges on assets, corporate and personal guarantees, promissory notes)	8,391,732	6,456,841
Unsecured Loans	753,100	1,782,811
Total non-cash loans	**9,833,124**	**8,748,270**

Information on Collaterals for Non-Performing Receivables

Current Period	Corporate/Commercial Loans	Consumer Loans	Credit Cards	Total
Cash	1,124	-	-	1,124
Mortgage	186,499	3,394	451	190,344
Pledge	-	-	-	-
Checks and Notes	-	-	-	-
Other	379,656	438	4,484	384,578
Unsecured	247,873	6,239	472	254,584
Total	**815,152**	**10,071**	**5,407**	**830,630**

Prior Period	Corporate/Commercial Loans	Consumer Loans	Credit Cards	Total
Cash	97	-	-	97
Mortgage	410,091	5,121	670	415,882
Pledge	-	-	-	-
Checks and Notes	6,579	-	-	6,579
Other	519,995	655	7,328	527,978
Unsecured	307,818	5,398	1,119	314,335
Total	**1,244,580**	**11,174**	**9,117**	**1,264,871**

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

II. Explanations on Consolidated Credit Risk (Continue)

Regional concentration of impaired loans and receivables

Regional	31 December 2022	31 December 2021
Türkiye	778,591	1,213,371
Holland	52,039	42,874
Switzerland	-	8,627
Total	**830,630**	**1,264,872**

Past due but not yet impaired loans and receivables

	31 December 2022	31 December 2021
Group 1: Low-risk loans and receivables	16,890	9,819
Group 2: Loans and receivables under close monitoring	9,880	15,580
Total	**26,770**	**25,399**
Restructured Loans	21,282	-
Total	**48,052**	**25,399**

Aging of past due but not yet impaired loans and receivables

	31 December 2022	31 December 2021
0-30 days	11,376	19,622
30-60 days	5,884	3,191
60-90 days	3,100	1,781
90-180 days	27,692	805
Total	**48,052**	**25,399**

Non-overdue and unimpaired loans and receivables

	31 December 2022	31 December 2021
Group 1: Low-risk loans and receivables	31,178,930	23,560,481
Group 2: Loans and receivables under close monitoring	97,201	267,253
Total	**31,276,131**	**23,827,734**
Restructured Loans	181,489	351,643
Total	**31,457,620**	**24,179,377**

III. Explanations on Consolidated Market Risk

The risk policies and implementation procedures determined for the market risk to which the Parent Bank is exposed are approved by the Board of Directors and are reviewed regularly. Market risk is managed by measuring and limiting risks in accordance with international standards, allocating capital accordingly, and also by risk mitigation through hedging transactions.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

III. Explanations on Consolidated Market Risk (Continued)

In the measurement of market risk related to portfolios held for trading purposes, the 'standard method' and the 'value at risk (VAR) method' are used. Measurements made within the scope of the standard method are carried out monthly and are taken into account in the calculation of capital adequacy. Measurements made within the scope of VAR calculations are carried out on a daily basis. VAR is calculated using three different methods: Historical Simulation, Monte Carlo Simulation, and Parametric Method. The Bank bases its internal management of market risk and the determination of limits on the VAR results of the Monte Carlo simulation.

Calculations made with the other two methods are used for comparison and monitoring purposes. A one-year historical market data set is used in the VAR calculation, considering a 99% confidence interval and a one-day holding period (10 days for legal capital calculation). Backtesting is performed to measure the reliability of the VAR model. Stress tests and scenario analyses are applied to ensure that the VAR calculations can also reflect large-scale market fluctuations.

In addition to VAR limits, there are also transaction, trader, desk, and stop-loss limits approved by the Board of Directors for the trading portfolio in limiting market risk.

The details of the market risk calculated as of 31 December 2022, in accordance with the principles set out in the third section 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, are provided in the table below.

Market risk under standardised approach

		RWA
	Outright Products	
1	Interest rate risk (general and specific)	2,153,638
2	*Equity risk (general and specific)*	80,800
3	*Foreign Exchange Risk*	714,412
4	Commodity Risk	-
	Options	
5	*Simplified approach*	-
6	*Delta-plus method*	94,363
7	*Scenario approach*	-
8	*Securization*	-
9	**Total**	**3,043,213**

IV. Explanations on Consolidated Operational Risk

The amount subject to operational risk has been calculated according to the basic indicator approach in accordance with Article 25 of the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks. Annual gross income consists of the sum of net interest income and net non-interest income realized as of the year-end. In the calculation of annual gross income, operating expenses related to the incomes included in the calculation, including provisions and payments made to persons or institutions from which the bank receives support services, are not deducted. Income from the sale of securities monitored outside the trading account, extraordinary income, and income from amounts indemnified by insurance are not included in the annual gross income.

	2019	**2020**	**2021**	**Total/Total number of years for which gross income is positive**	**Ratio (%)**	**Total**
Gross Income	1,426,222	1,240,904	1,721,378	1,462,835	15	219,425
Amount subject to operational risk (Total*12.5)						2,742,815

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

V. Explanations on Consolidated Curenncy 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 31 December 2022, 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.

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	**18.6983**	**19.9349**
Prior balance sheet date		
Spot foreign exchange purchase rate of first day	18.6966	19.8816
Spot foreign exchange purchase rate of second day	18.6964	19.8946
Spot foreign exchange purchase rate of third day	18.6813	19.9087
Spot foreign exchange purchase rate of fourth day	18.6649	19.8324
Spot foreign exchange purchase rate of fifth day	18.6592	19.8044
The basic arithmetical average of last 30 days	**18.6406**	**19.7344**

a) 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 31 December 2022 and 31 December 2021, 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.

	31 December 2022		31 December 2021	
	Statement of profit and loss	Equity[(1)]	Statement of profit and loss	Equity[(1)]
US Dollar	14,504	(71)	69,461	59,726
Euro	(89,478)	(89,465)	(50,904)	(50,739)
Other currencies	(9,075)	(9,075)	157	157
Total, net	**(84,049)**	**(98,611)**	**18,714**	**9,144**

(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)

V. Explanations on Consolidated Currency Risk (Continued)

Information on consolidated currency risk

Current Period	Euro	US Dollar	Other	Total
Assets				
Cash and Balances with CBRT	1,182,784	3,033,751	806,391	5,022,926
Banks	4,468,240	2,905,980	219,908	7,594,128
Financial Assets Measured at Fair Value through				
Profit or Loss (Net)	4,886	40,751	-	45,637
Interbank Money Market Placements	133,851	224,372	-	358,223
Financial Assets Measured at Fair Value				
Through Other Comprehensive Income	629,490	1,033,648	-	1,663,138
Loans[(1)]	5,059,415	7,792,167	755,033	13,606,615
Investments in Associates, Subsidiaries and				
Joint Ventures (Business Partners)	-	-	-	-
Financial Assets Measured at Amortized Cost	1,104,959	514,514	-	1,619,473
Tangible Assets	10,604	163	-	10,767
Intangible Assets	-	-	-	-
Others[(3)]	88,224	29,110	2	117,336
Total Assets	**12,682,453**	**15,574,456**	**1,781,334**	**30,038,243**
Liabilities				
Bank Deposits	130	10	16	156
Foreign Currency Deposits	10,552,994	10,539,815	822,026	21,914,835
Money market funds	730,057	392,958	21,392	1,144,407
Loans received	1,362,541	2,231	-	1,364,772
Securities issued	-	-	-	-
Lease Liabilities	7,313	164	-	7,477
Other Liabilites[(3)(4)]	92,483	70,174	218	162,875
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 [(2)(4)]	893,283	1,785,092	34,302	2,712,677
Prior Period	**Euro**	**US Dollar**	**Other**	**Total**
Total Assets	9,364,179	12,231,588	1,184,230	22,779,997
Total Liabilities	9,597,379	14,622,008	1,054,895	25,274,282
Net on-Balance Sheet Position	**(233,200)**	**(2,390,420)**	**129,335**	**(2,494,285)**
Net off-Balance Sheet Position	**(274,187)**	**2,987,678**	**(127,761)**	**2,585,730**
Financial Derivative Assets	4,941,667	7,870,693	401,621	13,213,981
Financial Derivative Liabilities	5,215,854	4,883,015	529,382	10,628,251
Non-cash loans[(2)(4)]	1,897,505	3,324,308	19,135	5,240,948

(1) Foreign currency-indexed loans amounting to TRY 5,537, which are tracked within the TRY accounts in the accompanying financial statements, are included in the position.

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

(3) The foreign exchange income rediscount of TRY 386,504 and the two-day value commitments of TRY 1,766 related to derivative financial instruments are not included in other assets, and the foreign exchange expense rediscount of TRY 299,906 is not included in other liabilities.

(4) Provisions for non-cash loans amounting to TRY 1,546 are included in the other liabilities item.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

VI. 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	3,126,882	-	-	-	-	2,902,017	6,028,899
Banks[5]	6,500,905	-	-	-	-	1,315,813	7,816,718
Financial Assets Measured 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 Measured 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	38,292	-	1,935,605	1,135,170	254,397	-	3,363,464
Other Assets	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
Miscellaneous Payables	-	-	-	-	-	-	-
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	**22,541,061**	**14,781,590**	**23,077,523**	**7,915,527**	**2,361,843**	**(11,896,425)**	**58,781,119**

(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)

VI. 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	3,957,221	-	-	-	-	2,128,449	6,085,670
Banks[5]	2,263,103	-	-	-	-	2,330,078	4,593,181
Financial Assets Measured at Fair Value Through Profit or Loss	-	512	68,425	3,252	5,379	-	77,568
Interbank Money Market Placements	115,135	-	49,794	-	-	-	164,929
Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	-	367,942	183,211	788,198	37,854	1,377,205
Loans[4][5]	3,196,512	4,783,394	13,429,817	2,846,845	610,905	464,392	25,331,865
Financial Assets Measured at Amortized Cost [5]	546,239	95,069	39,086	2,220,793	353,354	-	3,254,541
Other Assets [1]	1,191,286	224	36,850	-	363	1,280,308	2,509,031
Total Assets	**11,269,496**	**4,879,199**	**13,991,914**	**5,254,101**	**1,758,199**	**6,241,081**	**43,393,990**
Liabilities							
Bank Deposits	102,590	298	-	-	-	126	103,014
Other Deposits	19,223,032	5,751,196	1,408,264	782,417	24,807	6,109,627	33,299,343
Funds from Interbank Money Market	1,838,764	222,885	145,507	-	-	-	2,207,156
Marketable Securities Issued	-	-	-	-	-	-	-
Loans received[3]	572,954	173,336	338,153	535,798	-	-	1,620,241
Other liabilties[2]	470,013	607	19,902	41,160	38,295	5,594,259	6,164,236
Total Liabilities	**22,207,353**	**6,148,322**	**1,911,826**	**1,359,375**	**63,102**	**11,704,012**	**43,393,990**
Balance Sheet Long Position	-	-	12,080,088	3,894,726	1,695,097	-	17,669,911
Balance Sheet Short Position	(10,937,857)	(1,269,123)	-	-	-	(5,462,931)	(17,669,911)
Off-Balance Sheet Long Position	6,070,201	844,487	1,781,671	150,867	-	-	8,847,226
Off-Balance Sheet Short Position	(11,799,521)	(913,672)	(2,731,167)	(256,664)	-	-	(15,701,024)
Total Position	**(16,667,177)**	**(1,338,308)**	**11,130,592**	**3,788,929**	**1,695,097**	**(5,462,931)**	**(6,853,798)**

(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)

VI. Explanations On Consolidated Interest Rate Risk (Continued)

Average interest rates on monetary financial instruments

Current Period	Euro %	US Dollar %	Yen %	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	-	-	-	-
Marketable Securities Issued	-	-	-	-
Loans Received	2.69	6.26	-	19.69

Prior Period	Euro %	US Dollar %	Yen %	TRY %
Assets:				
Cash and Balances with CBRT	-	-	-	12.50
Receivables from Banks and Other Financial Institutions	-	0.01	-	-
Financial Assets Measured at Fair Value Through Profit or Loss	4.98	7.01	-	20.02
Interbank Money Market Placements	0.09	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	(0.38)	5.31	-	-
Loans	2.58	3.42	-	24.82
Financial Assets Measured at Amortized Cost	1.00	5.21	-	15.95
Liabilities				
Bank Deposits	-	-	-	14.91
Other Deposits	0.40	0.72	-	16.79
Funds From Interbank Money Market	(0.20)	1.05	-	14.00
Other Liabilities	-	-	-	-
Securities Issued	-	-	-	-
Loans Received	(0.15)	2.64	-	15.95

Interest rate risk on banking book:

Interest rate risk arising from banking accounts is evaluated within the framework of repricing risk, yield curve risk, basis risk, and optionality risk, measured in accordance with international standards, and managed by risk mitigation through limiting and hedging transactions. The sensitivity of assets, liabilities, and off-balance sheet items to interest rates is evaluated in weekly Asset-Liability Committee meetings, taking into account market developments.

The interest rate risk measurement process arising from banking accounts is designed and implemented to includes the interest rate positions defined by the Bank as banking accounts and to take into account the relevant repricing and maturity data.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

VI. Explanations on Consolidated Interest Rate Risk (Continued)

In the scope of monitoring repricing risk arising from maturity mismatch, duration gap, gap by maturity bucket, and sensitivity analyses are used. Duration-gap and sensitivity analyses are performed on a weekly basis.

In the duration-gap analysis, the present values of interest-sensitive assets and liabilities are calculated using the cash flows of these items and the yield curves constructed using market interest rates.

These results are supported by periodic sensitivity and scenario analyses conducted against potential market fluctuations.

The interest rate risk on banking book is measured legally as per the "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" published in the Official Gazette No. 28034 dated 23 August 2011, and the legal limit as per this measurement is monitored and reported monthly. A proportional level of capital is maintained for the interest rate risk arising from banking books.

The interest rate risk related to interest-sensitive financial instruments in the trading portfolio is considered within the scope of market risk.

	Type of Currency	Shocks Applied (+/- x basis point)	Gains / Losses	Gains / Equity - Losses / Equity
1	TRY	(+) 500bp	(42,508)	(0.61%)
2	TRY	(-) 400bp	37,242	0.53%
3	USD	(+) 200bp	(9,945)	(0.14%)
4	USD	(-) 200bp	11,060	0.16%
5	EURO	(+) 200bp	11,199	0.16%
6	EURO	(-) 200bp	(11,620)	(0.17%)
	Total (of Negative Shocks)		**36,682**	**0.53%**
	Total (of Positive Shocks)		**(41,254)**	**(0.59%)**

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

None.

VIII. 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.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

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

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.

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.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

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

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)

VIII. 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			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.

Current 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%

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

VIII. Explanations on Consolidated Liquity 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			7,382,315	6,145,026
Cash Outflows			-	-
Retail and customer deposits	17,496,300	10,096,738	1,614,623	992,730
Stable deposits	2,705,431	224,916	135,258	10,106
Less stable deposits	14,790,869	9,871,822	1,479,365	982,624
Unsecured funding other than retail and small business customers deposits	13,039,188	9,194,161	6,140,288	3,899,460
Operational deposits	-	-	-	-
Non-Operational deposits	12,121,424	8,993,104	5,272,713	3,710,240
Other unsecured funding	917,764	201,057	867,575	189,220
Secured funding			116,047	116,047
Other cash outflows	106,841	596,934	106,805	609,195
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	106,841	596,934	106,805	609,195
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	349,973	349,973	17,496	17,496
Other irrevocable or conditionally revocable commitments	7,181,786	3,879,664	749,940	520,112
TOTAL CASH OUTFLOWS			**8,745,199**	**6,155,040**
Cash Inflows	-	-	-	-
Secured lending transactions	65,636	-	-	-
Unsecured lending transactions	4,705,641	2,996,122	3,681,594	2,739,571
Other cash inflows	131,453	787,766	131,460	809,219
TOTAL CASH INFLOWS	**4,902,730**	**3,783,888**	**3,813,054**	**3,548,790**
			Max limit applied values	
TOTAL HQLA STOCK			**7,382,315**	**6,145,026**
TOTAL NET CASH OUTFLOWS			**4,932,146**	**2,620,247**
LIQUIDITY COVERAGE RATIO (%)			**149.68**	**234.52**

(*) 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	195.11%	29 December 2021	121.50%	30 November 2021	152.06%
FC	377.26%	29 December 2021	175.72%	16 December 2021	243.37%

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 includes 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)

VIII. 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, 69% are accounts held at the CBRT, 26% 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, 76% of the funding sources consist of deposits, 5% of loans, and 19% of borrowings from money markets. Cash outflows comprise 80% unsecured fundings, 2% 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, 54% of the Bank's time deposits consist of individual customers, 3% of retail customers, 40% of other individual customers, and 4% 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)

VIII. 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	2,902,018	3,126,881	-	-	-	-	-	6,028,899
Receivables from Banks and Other Financial Institutions	1,315,786	6,500,932	-	-	-	-	-	7,816,718
Financial Assets Measured 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 Measured at Fair Value through Other Comprehensive Income	112,033	206,479	111,035	150,128	905,244	1,045,986	-	2,530,905
Loans[3][4]	-	4,436,443	7,436,797	14,890,791	4,053,292	529,970	243,635	31,590,928
Financial Assets Measured at Fair Value Through Amortized Cost	-	38,292	-	1,935,605	1,135,170	254,397	-	3,363,464
Other Assets	-	668,978	274,082	229,325	78,324	21,484	1,289,489	2,561,682
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**
Liabilites:								
Bank Deposits	158	40,863	-	-	-	-	-	41,021
Other Deposits	10,045,558	17,305,318	10,175,794	3,277,240	931,126	17,171	-	41,752,207
Loans received[2]	-	1,228,610	23,481	1,036,748	287,332	-	-	2,576,171
Money Market Borrowings	-	899,973	521,865	94,049	-	-	-	1,515,887
Marketable Securities Issued	-	-	-	-	-	-	-	-
Other Liabilites	-	283,627	75,407	171,100	79,367	53,656	8,204,052	8,867,209
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**
Liquidity Gap	**(5,715,879)**	**(3,971,907)**	**(2,973,467)**	**12,632,363**	**4,894,635**	**1,805,183**	**(6,670,928)**	**-**

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	5,589,903	7,773,497	7,806,125	13,913,295	5,319,547	1,759,454	1,232,169	43,393,990
Total Liabilities	6,213,554	21,137,938	7,372,779	1,749,396	1,359,508	63,102	5,497,713	43,393,990
Net Liquidity Gap	(623,651)	(13,364,441)	433,346	12,163,899	3,960,039	1,696,352	(4,265,544)	-

(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.

Maturity distribution of derivative financial instruments held for trading purposes

The Group's derivative financial instruments includes forward trading, swap, and option transactions. The table below shows the distribution of the nominal amounts of derivative financial instruments by maturity. The nominal amounts of derivative instruments represent the amount of the underlying asset, benchmark interest rate, or index subject to the derivative transaction and serve as the basis for measuring changes in the value of the derivative transaction. The nominal amounts of derivative instruments reflect the volumes of transactions existing at year-end and do not represent any credit risk or market risk.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

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

Derivative financial instruments held for trading purposes (at amounts specified in the contract)

Current Period	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Total
Forward Foreign Currency buying	1,100,144	1,208,116	1,366,700	-	-	3,674,960
Forward Foreign Currency selling	1,084,353	1,149,051	1,242,792	-	-	3,476,196
Swap contracts buying	8,853,622	1,222,794	39,734	2,292,514	124,010	12,532,674
Swap contracts selling	8,864,077	1,221,508	37,396	2,433,867	126,233	12,683,081
Interest rate swap buying	60,000	500,000	850,000	-	438,568	1,848,568
Interest rate swap selling	60,000	500,000	850,000	-	438,568	1,848,568
Options buying	2,740,343	6,513,708	1,669,718	-	-	10,923,769
Options selling	2,617,595	6,419,004	1,632,822	-	-	10,669,421
Total	**25,380,134**	**18,734,181**	**7,689,162**	**4,726,381**	**1,127,379**	**57,657,237**

Prior Period	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Total
Forward Foreign Currency buying	1,288,531	707,073	211,839	66,806	-	2,274,249
Forward Foreign Currency selling	1,309,860	753,675	214,414	50,381	-	2,328,330
Swap contracts buying	4,216,525	709,208	511,171	1,282,370	145,685	6,864,959
Swap contracts selling	4,120,524	742,774	527,960	1,368,437	139,797	6,899,492
Interest rate swap buying	125,000	300,000	1,300,000	1,610,000	160,000	3,495,000
Interest rate swap selling	125,000	300,000	1,300,000	1,610,000	160,000	3,495,000
Options buying	582,101	1,065,301	999,823	2,602,582	-	5,249,807
Options selling	427,187	968,558	851,272	3,111,798	-	5,358,815
Total	**12,194,728**	**5,546,589**	**5,916,479**	**11,702,374**	**605,482**	**35,965,652**

Information on securitisation position

None.

Informations on Credit Risk Mitigation Techniques

The bank applies credit risk mitigation according to the comprehensive financial collateral method, where the effects of risk mitigation are calculated based on the volatility-adjusted values of financial collateral, in accordance with Article 34 of the "Communiqué on Credit Risk Mitigation Techniques" ("Communiqué").

In credit risk mitigation, cash or similar assets and debt instruments with high credit quality grades are used.

Volatility adjustments related to the receivable, collateral, and currency mismatch of the collateral are made using the standard volatility adjustment approach specified in Article 37 of the Communiqué.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

IX. 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 9.57% (31 December 2021: 8.28%) 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)	56,186,293	39,950,900
(Assets deducted from core capital)	(79,649)	(35,275)
Total risk amount for assets on the balance sheet	56,106,644	39,915,625
Derivative Financial Instruments and Loan Derivatives		
Renewal cost of derivative financial instruments and loan derivatives	551,761	775,733
Potential credit risk amount of derivative financial instruments and loan derivatives	275,395	120,026
Total risk amount of derivative financial instruments and loan derivatives	827,156	895,759
Financing Transactions with Securities or Goods Warranties		
Risk amount of financial transactions with securities or good warranties (excluding those in the balance sheet)	3,016,633	766,663
Risk amount arising from intermediated transactions	-	-
Total risk amount of financing transactions with securities or goods warranties	3,016,633	766,663
Off-Balance Sheet Commitments		
Gross nominal amount of the off-the-balance sheet transactions	6,721,155	6,229,579
Adjustment amount arising from multiplying by the credit conversion rate	-	-
Total risk amount for off-the-balance sheet transactions	6,721,155	6,229,579
Capital and Total Risk		
Core capital	6,374,864	3,942,758
Total risk amount	66,671,588	47,807,626
Leverage Ratio	**9.57**	**8.28**

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

X. 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.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

X. Explanations on Consolidated Risk Management (Continued)

Explanations on risk management and risk weighted amount

		Risk Weighted Amounts		Minimum Capital Requirements
		31 December 2022	31 December 2021	31 December 2022
1	**Credit risk (excluding counterparty credit risk)**	**29,676,581**	**23,405,778**	**2,374,126**
2	Standardised approach	29,676,581	23,405,778	2,374,126
3	Internal rating-based approach	-	-	-
4	**Counterparty credit risk**	**945,521**	**652,960**	**75,642**
5	Standardised approach for counterparty credit risk	945,521	652,960	75,642
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	-	7	-
12	Securitisation exposures in banking book	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	**Market risk**	**3,043,213**	**2,232,938**	**243,457**
17	Standardised approach	3,043,213	2,232,938	243,457
18	Internal model approaches	-	-	-
19	**Operational risk**	**2,742,815**	**2,462,619**	**219,425**
20	Basic indicator approach	2,742,815	2,462,619	219,425
21	Standardised 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)**	**36,408,130**	**28,754,302**	**2,912,650**

Explanations on Consolidated Credit Risk

a. Credit Quality of Assets

		The gross amount evaluated in accordance with TAS in the financial statements prepared according to legal consolidation		Provisions / Amortisation and Impairments	Net values (a+b-c)
		Defaulted Exposures	Non-defaulted Exposures		
1	Loans	830,630	31,497,210	(745,565)	31,582,275
2	Debt securities	-	6,234,520	(288,731)	5,945,789
3	Off-balance sheet receivables	-	14,355,366	(10,265)	14,345,101
4	**Total**	**830,630**	**52,087,096**	**(1,044,561)**	**51,873,165**

b. Changes in Stock of Defaulted Loans and Debt Securities

1	**Defaulted loans and debt securities at end of the previous reporting period**	**1,264,872**
2	Loans and debt securities that have defaulted since the last reporting period	267,239
3	Returned to non-defaulted status	415,228
4	Amounts written off from assets	293,970
5	Other Changes (*)	7,717
6	**Defaulted loans and debt securities at end of the reporting period end (1+2+3+4+5)**	**830,630**

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

X. Explanations on Consolidated Risk Management (Continued)

c. Credit Risk Mitigation Techniques- Overview

		Exposures unsecured: carrying amount	Exposures secured by collaterals	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1	Loans	51,588,419	3,669,022	2,623,896	3,736	2,624	-	-
2	Debt Securities	1,744,224	-	-	-	-	-	-
3	**Total**	**53,332,643**	**3,669,022**	**2,623,896**	**3,736**	**2,624**	**-**	**-**
4	Defaulted	236,154	13,634	955	-	-	-	-

d. Standardised Approach-Credit Risk Exposure and Credit Risk Mitigation (CRM) Effects

		Exposures before CCF and CRM		Exposures post CCF and CRM		Risk weighted amount and risk weighted amount density	
	Exposure Categories	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted Amount	Risk Weighted Amount density
1	Exposures to central governments or central banks	9,383,584	-	9,386,208	-	48,912	1%
2	Exposures to regional governments or local authorities	182,860	-	182,860	-	91,430	50%
3	Exposures to public sector entities	24,144	-	24,144	-	24,144	100%
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to institutions	8,032,690	1,869,489	8,032,690	292,625	3,223,758	39%
7	Exposures to corporates	14,706,277	7,200,399	12,832,545	4,711,696	17,671,978	101%
8	Retail exposures	7,618,890	3,783,893	6,876,692	1,403,676	6,268,944	76%
9	Exposures secured by residential property	257,019	22,629	248,449	8,428	92,171	36%
10	Exposures secured by commercial real estate	780,767	144,185	780,767	76,911	485,297	57%
11	Past-due loans	249,788	-	248,832	-	240,115	96%
12	Higher-risk categories by the Agency Board	8,061	-	6,996	-	10,494	150%
13	Exposures in the form of covered bonds	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings	-	-	-	-	-	-
16	Other assets	2,537,251	-	2,537,251	-	1,519,338	60%
17	Investment in equities	-	-	-	-	-	-
18	**Total**	**43,781,331**	**13,020,595**	**41,157,434**	**6,493,336**	**29,676,581**	**62%**

e. Standardised approach – Exposures by asset classes and risk weights

Exposure Categories / Risk weights	0%	20% (Unrated)	35% Secured by real estate	50%	50% (Unrated)	75%	100%	150%	200%	500%	Total credit risk exposure amount (After CCF and CRM)
Exposures to central governments or central banks	9,288,384	-	-	97,824	-	-					9,386,208
Exposures to regional governments or local authorities	-	-	-	-	182,860	-					182,860
Exposures to public sector entities	-	-	-	-	-	-	24,144	-			24,144
Exposures to multilateral development banks	-	-	-	-	-	-	-	-			-
Exposures to international organizations	-	-	-	-	-	-	-	-			-
Exposures to banks and financial intermediaries	-	3,129,666	-	-	5,195,649	-	-	-			8,325,315
Exposures to corporates	-	495,086	-	-	654,726	-	15,543,260	-	851,169		17,544,241
Retail exposures	-	-	-	-	-	8,147,746	126,244	-		6,378	8,280,368
Exposures secured by residential property	-	-	256,390	-	-	-	-	-		487	256,877
Exposures secured by commercial real estate	-	-	-	-	744,763	-	112,915	-			857,678
Past-due loans	-	-	-	-	54,107		158,052	36,673			248,832
Higher Risk categories by the Agency Board	-	-	-	-	-	-	-	6,996			6,996
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-			-
Exposures to institutions and corporates with a short-term credit assessments	-	-	-	-	-	-	-	-			-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-			-
Investments in equities	-	-	-	-	-	-	-	-			-
Other assets	1,017,913	-	-	-	-	-	1,519,338	-			2,537,251
Total	**10,306,297**	**3,624,752**	**256,390**	**97,824**	**6,832,105**	**8,147,746**	**17,483,953**	**43,669**	**851,169**	**6,865**	**47,650,770**

SECTION FOUR: INFORMATION RELATED TO FINANCIAL S AND RISK MANAGEMENT OF THE GROUP (Continued)

X. Explanations on Consolidated Risk Management(Continued)

Explanations on Consolidated Counterparty Credit Risk (CCR)

a. Analysis of counterparty credit risk (CCR) exposure by approach

		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	Risk weighted amount
1	Standardised Approach - CCR (For Derivatives)	466,044	602,857		1.4	1,068,901	788,119
2	Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					43,060	9,822
5	Value at Risk for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	**Total**						**797,941**

b. Capital charge for credit valuation adjustment (CVA)

		Risk Amount (After Using Credit Risk Reducing Techniques)	Risk weighted assets
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk component (Including the 3* multiplier)		-
2	(ii) Stressed Value at Risk component (Including the 3* multiplier)		-
3	All portfolios subject to the Standardised CVA capital charge	1,068,901	147,572
4	**Total subject to the CVA capital charge**	**1,068,901**	**147,572**

Counterparty credit risk is calculated for repo transactions, securities and commodities lending transactions, and derivative transactions. In the calculation of counterparty credit risk, the Fair Value Valuation Method is used within the framework of Appendix-2 of the 'Regulation on the Measurement and Evaluation of Capital Adequacy of Banks'. For derivative transactions, the sum of the replacement cost and the potential credit risk amount is considered as the risk amount. Replacement costs are calculated by valuing the contracts at their fair value, while the potential credit risk amount is calculated by multiplying the contract amounts by the credit conversion factors specified in the appendix of the regulation.

SECTION FOUR: Explanations Related to Financial Structure and Risk Management (Continued)

X. Explanations on Consolidated Risk Management(Continued)

Explanations on Consolidated Counterparty Credit Risk (CCR) (Continued)

c. Standard Approach - Counterparty Credit Risk (CCR) by Risk Classes and Risk Weights

Risk weights / Risk classes	0%	10%	20%	35%	50%	75%	100%	150%	Other	Credit Risk Exposures
Exposures to central governments and central banks	26,682	-	-	-	-	-	-	-	-	26,682
Exposures to regional or local governments	-	-	-	-	-	-	-	-	-	-
Exposures to administrative units and non-commercial enter prises	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
Exposures to banks and financial intermediaries	-	-	122,500	-	212,200	-	-	-	35,077	369,777
Exposures to corporates	-	-	1,397	-	-	-	525,974	-	-	527,371
Retail exposures	-	-	-	-	-	185,748	-	-	-	185,748
Exposures secured by commercial real estate	-	-	-	1,671	177	535	-	-	-	2,383
Past-due loans	-	-	-	-	-	-	-	-	-	-
Higher Risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-
Securitization positions in banking accounts	-	-	-	-	-	-	-	-	-	-
1. Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-
2. Exposures in the form of units or shares in Collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	**26,682**	**-**	**123,897**	**1,671**	**212,377**	**186,283**	**525,974**	**-**	**35,077**	**1,111,961**

d. Composition of colleteral for CCR exposure

	Collateral used in derivative transactions				Collateral used in other transactions	
	Collateral Taken		Collateral Given		Collateral	Collateral
	Segregated	Unsegregated	Segregated	Unsegregated	Received	Given
Cash – domestic currency	-	-	-	-	281,645	454,677
Cash – other currencies	-	-	-	-	602,852	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collaterals	-	-	-	-	-	-
Total	-	-	-	-	**884,497**	**454,677**

SECTION FOUR: EXPLANATIONS RELATED to FINANCIAL STRUCTURE and RISK MANAGEMENT (Continued)

X. Explanations on Consolidated Risk Management(Continued)

Explanations on Consolidated Counterparty Credit Risk (CCR) (Continued)

e. Risks to the Central Counterparty ("CCP")

		Risk Amount After CRM	Risk Weighted Amounts
1	**Total risks arising from transactions to qualified CCP**		**5,703**
2	Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-
3	(i) OTC derivative financial instruments	-	-
4	(ii) Other derivative financial instruments	1,460	182
5	(iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	36,630	4,579
6	(iv) Netting groups to which cross product netting is applied	-	
7	Reserved initial margin	-	
8	Unreserved initial margin	-	-
9	Paid guarantee fund amount	7,539	942
10	Unpaid guarantee fund commitment	-	
11	**Total risks arising from transactions with non-qualified CCPs**		-
12	Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-
13	(i) OTC derivative financial instruments	-	-
14	(ii) Other derivative financial instruments	-	-
15	(iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
16	(iv) Netting groups to which cross product netting is applied	-	-
17	Reserved initial margin	-	
18	Unreserved initial margin	-	-
19	Paid guarantee fund amount	-	-
20	Unpaid guarantee fund commitment	-	-

SECTION FOUR: EXPLANATIONS RELATED to FINANCIAL STRUCTURE and RISK MANAGEMENT (Continued)

X. Explanations on Consolidated Risk Management(Continued)

Explanations on Consolidated Counterparty Credit Risk (CCR) (Continued)

f. Differences and Reconciliation Between Accounting Consolidation and Regulatory Consolidation Scope

	Carrying values in financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk	Subject to market risk	Considered in equity calculations	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and cash equivalents	14,648,427	14,648,427	-	-	-	-
Financial assets measured at fair value through profit or loss	51,420	-	-	51,420	-	-
Financial assets measured at fair value through other comprehensive income	2,530,905	-	-	2,530,905	-	-
Financial assets measured at amortised cost	3,378,607	-	3,378,607	-	-	-
Derivative financial assets	781,837	-	781,837	-	-	-
Non-performing loans	-	-	-	-	-	-
Allowances for Expected Credit Losses (-)	5,669	-	-	-	-	5,669
Loans (Net)	30,226,075	30,226,075	-	-	-	-
Loans	30,986,781	30,986,781	-	-	-	-
Lease receivables	-	-	-	-	-	-
Factoring Receivales	1,349,710	1,349,710	-	-	-	-
Non-performing loans	830,630	830,630	-	-	-	-
Allowances for Expected Credit Losses (-)	760,706	760,706	-	-	-	-
Assets held for sale and assets of discontinued operations (net	218,226	218,226	-	-	-	-
Equity investments	-	-	-	-	-	-
Tangible assets (net)	888,321	888,321	-	-	-	-
Intangible assets (net)	71,224	71,224	-	-	-	-
Investment property (net)	-	-	-	-	-	-
Tax assets	4,693	4,693	-	-	-	-
Deferred tax assets	3,961	3,961	-	-	-	-
Other assets	593,420	593,420	-	-	-	-
Total Assets	**54,752,495**	**48,004,057**	**4,160,444**	**2,582,325**		**5,669**
Liabilities						
Deposits	41,793,228	-	-	-	-	41,793,228
Funds borrowed	2,576,171	-	-	-	-	2,576,171
Interbank money markets	1,515,887	-	1,515,887	-	-	-
Marketable securities issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Financial liabilities measured at fair value through profit or loss	-	-	-	-	-	-
Derivative financial liabilities	308,629	-	-	-	-	308,629
Factoring payables	48	-		-	-	48
Lease payables	137,409	-	-	-	-	137,409
Provisions	213,149	-	-	-	-	213,149
Tax liability	218,245	-	-	-	-	218,245
Deferred tax liabilities	55,906	-	-	-	-	55,906
Liabilities held for sale and liabilities of discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-
Other liabilities	1,018,987	-	-	-	-	1,018,987
Shareholders' equity	6,914,836	-	-	-	6,914,836	-
Total Liabilites	**54,752,495**	**-**	**1,515,887**	**-**	**6,914,836**	**46,321,772**

SECTION FOUR: EXPLANATIONS RELATED to FINANCIAL STRUCTURE and RISK MANAGEMENT (Continued)

X. Explanations on Consolidated Risk Management (Continued)

Explanations on Consolidated Counterparty Credit Risk (CCR) (Continued)

g. The main sources of differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

		Total	Subject to credit risk	Subject to securitization	Subject to counterparty credit risk	Subject to market risk
1	**Asset carrying value amount under scope of regulatory consolidation**	61,495,264	54,752,495		4,160,444	2,582,325
2	Liabilities carrying value amount under regulatory scope of consolidation	-	-	-	-	-
3	**Total net amount under regulatory scope of consolidation**	**61,495,264**	**54,752,495**		**4,160,444**	**2,582,325**
4	Off-balance sheet amounts	73,085,786	14,304,667		58,781,119	-
5	Differences in valuations					
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to applications of BRSA	-	-	-	-	-
9	**Differences due to risk mitigation**	**134,581,050**	**69,057,162**		**62,941,563**	**2,582,325**

XI. Explanations on the presentation of consolidated financial assets and liabilities at their fair values

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Assets				
Interbank Money Market Placements	808,479	164,929	808,479	164,929
banks and financial instutions received	7,816,000	4,593,182	7,821,669	4,595,910
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,530,905	1,377,205	2,530,905	1,377,205
Financial Assets Measured at Amortized Cost	3,363,464	3,254,541	3,329,760	3,258,443
Loans	31,443,286	24,925,623	29,196,062	24,295,487
Liabilities				
Bank Deposits	41,021	103,014	40,966	102,325
Other Deposits	41,752,207	33,299,343	41,249,317	32,872,122
Funds Provided from Other Financial Instutions	2,576,219	1,620,259	2,568,021	1,601,965
Funds From Interbank Money Market	1,515,887	2,207,156	1,515,887	2,207,156
Marketable Securities Isuued	-	-	-	-
Miscellaneous Payables	400,989	299,013	400,989	299,013

Due to the short-term nature of receivables from money markets, receivables from banks and other financial institutions, funds obtained from other financial institutions, payables to money markets, issued securities, and various payables, the fair value refers to the book value.

The fair value of fixed-rate long-term loans is calculated by discounting the future cash flows using current market interest rates. The fair values of other short-term loans refer to the book value. The carrying amount of variable-rate loans refers to their fair value. For other assets and liabilities, the fair value refers to the sum of acquisition cost and accrued interest discounts.

The fair value of bank deposits and other deposits is calculated by discounting the future cash flows using current market interest rates.

The fair values of financial assets measured at amortized cost presented for illustrative purposes are determined based on market prices, and the fair value hierarchy is classified as Stage 2.

SECTION FOUR: EXPLANATIONS RELATED to FINANCIAL STRUCTURE and RISK MANAGEMENT (Continued)

XI. Explanations on the presentation of consolidated financial assets and liabilities at their fair values (Continued)

Classification of fair value

"TFRS 7 - Financial Instruments:Disclosures" standard requires financial instruments measured at fair value in the financial statements to be classified in a hierarchy that reflects the significance of the datas used in determining their fair values. This classification is primarily based on whether or not the inputs are observable**.** Observable inputs refer to the use of market data obtained from independent sources, while unobservable inputs refer to the use of the Group's own market estimates and assumptions. This distinction generally results in the following classifications.

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

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

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

The classification requires the use of observable market data when available.

In addition to financial assets and liabilities, the Bank recognizes real estate classified under tangible assets in the balance sheet at fair value. Stage 3 inputs are used in determining the aforementioned fair value.

In this context, the fair value classification of financial assets and liabilities measured at fair value is as follows:

	31 December 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Financial Assets Measured at Fair Value Through Profit or Loss				
- Government debt securities	44,475	-	-	44,475
- Share certificates	-	-	-	-
- Other Financial Assets	-	6,945	-	6,945
Trading derivative financial asset	-	781,837	-	781,837
Loans Measured at fair value through profit or loss	-	-	-	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
- Government debt securities	2,418,872	-	-	2,418,872
- Share certificates	-	40,246	13,941	54,187
Other Financial Assets	-	57,846	-	57,846
Total Assets	**2,463,347**	**886,874**	**13,941**	**3,364,162**
Financial Liabilities Measured at fair value through profit or loss				
- Derivative financial liabilities	-	308,629	-	308,629
Total Liabilities	**-**	**308,629**	**-**	**308,629**

SECTION FOUR: EXPLANATIONS RELATED to FINANCIAL STRUCTURE and RISK MANAGEMENT (Continued)

XI. Explanations on the presentation of consolidated financial assets and liabilities at their fair values (Continued)

Classification of fair value (Continued)

	31 December 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Financial assets Measured at fair value through profit or loss				
- Government debt securities	10,730	-	-	10,730
- Share certificates	-	-	-	-
- Other Financial Assets	-	455	-	455
Trading derivative financial asset	-	1,159,776	-	1,159,776
Loans Measured at fair value through profit or loss	-	-	66,383	66,383
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
- Government debt securities	1,339,351	-	-	1,339,351
- Share certificates	-	30,035	7,819	37,854
- Other Financial Assets	-	-	-	-
Total Assets	**1,350,081**	**1,190,266**	**74,202**	**2,614,549**
Financial Liabilities Measured at fair value through profit or loss				
- Derivative financial liabilities	-	566,422	-	566,422
Total Liabilities	**-**	**566,422**	**-**	**566,422**

The movement table of Stage 3 financial assets is presented in the table below**.**

	Current period
Balance at the end of the prior period	74,202
Purchases	6,122
Redemption/Disposals	(66,383)
Revaluation Difference	-
Transfers	-
Balance at the end of the period	**13,941**

XII. 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.

SECTION FOUR: EXPLANATIONS RELATED to FINANCIAL STRUCTURE and RISK MANAGEMENT (Continued)

XII. Explanations On Consolidated Operating Segments (Continued)

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	1,545,244	137,397	2,583,643	4,266,284
Other	-	-	-	-
Operating Income	**1,545,244**	**137,397**	**2,583,643**	**4,266,284**
Operating Expence	-	-	(1,656,332)	(1,656,332)
Profit before Tax	**1,545,244**	**137,397**	**927,311**	**2,609,952**
Corporate Tax Provision	-	-	(687,062)	(687,062)
Profit after Tax	**1,545,244**	**137,397**	**240,249**	**1,922,890**
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 includes activities such as investments in fixed-income securities, fund management, foreign exchange transactions, money market transactions, and derivatives.

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	613,348	73,008	1,080,802	1,767,158
Other	-	-	-	-
Operating Income	**613,348**	**73,008**	**1,080,802**	**1,767,158**
Operating Expence	-	-	(1,076,502)	(1,076,502)
Profit before Tax	**613,348**	**73,008**	**4,300**	**690,656**
Corporate Tax Provision	-	-	(135,804)	(135,804)
Net Profit for the Period	**613,348**	**73,008**	**(131,504)**	**554,852**
Segment Assets	16,821,717	100,905	26,471,368	43,393,990
Associates and Subsidiaries				
Total Assets	**16,821,717**	**100,905**	**26,471,368**	**43,393,990**
Segment Liabilities	12,259,430	12,101,069	14,617,625	38,978,124
Equity	-	-	4,415,866	4,415,866
Total Liabilities	**12,259,430**	**12,101,069**	**19,033,491**	**43,393,990**

(*) 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 includes activities such as investments in fixed-income securities, fund management, foreign exchange transactions, money market transactions, and derivatives.

SECTION FIVE: EXPLANATIONS AND NOTES RELATED 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	96,737	529,045	60,158	650,630
The CBRT[1]	909,359	4,407,401	1,113,803	4,047,612
Other[2]	-	87,075	-	214,078
Total	**1,006,096**	**5,023,521**	**1,173,961**	**4,912,403**

(1) Includes TRY 3,126,572 held as reserve requirements.
(2) Includes precious metal accounts.

Banks operating in Türkiye are required to maintain reserve requirement ratios for Turkish lira liabilities ranging from 3.0% to 8.0% (31 December 2021: 3.0% to 8.0%) and for foreign currency liabilities ranging from 5.0% to 26.0% (31 December 2021: 5.0% to 26.0%) in accordance with the CBRT's Communiqué No. 2013/15 on Required Reserves.

According to the communiqué amending the "Communiqué on Required Reserves" published in the Official Gazette dated 15 January 2023, and numbered 32074, the reserve requirement ratios for Turkish lira liabilities are set between 0.0% and 8.0%, and for foreign currency liabilities between 5.0% and 26.0%, depending on their maturities.

According to the "Communiqué on Supporting the Conversion of Turkish Lira Deposits and Participation Accounts" numbered 2021/14, the conversion rate from foreign currency deposit accounts in USD, EUR, and GBP to time Turkish lira deposit accounts reached 10% for both real and legal persons as of the obligation date of 15 April 2022, and 20% for legal persons as of the obligation date of 8 July 2022. As of the obligation date of 2 September 2022, the conversion rate for real persons also reached 20%. For banks that achieved these conversion rates, no annual commission will be applied on the amount required to be held for their obligations until the end of 2022. The practice of charging double commission for banks that did not meet the conversion rates as of 2 September 2022, has been abolished, and the commission rate has been increased from 1.5% to 5% as of the obligation date of 8 July 2022.

Additionally, according to the communiqué amending the "Communiqué on the Establishment of Securities" numbered 2022/28, starting from the calculation period dated 28 October 2022, banks are required to establish securities at a rate of 5% over the total of foreign currency deposits and precious metal deposit accounts. Banks with the ratio of Turkish lira deposits to total Turkish lira and foreign currency deposits below 50% for both real and legal persons will establish an additional 7 points of securities, and banks with this ratio between 50% and 60% will establish an additional 2 points of securities.

Information related to balances with the CBRT:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted Demand Deposit	46,752	834,555	6,135	1,203,673
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	1,308,881	-	-
Reserve Requirements	862,607	2,263,965	1,107,668	2,843,939
Total	**909,359**	**4,407,401**	**1,113,803**	**4,047,612**

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

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

Information on foreign banks account

2. Information on banks and other financial institutions:

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Banks	222,604	7,599,065	41,366	4,554,544
Domestic	222,604	1,605,805	41,366	515,454
Foreign(*)	-	5,993,260	-	4,039,090
Total	**222,604**	**7,599,065**	**41,366**	**4,554,544**

(*) The account with foreign banks includes a collateral of TRY 66,172 for foreign credit collateral, options, and swap transactions (31 December 2021: TRY 107,614), and a mandatory reserve amount of TRY 88,198 for Anadolubank Nederland NV (31 December 2021: TRY 57,269).

	Unrestricted Amount	Restricted Amount	Unrestricted Amount	Restricted Amount
	Current Period	**Current Period**	**Prior Period**	**Prior Period**
European Union Countries	4,358,838	88,198	2,439,393	-
USD, Canada	790,148	-	1,346,383	-
OECD Countries	689,904	66,172	145,410	107,614
Other	-	-	290	-
Total	**5,838,890**	**154,370**	**3,931,476**	**107,614**

Within the foreign banks account, the collateral for foreign derivative transactions is TRY 66,172 (31 December 2021: TRY 107,614).

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

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

None (31 December 2021: None).

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

None (31 December 2021: None).

Securities at Measured Fair Value Through Profit or Loss

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Government Debt Securities	5,783	38,692	512	10,218
Share Certificates	-	-	-	-
Other Assets (*)	-	6,945	-	66,838
Total	**5,783**	**45,637**	**512**	**77,056**

(*) Other Financial Assets includes İş Bank bonds amounting to TRY 6,945.

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

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

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	**2,750,215**	**1,543,572**
Quoted at Stock Exchange	2,692,369	1,543,572
Unquoted at Stock Exchange	57,846	-
Share Certificate	**54,187**	**37,854**
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	54,187	37,854
Impairment Provision (-)	**273,497**	**204,221**
Total	**2,530,905**	**1,377,205**

As of 31 December 2022, the financial assets measured at fair value through other comprehensive income that are subject to repo transactions amount to TRY 356,607 (31 December 2021: TRY 18,093).

Statement of movement in financial assets measured at fair value through other comprehensive income of the bank

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Value at the Beginning of the Period	7,819	1,369,386	1,297,006	863,688
Purchases during the year	859,948	347,314	-	222,067
Transfers (Portfolio changes)	-	-	-	-
Disposals	-	-	(140,861)	(153,511)
Stock exchange valuation difference (SVD)	-	-	-	-
Redemption	-	-	-	-
Exchange rate differences in monetary assets	-	375,835	-	553,345
Rediscount and princpial redemption share	-	(388,456)	(1,148,326)	(129,354)
Value increase/decrease	-	(40,941)	-	13,151
End of the Period	**867,767**	**1,663,138**	**7,819**	**1,369,386**

5. Positive differences table related to trading derivative financial assets

	Current Period		Prior Period	
Trading derivative financial assets	TRY	FC	TRY	FC
Forward Transactions	130,207	2,504	96,841	850
Swap Transactions	37,541	113,598	157,113	15,364
Futures Transactions	-	-	-	-
Options	227,585	270,402	815,586	74,022
Other	-	-	-	-
Total	**395,333**	**386,504**	**1,069,540**	**90,236**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED 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	**60,327**	**51,248**	**346,136**	**91,218**
Corporate Shareholders	60,110	51,248	345,987	91,218
Real Person Shareholders	217	-	149	-
Indirect Loans Granted to Shareholders	**347,400**	**53,818**	**68,189**	**304**
Loans Granted to Employees	**6,997**	**71**	**5,614**	**71**
Total	**414,724**	**105,137**	**419,939**	**91,593**

Loans measured at fair value through profit or loss

	Current Period Carrying Value	Prior Period Carrying Value
Loans measured at fair value through profit/loss	-	66,383

Loans measured at amortized cost

Current Period Cash Loans	Standard Loans	Loans under Close Monitoring		
		Standard Loans	Restructured Loans	
			Loans with Revised Contract Terms	Refinancing
Non-specialized Loans	**29,854,018**	**107,081**	**185,781**	**-**
Enterprise Loans	-	-	-	-
Export Loans	5,611,682	2,818	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	6,491,830	-	-	-
Retail Loans	237,712	1,607	550	-
Credit Cards	142,541	235	-	-
Other	17,370,253	102,421	185,231	-
Specialized Loans	**-**	**-**	**16,990**	**-**
Other Receivables	-	-	-	-
Total	**29,854,018**	**107,081**	**202,771**	**-**

	Current Period		Prior Period	
	Standard Loans	**Loans Under Follow-up**	**Standard Loans**	**Loans Under Follow-up**
12 Months Expected Credit Loss	90,157	-	57,758	-
Significant Increase in Credit Risk	-	76,146	-	64,231

Breakdown of loans according to their maturities

	Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring	
	Loans and Other Receivables	**Restructured or Rescheduled**	**Loans and Other Receivables**	**Restructured or Rescheduled**
Short-Term Loans and Other Receivables	-	-	-	-
Non-Specialized Loans	20,042,594	-	15,632	26,505
Specialized Loans	-	-	-	9,061
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	-	-	-	-
Non-Specialized Loans	9,811,424	-	91,449	159,276
Specialized Loans	-	-	-	7,929
Other Receivables				
Total	**29,854,018**	**-**	**107,081**	**202,771**

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

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

6. Information Related to Loans (Continued)

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	**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 Loans	-	-	-
Consumer Loans	696	3,128	3,824
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	**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 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	**3,636**	**66,631**	**70,267**
Mortgage Loans	51	38,822	38,873
Automative Loans	-	3,189	3,189
Consumer Loans	3,585	24,620	28,205
Other	-	-	-
Consumer Loans- Indexed to FC	**-**	**649**	**649**
Mortgage Loans	-	649	649
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TRY	**14,740**	**-**	**14,740**
Installment	3,779	-	3,779
Non Installment	10,961	-	10,961
Individual Credit Cards-FC	**66**	**-**	**66**
Installment	-	-	-
Non Installment	66	-	66
Personnel Loans-TRY	**477**	**3,086**	**3,563**
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	477	3,086	3,563
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	**2,492**	**-**	**2,492**
Installment	661	-	661
Non Installment	1,831	-	1,831
Personnel Credit Cards-FC	**-**	**-**	**-**
Installment	-	-	-
Non Installment	-	-	-
Overdraft Account-TRY (Individual)	**33,531**	**-**	**33,531**
Overdraft Account-FC (Individual)	**-**	**-**	**-**
Total	**54,942**	**70,366**	**125,308**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED 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/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**

Prior Period	Short-term	Medium/Long-term	Total
Commercial Installment Loans-TRY	**907,421**	**1,873,617**	**2,781,038**
Mortgage Loans	-	1,168	1,168
Automotive Loans	16,458	218,628	235,086
Consumer Loans	890,963	1,653,821	2,544,784
Other	-	-	-
Commercial Installment Loans- FC Indexed	**-**	**29,453**	**29,453**
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	29,453	29,453
Other	-	-	-
Commercial Installment Loans-FC	**10,284**	**136,825**	**147,109**
Mortgage Loans	-	-	-
Automotive loans	-	-	-
Consumer Loans	10,284	136,825	147,109
Other	-	-	-
Corporate Credit Cards-TRY	**81,673**	**-**	**81,673**
Installment	28,041	-	28,041
Non Installment	53,632	-	53,632
Corporate Credit Cards-FC	**30**	**-**	**30**
Installment	-	-	-
Non Installment	30	-	30
Overdraft Account-TRY (Commercial)	**43,948**	**-**	**43,948**
Overdraft Account-FC (Commercial)	**-**	**-**	**-**
Total	**1,043,356**	**2,039,895**	**3,083,251**

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

I. Explanations And Notes Related To Consolidated Assets (Continued)

6. Information Related to Loans (Continued)

Loans according to types of borrowers:

	Current Period	Prior Period
Public	1,679,421	349,997
Private (*)	28,484,449	23,854,779
Total	**30,163,870**	**24,204,776**

(*) Also includes loans measured at fair value through profit or loss.

Distribution of domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans (*)	25,961,943	20,898,434
Foreign Loans	4,201,927	3,306,342
Total	**30,163,870**	**24,204,776**

(*) Also includes loans measured at fair value through profit or loss.

Specific provisions provided against loans:

Specific Provisions	Current Period	Prior Period
Loans with Limited Collectability	7,343	49,077
Loans with Doubtful Collectability	57,205	61,458
Uncollectible Loans	514,709	673,231
Total	**579,257**	**783,766**

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	594	707	87,758
Rescheduled Loans	594	707	87,758
Prior Period			
Gross Amounts Before Provisions	632	2,203	107,727
Rescheduled Loans	632	2,203	107,727

Information on non-performing loans (Net)

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

None.

SECTION FIVE: EXPLANATIONS AND NOTES RELATED 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	**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
Collections (-)	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**

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	**14,889**	**111,675**	**1,207,015**
Additions (+)	225,006	7,401	47,835
Transfers from Other Categories of Non-Performing Loans (+)	-	120,836	140,043
Transfers to Other Categories of Non-Performing Loans (-)	120,836	140,043	-
Collection (-)	48,815	18,970	221,059
Loans Written Off (-)	3	86	79,280
Corporate and Commercial Loans	*3*	*86*	*75,740*
Retail Loans	-	-	*2,502*
Credit Cards	-	-	*1,038*
Other	-	-	-
Foreign Currency Difference	-	19,263	-
Balance at the End of the Period	**70,241**	**100,076**	**1,094,554**
Provisions (-)	49,077	61,458	673,231
Net Balance in Balance Sheet	**21,164**	**38,618**	**421,323**

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

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

6. Information Related to Loans (Continued)

Information on Expected Credit Loss

	Stage 1	Stage 2	Stage 3	Total
Provision at the Beginning of Period	57,758	64,181	784,201	906,140
Additional provision during the period	276,963	81,626	155,897	514,486
Exits During the Period	(237,082)	(69,800)	(88,323)	(395,205)
Sold Loans	-	-	(182,046)	(182,046)
Write-off/Sales	-	-	(111,293)	(111,293)
Transfer to Stage 1	3,591	(3,591)	-	-
Transfer to Stage 2	(13,447)	13,496	(49)	-
Transfer to Stage 3	(73)	(9,879)	9,952	-
Foreign Currency Difference	2,448	117	10,918	13,483
Provision at the End of Period (*)	**90,158**	**76,150**	**579,257**	**745,565**

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)	-	52,733	56,290
Specific Provision(-) (1)	-	44,920	25,538
Net balance in the balance sheet	-	7,813	30,752
Prior Period			
Balance at the end of the period (1)	3,340	51,500	58,925
Specific Provision(-) (1)	2,748	38,094	24,716
Net balance in the balance sheet	592	13,406	34,209

(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)	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)	-	-	-

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

I. Explanations And Notes Related To Consolidated Assets (Continued)

6. Information Related to Loans (Continued)

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

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Prior Period (Net)			
Loans granted to corporate entities and real persons (Gross)	70,241	100,076	1,089,855
Provisions Amount (-)	49,077	61,458	668,532
Loans granted to corporate entities and real persons (Net)	21,164	38,618	421,323
Banks (Gross)	-	-	-
Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	4,699
Provisions Amount (-)	-	-	4,699
Other Loans (Net)	-	-	-

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

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	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	547	1,070	75,650
Interest Accruals and Rediscount with Valuation Differences	1,220	5,214	219,846
Provision amount (-)	673	4,144	144,196
Prior Period (Net)	1,931	4,668	106,511
Interest Accruals and Rediscount with Valuation Differences	6,409	10,572	277,218
Provision Amount (-)	4,478	5,904	170,707

Explanations regarding the write-off policy

Loans and other receivables deemed uncollectable are received through legal inquiries and collateral liquidisation, or can be deleted from the assets by the Bank's Board of Directors decision. As of 31 December 2022, the Bank sold its non-performing receivables in the amount of TRY 174,050 for which it had set aside a 100% provision, to asset management companies, and deleted its loans in the amount of TRY 111,293 from the assets by the decision of the Bank's Board of Directors (December 31, 2021: TRY 79,369).

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

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

7. Information on financial assets measured at amortized cost

Information on Government Debt Securities measured at amortized cost

	Current Period	Prior Period
Government Bond	2,015,426	2,525,761
Treasury Bill	-	-
Other Public Debt Securities	96,125	-
Total	**2,111,551**	**2,525,761**

Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt Securities	3,378,607	3,259,079
Quoted at Stock Exchange	3,378,607	3,259,079
Unquoted at Stock Exchange	-	-
Impairment Provision (-)	-	-
Total	**3,378,607**	**3,259,079**

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

	Current Period	Prior Period
Value at the Beginning of the Period	**3,259,079**	**4,226,377**
Foreign Currency Differences in Monetary Assets	262,349	266,762
Purchases During the Year	521,598	234,492
Disposal through Sale and Redemption	(700,255)	(1,513,189)
Valuation Effect	35,836	44,637
Total at the en of the Period	**3,378,607**	**3,259,079**

8. Information related to factoring receivables

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-Term	1,344,131	-	828,670	-
Medium and Long-Term	5,579	-	12,650	-
Total	**1,349,710**	**-**	**841,320**	**-**

9. Information on lease receivables

None.

10. Information on investments in associates

None.

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

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

11. 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/Hollanda	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 Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss(**)	Fair Value
1	16,589,272	2,235,375	10,604	373,537	46,391	147,370	57,929	-
2	482,957	144,508	1,476	48,276	87	41,302	31,391	-
3	1,374,449	401,874	144	306,390	-	119,333	57,906	-

Information on Subsidiaries

Information related to subsidiaries (Movement Schedule)

	Current Period	Prior Period
Balance at the Beginning of the Period	**1,932,989**	**1,181,242**
Movements During the Period	**-**	**-**
Purchases	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends From Current Year Profit	304,647	144,677
Transfer to Other Account	-	-
Sales	-	-
Revaluation Increase, Inflation Adjustment Difference and Exchange Rate Difference	532,376	607,070
Impairment Provision	-	-
Balance at the End of the Period	**2,770,012**	**1,932,989**
Capital Commitments	-	**-**
Share Percentage at the End of the Period (%)	-	**-**

Valuation of Investment in Subsidiaries

	Current Period	Prior Period
Valuation at Cost	-	-
Valuation at Fair Value	**-**	**-**
Valuation Using the Equity Accounting	2,770,012	1,932,989
Total	**2,770,012**	**1,932,989**

Sectoral information on financial subsidiaries and the related carrying amounts

	Current Period	Prior Period
Banks	2,235,375	1,555,373
Insurance Companies	-	-
Factoring Companies	401,835	283,022
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	132,802	94,594

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

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

11. Consolidated Subsidiaries: (Continued)

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.

12. Information on investments in joint ventures

None.

13. Information on tangible assets

Prior Period End:	Real Estates	Tangible Fixed Assets Acquired through Financial Leasing	Vehicles	Right of Use Asset	Other tangible fixed assets	Total
Cost	296,535	-	941	140,265	133,821	571,562
Accumulated Depreciation and Impairment (-)	-	-	(941)	(64,041)	(86,831)	(151,813)
Net Book Value	**296,535**	**-**	**-**	**76,224**	**46,990**	**419,749**
Current Period End:						
Net Book Value at the Beginning	296,535	-	-	76,224	46,990	419,749
Additions	-	-		53,876	55,963	109,839
Disposals (Cost)	-	-	38	3,578	14,352	17,968
Disposals (Depreciation)	-	-	(38)	(2,408)	(2,872)	(5,318)
Depreciation (-)	-	-	-	(40,589)	(21,773)	(62,362)
Additional Works on Buildings	10,229	-	-	-	-	10,229
Revaluation	391,791	-	-	29,298	-	421,089
Revaluation Depreciation	-	-	-	-	-	-
Net Exchange Differences from Foreign Subsidiaries	-	-	-	70	10,465	10,535
Exchange Difference Depreciation	-	-	-	23	(8,092)	(8,069)
Cost at Period End	698,555	-	903	219,931	185,897	1,105,286
Accumulated Depreciation at Period End (-)	-	-	(903)	(102,199)	(113,824)	(216,926)
Closing Net Book Value	**698,555**	**-**	**-**	**117,732**	**72,073**	**888,360**

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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

14. 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.

1. Gross book value and accumulated depreciation amounts at the beginning and ending of the period:

	End of the period		Beginning of the period	
	Carrying value	Accumulated amortisation	Carrying value	Accumulated amortisation
Intangible assets	99,737	28,499	42,237	15,286

Movement table containing the information below between the beginning and end of the period

	Current Period	Prior Period
Beginning Of The Period	**26,951**	**16,166**
Internally Generated Amounts	-	-
Additions due to mergers, transfers and acquisitions	57,933	17,328
Disposals and Sales (*)	-	7,890
Depreciation of Disposals and sales	-	(7,890)
Depreciation of disposals and sales		
Amounts Recorded In The Valuation Fund Due To Increase Or Decrease In Value	-	-
Value Decreases Recorded In The Profit Or Loss Statement	-	-
Value Decreases Cancelled From the Profit Or Loss Statement	-	-
Amortization (-)	13,646	6,543
Net Exchange Rate Differences from Foreign Subsidiaries	-	-
Other Changes in Book Value	-	-
End Of The Period	**71,238**	**26,951**

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.

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

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

14. Explanations on Intangible Assets (Continued)

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 typesNone.

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

None.

Explanations on goodwill

None.

15. Explanations on investment properties

None.

16. *Explanations on deferred tax asset:*

As of 31 December 2022 and 31 December 2021, the items giving rise to deferred tax assets and liabilities are as follows:

	Current Period	Prior Period
Deferred tax asset	**151,539**	**274,247**
Provisions for bonus premium	10,500	4,209
Provisions for severance pay and unused leave	33,726	13,195
TAS – TPL Depreciation differences	1,586	819
Stage 1 and 2 expected credit loss provisions	41,185	28,094
Financial Asset Valuation Differences	47,007	29,196
Other Provisions	3,640	32,339
Financial Loss	-	153,755
Other	13,895	12,640
Deferred tax liability	**203,484**	**181,214**
Securities valuation differences	46,790	16,600
Tangible fixed assets valuaiton differences	70,320	16,418
Derivative financial instruments discount	86,374	148,139
Other	-	57
Deferred tax asset/liability, net	**(51,945)**	**93,033**

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

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

17. Information on assets held for sale and discontinued operations

	Current Period	Prior Period
Prior Period End:		
Cost	271,712	273,607
Accumulated Depreciation (-)	(64)	(93)
Impairment	(14,686)	(14,686)
Net Book Value	**256,962**	**258,828**
Current Period End		
Net Book Value at the Beginning	49,849	96,159
Additions	(88,610)	(98,054)
Disposals (Cost)	25	29
Disposals (-) (Depreciation)	(14,686)	-
Impairment	14,686	-
Cost	218,265	271,712
Impairment	-	(14,686)
Accumulated Depreciation	(39)	(64)
Net Book Value	**218,226**	**256,962**

(*) It includes Levent Yapılandırma Yönetimi A.Ş., which is classified as a non-current asset held for sale and discontinued operations in 2021, with a gross amount of TRY 14,686 excluding impairment provision (net value after impairment is TRY 0).

18. Information on other assets

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

Information on prepaid expenses, taxes and similar transactions

	Current Period	Prior Period
Prepaid Expenses	17,779	11,074
Prepaid Taxes	69,691	38,445

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	**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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

1. Information on maturity structure of deposits (Continued)

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	**102,754**	-	**1,073,238**	**3,716,805**	**701,188**	**207,029**	**354,367**	-	**6,155,381**
Foreign Currency Deposits	**5,257,982**	-	**4,029,273**	**11,073,234**	**581,217**	**433,809**	**1,226,407**	-	**22,601,922**
Residents in Türkiye	3,850,623	-	4,010,775	10,788,037	573,297	360,709	25,896	-	19,609,337
Residents Abroad	1,407,359	-	18,498	285,197	7,920	73,100	1,200,511	-	2,992,585
Public Sector Deposits	**26,989**	-	**6**	**20,531**	-	-	-	-	**47,526**
Commercial Deposits	**459,281**	-	**972,685**	**1,492,089**	**251,490**	**134,466**	**153,064**	-	**3,463,075**
Other Institutions Deposits	**4,578**	-	**7,303**	**100,769**	**85**	**457**	**20**	-	**113,212**
Precious Metal Deposit	**258,043**	-	**47,649**	**401,924**	**1,388**	**26,652**	**182,571**	-	**918,227**
Bank Deposit	**126**	-	-	**102,888**	-	-	-	-	**103,014**
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	125	-	-	102,888	-	-	-	-	103,013
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	**6,109,753**	-	**6,130,154**	**16,908,240**	**1,535,368**	**802,413**	**1,916,429**	-	**33,402,357**

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	2,640,462	1,862,364	10,428,386	4,292,504
Foreign Currency Saving Deposits	834,372	842,210	6,379,157	7,792,594
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	**3,474,834**	**2,704,574**	**16,807,543**	**12,085,098**

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	1,831,138	1,100,648
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	32,384	21,646
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	530,199	1,862,364	6,247,681	4,292,504
Foreign Currency Commercial Deposits	92,107	842,210	3,191,736	7,792,594
Other Commercial Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	**622,306**	**2,704,574**	**9,439,417**	**12,085,098**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED 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	1,593,892	1,100,648
Deposits and Other Accounts of Official Institutions	74,927	21,646
Deposits and other accounts of credit instutions and financial instutions	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	1,211,399	14,705	673,913	28,537
Foreign Banks and Institutions and Funds	-	1,350,067	-	917,791
Total	**1,211,399**	**1,364,772**	**673,913**	**946,328**

Information on the maturity structure of funds borrowed

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-Term[(1)]	1,207,474	681,147	658,462	412,946
Medium and Long-Term[(1)]	3,925	683,625	15,451	533,382
Total	**1,211,399**	**1,364,772**	**673,913**	**946,328**

(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	2,301	-	178,154	5,587
Swap Transactions	5,963	165,900	69,834	113,722
Future Transactions	-	-	-	-
Options	459	134,006	-	199,125
Other	-	-	-	-
Total	**8,723**	**299,906**	**247,988**	**318,434**

SECTION FIVE: EXPLANATIONS AND NOTES RELATED 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 31 December 2022 are as follows:

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**

31 December 2021	**Gross**	**Net**
Less than 1 year	24,559	21,285
Between 1- 4 years	24,399	19,656
More than 4 years	90,928	51,767
Total	**139,886**	**92,708**

4. Explanation on provisions

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

None (31 December 2021: 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	10,267	6,124
Provisions for lawsuit	9,120	11,936
Provision for credit card promotion expenses	1,086	911
Other provisions	12,790	3,473
Total	**33,263**	**22,444**

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

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

4. Information on provisions (Continued)

Reserve for Employee Benefits

As of December 31, 2022, the Group presented the provision for severance pay of TRY 96,121 (31 December 2021: TRY 40,370), the vacation liability of TRY 40,973 (31 December 2021: TRY 22,019), and the bonus provision of TRY 42,792 (31 December 2021: TRY 22,072) 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	40,370	33,555
Changes during the period	16,364	9,632
Actuarial loss/(gain) transferred to equity	51,869	3,098
Paid current period	(12,482)	(5,915)
Total	**96,121**	**40,370**

5. Explanations on current tax liability

Information on tax proivison

As of 31 December 2022, the Bank's tax liability after deducting the prepaid taxes paid during the period from the corporate tax is TRY 143,407 (31 December 2021: TRY 9,683). 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	143,407	9,683
Banking Insurance Transaction Tax	7,607	21,880
Taxation on Marketable Securities	737	12,213
Capital Gains Tax on Property	25,176	488
Value Added Tax Payable	2,515	1,188
Other	26,245	8,462
Total	**205,687**	**53,914**

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

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

5. Explanations on current tax liability (Continued)

Information on premium payables

	Current Period	Prior Period
Social Security Premiums – Employee	5,594	2,982
Social Security Premiums – Employer	5,897	3,140
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	331	179
Unemployment Insurance – Employer	736	379
Other	-	8
Total	**12,558**	**6,688**

6. 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.

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

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

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.

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	1,750,609	7,032	1,225,002	(10,689)
Securities Measured at FV Through Other Comprehensive Income	88,502	(129,154)	-	(81,143)
From the Securities Subject to Structural Position	-	-	-	-
Total	**1,839,111**	**(122,122)**	**1,225,002**	**(91,832)**

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	488,216	360,826
Commitment For Use Guaranteed Credit Allocation	1,148,216	639,473
Credit Cards Limit Commitments	212,182	148,514
Liabilities From Guarantee Letters Issued In Our Favor	60,859	67,850
Forward Asset Purchase Commitments	2,560,985	1,856,354
Commitments for Promotions Related with Credit Cards and Banking Activities	1,085	909
Total	**4,471,543**	**3,073,926**

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

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

1. Explanations on off-balance-sheet-commitments

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

Guarantees, suretyships and other similar transactions

	Current Period	Prior Period
Certain Guarantees	4,787,059	3,429,378
Customs Guarantees	80,297	47,312
Tentative Guarantees	271,805	137,867
Advance Letters of Guarantee	286,212	190,164
Other Letters of Guarantee	1,368,611	1,271,237
Total	**6,793,984**	**5,075,958**

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	1,441,505	1,345,914
Less Than or Equal to One Year with Original Maturity	261,197	*419,043*
More Than One Year with Original Maturity	1,180,308	*926,871*
Other Non-Cash Loans	8,391,619	7,402,356
Total	**9,833,124**	**8,748,270**

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

	Group I		Group II	
Current Period	**TRY**	**FC**	**TRY**	**FC**
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**

	Group I		Group II	
Prior Period	**TRY**	**FC**	**TRY**	**FC**
Letters of Guarantee	3,426,431	1,604,622	44,754	151
Bank Acceptances	-	48,414	-	-
Letters of Credit	-	2,184,148	-	-
Endorsements	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	36,137	1,403,613	-	-
Non-cash loans	**3,462,568**	**5,240,797**	**44,754**	**151**

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

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

4. Information on risk concentration in sector terms in non-cash loans

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	**117,348**	**1.65**	**10,964**	**0.40**	**34,142**	**0.97**	**35,339**	**0.85**
Farming and Raising Livestock	93,833	1.32	10,964	0.40	21,221	0.6	16,605	0.4
Forestry	17,371	0.24	-	-	11,185	0.32	6,665	0.16
Fishing	6,144	0.09	-	-	1,736	0.05	12,069	0.29
Manufacturing	**2,923,306**	**41.06**	**1,211,272**	**44.65**	**758,341**	**21.54**	**2,538,251**	**56.5**
Mining and Quarrying	131,059	1.84	7,012	0.26	18,905	0.54	207,401	0.4
Production	2,656,858	37.31	1,193,952	44.01	698,598	19.84	2,257,822	54.34
Electric, Gas and Water	135,389	1.90	10,308	0.38	40,838	1.16	73,028	1.76
Construction	**1,369,208**	**19.23**	**191,331**	**7.05**	**1,089,252**	**30.94**	**191,110**	**4.6**
Services	**2,438,349**	**34.24**	**1,245,375**	**45.91**	**1,460,088**	**41.85**	**2,373,094**	**35.57**
Wholesale and Retail Trade	1,554,894	21.84	496,810	18.31	832,649	23.65	603,541	14.53
Hotel, Food and Beverage Services	42,047	0.59	-	-	29,759	0.85	18,770	0.45
Transportation and Telecommunication	145,166	2.04	86,137	3.18	66,032	1.88	124,464	2.67
Financial Institutions	548,714	7.71	611,341	22.54	394,216	11.57	1,589,722	17.04
Real Estate and Leasing Services	14,313	0.20	890	0.03	4,746	0.13	-	-
Self-employment Services	80,935	1.14	49,075	1.81	941	0.03	-	-
Education Services	8,539	0.12	-	-	54,834	1.56	24,739	0.6
Health and Social Services	43,741	0.61	1,122	0.04	76,911	2.18	11,858	0.28
Other	**272,236**	**3.82**	**53,735**	**1.98**	**165,499**	**4.7**	**103,154**	**2.48**
Total	**7,120,447**	**100.00**	**2,712,677**	**100.00**	**3,507,322**	**100.00**	**5,240,948**	**100.00**

5. Information on Provisions for Expected Credit Losses for Non-Cash Loans and Irrevocable Commitments

	Stage 1	Stage 2	Stage 3	Total
Provision at the Beginning of the Period	**4,797**	**1,273**	**-**	**6,070**
Additional provision during the period	20,049	5,243	-	25,292
Exits during the Period	(16,458)	(4,639)	-	(21,097)
Write off /Sales				-
Transfer to stage 1	753	(753)	-	-
Transfer to stage 2	(877)	877	-	-
Transfer to stage 3	-	-	-	-
Provision at the End of the Period	**8,264**	**2,001**	**-**	**10,265**

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

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

6. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	**53,960,101**	**28,975,652**
Forward transactions	*6,647,573*	*4,602,579*
Swap transactions	*25,719,339*	*13,764,451*
Futures transactions	-	-
Option transactions	*21,593,190*	*10,608,622*
Interest Related Derivative Transactions (II)	3,697,136	6,990,000
Forward rate transactions	-	-
Interest rate swap transactions	*3,697,136*	*6,990,000*
Interest option transactions	-	-
Futures interest transactions	-	-
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	**57,657,237**	**35,965,652**
Types of hedging transactions		
Fair value hedge	637,917	769,422
Cash flow hedge	485,965	745,922
Net investment hedge	-	-
B. Total Hedging Related Derivatives	**1,123,882**	-
Total of derivative financial intruments (A+B)	**58,781,119**	**37,480,996**

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

None.

8. Explanations on Contingent Liabilities and Assets

None.

9. 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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss 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	3,459,976	356,771	1,870,707	169,165
Medium and Long-Term Loans	559.436	239.028	483,837	90,089
Non-Performing Loans	75,297	2,518	49,011	-
Total	**4,094,709**	**598.317**	**2,403,555**	**259,254**

(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	13,113	11,275	5,073	574
Foreign Banks	-	52,556	69	399
Total	**13,113**	**63,831**	**5,142**	**973**

Information on interest income on marketable securities

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Financial Assets Measured at Fair Value through Profit/Loss	7,874	3,111	98	1,249
Financial Assets Measured at Fair Value through Other Comprehensive Income	33,368	26.019	45,220	1,118
Financial Assets Measured at Amortized Cost	242,647	44,918	449,207	25,386
Total	**283,889**	**74.048**	**494,525**	**27,753**

Information on interest income received from associates and subsidiaries

None.

Information on Other Interest Income

Of the other interest income amounting to TRY 313,682 for the accounting period ending on 31 December 2022 (31 December 2021: TRY 179,366), TRY 305,445 (31 December 2021: TRY 167,448) consists of interest income from factoring transactions.

SECTION FIVE: EXPLANATIONS AND NOTES RELATED 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	146,948	3,804	103,449	1,540
CBRT	-	-	-	-
Domestic Banks	145,958	739	102,444	1,151
Foreign Banks	990	3,065	1,005	389
Other Institutions	-	-	-	-
Total	**146,948**	**3,804**	**103,449**	**1,540**

Information on Interest expense paid to associates and subsidiaries

None.

Information on Interest expense paid on issued securities

	Current Period	Prior Period
Interest paid on issued securities	-	-

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 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	13,512	-	-	-	-	-	13,512
Saving Deposits	-	271,624	393,238	803,170	123,664	101,382	-	1,693,078
Public Sector Deposits	-	-	3,294	-	-	-	-	3,294
Commercial Deposits	-	200,843	330,259	93,620	197,679	102,235	-	924,636
Other Deposits	-	1,046	21,346	187	17,326	28	-	39,933
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	**-**	**487,025**	**748,137**	**896,977**	**338,669**	**203,645**	**-**	**2,674,453**
Foreign Currency								
Deposits	5,525	13.667	218.049	23,588	3,125	11,669	-	275.623
Bank Deposits	-	2,096	-	-	-	-	-	2,096
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	210	963	8	110	1,496	-	2,787
Total	**5,525**	**15.973**	**219.012**	**23,596**	**3,235**	**13,165**	**-**	**280.506**
Grand Total	**5,525**	**502.998**	**967,149**	**920,573**	**341,904**	**216,810**	**-**	**2,954,959**

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

IV. Explanations and Disclosures Related to Consolidated Statement of Profit or Loss 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 1 Year**	**Over 1 Year**	**Accumulated Deposit Account**	**Total**
Turkish Lira								
Bank Deposits	-	37,980	-	-	-	-	-	37,980
Saving Deposits	-	189,120	903,469	66,392	27,632	42,194	-	1,228,807
Public Sector Deposits	-	59	3,604	-	-	-	-	3,663
Commercial Deposits	-	68,011	273,181	30,540	27,115	19,278	-	418,125
Other Deposits	-	1,014	16,156	1,325	28	1,089	-	19,612
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	**-**	**296,184**	**1,196,410**	**98,257**	**54,775**	**62,561**	**-**	**1,708,187**
Foreign Currency								
Deposits	455	9,095	82,013	4,835	1,658	9,796	-	107,852
Bank Deposits	-	165	-	-	-	-	-	165
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	111	1,233	9	222	2,370	-	3,945
Total	**455**	**9,371**	**83,246**	**4,844**	**1,880**	**12,166**	**-**	**111,962**
Grand Total	**455**	**305,555**	**1,279,656**	**103,101**	**56,655**	**74,727**	**-**	**1,820,149**

3. Information on dividend income

	Current Period	**Prior Period**
Financial Assets Measured at Fair Value Through Profit or Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	40	-
Other	282	238
Total	**322**	**238**

4. Information on trading income/loss

	Current Period	**Prior Period**
Trading Gain	**8,695,962**	**8,849,466**
Gain on Capital Market Transactions	65,279	31,165
From Derivative Transactions	5,175,393	2,526,498
Foreign Exchange Gains	3,455,290	6,291,803
Trading Loss (-)	**7,741,946**	**8,668,847**
Losses on Capital Market Transactions	10,820	3,825
From Derivative Transactions	2,997,222	1,524,552
Foreign Exchange Losses	4,733,904	7,140,470
Net Trading Gain/Loss	**954,016**	**180,619**

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

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

5. Information on other operating income

	Current Period	Prior Period
Released Provisions	353,852	252,255
Checkbook Fee	1,875	1,431
Provision for Notary Statement Expenses	1,033	2,018
Communication Revenues	1,328	924
Income from the Sale of Assets	23,556	6,794
Collections Related to Expenses of Previous Years	6,691	8,371
Income from the Sale of Real Estate	66,507	27,329
Collections Due to Right of Redemption Agreement	13,736	6,025
Loan Reflected in Profit/Loss at Fair Value Impairment Provision	114,566	-
Other	230	115
Total	**583,374**	**305,262**

6. Provision for losses and other provision expenses

	Current Period	Prior Period(*)
Expected Credit Losses	**219,959**	**214,119**
12 Months Expected Credit Loss (Stage 1)	89,065	54,372
Significant Increase in Credit Risk (Stage 2)	56,454	30,199
Lifetime ECL Impaired Credits (Stage 3)	74,440	129,548
Other Provision Expenses	**1,822**	**87,886**
Marketable Securities Impairment Provision	30	86,111
Financial Assets Measured at Fair Value Through Profit/Loss	*30*	*86,111*
Financial Assets Measured at Other Comprehensive Income	-	-
Provisions for Impairment of Associates, Subsidiaries and Joint Ventures	-	-
Investment in Associates	-	-
Subsidiaries	-	-
Other	1,792	1,775
Total	**221,781**	**302,005**

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

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

7. Other Operating Expenses

	Current Period(**)	Prior Period
Reserve for Employee Termination Benefits	3,869	3,759
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Property and Equipment	-	-
Depreciation Expenses of Property and Equipment	27,135	16,822
Impairment Expenses of Intangible Assets	-	-
Amortization Expenses of Intangible Assets	13,609	6,536
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses on Assets Held for Sale	-	-
Depreciation Expenses on Securities Held for Sale	-	-
Depreciation Expenses of Right-of-Use Assets	39,488	29,460
Impairment Expenses on Non-Current Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	228,976	105,073
Operating Lease Expenses	*4,226*	*447*
Repair and Maintenance Expenses	*20,108*	*9,596*
Advertisement Expenses	*32,879*	*5,141*
Other Expenses	*171,763*	*89,889*
Loss on Sales of Assets	96	431
Other(***)	451,843	219,117
Total	**765,016**	**381,198**

(*) 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.

8. Fees for Services Obtained from an Independent Auditor/Independent Audit Firm

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

	Current Period	Prior Period
Independent Audit Fee for the Reporting Period	9,859	6,094
Fees for Tax Advisory Services	83	-
Fee for Other Assurance Services	76	614
Fee for Services Other than Independent Audit	43	20
Total(*)	**10,062**	**6,728**

(*) Amounts are given excluding VAT .

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

As of 31 December 2022, 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 31 December 2022, are shown in detail in notes 1 to 7 of this section.

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

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

9. Explanation on profit/loss before tax from continuing and discontinued operations (Continued)

Explanation on tax provision for continuing and discontinued operations

As of 31 December 2022, 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 31 December 2022, are shown in detail in note 9 of this section.

The Group has no tax provision for discontinued operations for the accounting period ended 31 December 2022.

Explanation on net profit/loss for the period from continuing and discontinued operations

As of 31 December 2022, 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 31 December 2022, 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 31 December 2022.

10. Tax Provision

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

For the accounting period ended 31 December 2022, the Group's current tax expense is TRY 426,132 (31 December 2021: current tax expense TRY 48,499).

For the accounting period ended 31 December 2022, the Group has a net deferred tax expense of TRY 260,930 (31 December 2021: deferred tax expense of TRY 87,305).

11. 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.

12. 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.

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

V. Explanations and Disclosures Related to Consolidated Changes in Shareholders' Equity

1. Changes arising from the revaluation of financial assets measured at fair value through other comprehensive income

As of 31 December 2022, the net amount of the valuation gain/(loss) followed under equity for securities classified as financial assets measured at fair value through other comprehensive income, after deducting the tax effect and expected credit loss, is TRY (40,652) (31 December 2021: TRY (81,143).

2. Information on increases due to cash flow hedges

None.

3. Reconciliation of foreign exchange differences at beginning and end of current period

As of 31 December 2022, the Group's foreign currency translation differences arising from exchange differences amount to TRY 1,763,458 (31 December 2021: TRY 1,237,594). The exchange differences of TRY 525,864 (31 December 2021: TRY 612,942) for the current period are shown in the foreign currency translation differences column of the statement of changes in equity.

4. Explanations on dividends

Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements

None.

Dividends per share proposed subsequent to the balance sheet date

As of the report date, no decision has been made regarding the distribution of the profit for the year 2022.

5. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Legal Reserves from Undistributed Profits	27,615	20,766
Amount Transferred from Undistributed Profits to Extraordinary Reserves	524,689	394,547
Total[(1)]	**552,304**	**415,313**

(1) Represents the amounts transferred to reserves by the Parent Bank.

6. Information on issuance of share certificates

The rights, priorities and restrictions regarding the share capital including distribution of income and repayment of the capital

There are no rights, priorities, or restrictions regarding the distribution of dividends, repayment of capital etc. for classes of capital shares.

7. Information on the other capital increase items in the statement of changes in shareholders' equity

None.

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

VI. Explanations and Disclosures Related to Consolidates Financial Statements of Cash Flows

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents

The 'Other' item amounting to TRY 1,043,425 (31 December 2021: TRY 1,821,664) included in the 'Operating profit before changes in banking activity-related assets and liabilities' comprises foreign exchange transaction gains/losses, other operating income, and fees and commissions paid.

The 'Net increase/decrease in other liabilities' item amounting to TRY 309,354 (31 December 2021: TRY 1,870,237) included in the 'Change in assets and liabilities subject to banking activities' consists of changes in payables to money markets, other liabilities, taxes payable, fees, charges, and premiums**.**

The 'Net increase/decrease in other assets' item amounting to TRY 1,430,054 (31 December 2021: TRY 1,429,573) included in the 'Change in assets and liabilities subject to banking activities' consists of changes in other assets items.

As of 31 December 2022, the effect of the change in the exchange rate on cash and cash equivalents has been calculated as TRY 459,366 (31 December 2021: TRY 374,093).

2. Information regarding the balances of cash and cash equivalents at the beginning of the period

	Current Period 31 December 2022	Prior Period 31 December 2021
Cash	**6,086,364**	**2,530,254**
Cash and cash equivalents	710,871	352,282
Central Bank of the Republic of Türkiye, required reserves and other [1]	5,375,493	2,177,972
Cash and cash equivalents	**4,760,839**	**2,336,158**
Banks and Other Financial Institutions	4,595,910	1,978,764
Interbank Money Market Placements	164,929	357,394
Cash Equivalents and Banks	**(3,025,940)**	**(1,199,631)**
Bank Balances with Maturities Longer Than Three Months	-	-
Restricted Cash and Cash Equivalents	(107,734)	(75)
Required Reserves	(2,901,211)	(1,199,310)
Banks and Money Markets Discount	(16,995)	(246)
Total cash and cash equivalents	**7,821,263**	**3,666,781**

[1] The 'Other' item includes funds in transit.

3. Information regarding the balances of cash and cash equivalents at the end of the period

	Current Period 31 December 2022	Prior Period 31 December 2021
Cash	**6,029,617**	**6,086,364**
Cash and cash equivalents	625,782	710,871
Central Bank of the Republic of Türkiye, required reserves and other [1]	5,403,835	5,375,493
Cash Equivalents	**8,630,148**	**4,760,839**
Banks and Other Financial Institutions	7,821,669	4,595,910
Interbank Money Market Placements	808,479	164,929
Cash Equivalents and banks	**(3,552,521)**	**(3,025,940)**
Bank balances with maturities longer than three months	-	-
Restricted Cash and Cash Equivalents	(1,374,906)	(107,734)
Reserve requirements	(2,175,767)	(2,901,211)
Banks and Money Market Rediscounts	(1,848)	(16,995)
Total cash and cash equivalents	**11,107,244**	**7,821,263**

[1] The 'Other' item includes funds in transit.

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

VI. Explanations and Disclosures Related to Consolidates Financial Statements of Cash Flows (Continued)

4. Restricted cash and cash equivalents due to legal requirements or other reasons

There are no deposits with a maturity of more than 3 months in the account of foreign banks (31 December 2021: None). The placements made to other banks amounting to TRY 66,172 (31 December 2021: TRY 107,614) includes the collateral held in return for interest rate swap transactions.

5. Additional information

Restrictions on the potential borrowings that can be used for banking operations or capital commitment

None.

VII. 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 Credits of the Parent Bank's Risk Group

	Associates and Subsidiaries (Partnerships)		Bank's Direct and Indirect Shareholders		Other Individuals and Legal Entities in the Risk Group	
Parent Bank's Risk Group-Current Period	**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	-	-	23,051	17	6	-

	Associates and Subsidiaries (Partnerships)		Bank's Direct and Indirect Shareholders		Other Individuals and Legal Entities in the Risk Group	
Parent Bank's Risk Group-Prior Period	**Cash**	**Non- Cash**	**Cash**	**Non- Cash**	**Cash**	**Non- Cash**
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	171,136	198,659	221	-
Balance at the End of the Period	-	-	414,325	91,522	294	71
Interest and Commission Income	-	-	9,319	19	7	-

Information on deposits of the Parent Bank's risk group

	Associates and Subsidiaries (Partnerships)		Bank's Direct and Indirect Shareholders		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	-	-	6,581,596	2,065,406	22,976	15,550
Balance at the End of the Period	-	-	5,075,996	6,581,596	32,766	22,976
Deposit interest expense	-	-	107,789	46,579	1,745	2,587

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

VII. 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 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	-	-	2,277	391,862	-	-
Closing Balance	-	-	1,852,253	2,277	-	-
Total Profit/Loss	-	-	162,168	486	-	-
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 31 December 2022, the Parent Bank collected a total of TRY 1,610 in stock trading commissions and mutual fund commissions from Anadolu Yatırım Menkul Kıymetler A.Ş. (31 December 2021: TRY 901).

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	408,005	1.4
Non-cash loans	105,138	1.1
Deposit	5,107,694	12.2
Forward and option contracts	1,852,253	6.27

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

VII. 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	414,619	1.66
Non-cash loans	91,593	1.05
Deposit	6,604,572	19.77
Forward and option contracts	2,277	0.01

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 31 December 2022, the income obtained by the Parent Bank from its subsidiary Anadolubank Nederland NV within the framework of service procurement and license agreements is TRY 4,764 (31 December 2021: TRY 3,324).

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 31 December 2022, the amount of tangible benefits provided and to be provided to the Group's senior management is TRY 68,030 (31 December 2021: TRY 54,170) (31 December 2021: TRY 54,170).

VIII. Explanations on the Parent Bank's Domestic, Foreign and Off-Shore Banking Branches and Foreign Representatives of the Group

Information relating to the Parent Bank's domestic and foreign branch and representatives

	Number	Number of employees			
Domestic Branch	116	1,671			
			Country of incorporation		
Foreign Representation Office	-	-	-		
	-	-	-		
	-	-	-		
				Total Assets	Statutory Share Capital
Foreign Branch	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Off-shore banking region branches	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-

SECTION SIX : OTHER EXPLANATIONS

I. Other Explanations Related to the Parent Bank's Operations

None.

II. Summary of information regarding the ratings of the Parent Bank by international rating agencies

The most recently announced ratings of the parent bank by fitch ratings are provided below

FITCH Ratings: July 2022	
Foreign currency-Long term	B- (Negative)
Domestic Currency -Long term	B- (Negative)
Financial capacity rating	b-

III. Unsettled transactions after balance sheet date and related effects on financial tables

Following the earthquake that occurred on 6 February 2023, affecting 11 of our provinces, regulations to ease the region were put into effect by the BRSA, CBRT, Revenue Administration and The Banks Association of Türkiye, and as announced in the Official Gazette dated 8 February 2023 and numbered 32098, a state of emergency was declared in these provinces for a period of 3 months.

The Bank's management is closely monitoring the developments related to the crisis.

IV. The Impact of Significant Changes in Exchange Rates Arising After the Balance Sheet Date, Which, If not Disclosed, Would Affect the Users' Assessment and Decision-Making on the Financial Statements, on Foreign Currency Transactions and Items, and on the Financial Statements, as Well as the Impact on the Bank's Overseas Operations

None.

SECTION SEVEN: Explanations on Independent Auditor's Report

I. Explanations on Independent Auditor's Report

The consolidated financial statements for the period ended 31 December 2022 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The auditor's report dated 23 March 2023 is presented preceding the consolidated financial statements.

II. Explanations and Notes Prepared by the Independent Auditor

None.

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