ANADOLUBANK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 WITH INDEPENDENT AUDITOR'S REPORT THEREON

(Convenience translation of publicly announced consolidated financial statements, related disclosures and independent auditor's report at 31 December 2023, 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 2023, 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 2023, 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 859,614 thousand in respect to total loans amounting to TL 43,011,669 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as of 31 December 2023. Explanations and notes related to expected credit losses for loans are presented in Section Three Part VIII, Section Three Part IX, Section Four Part II, Section Five Part I-6 and Section Five Part IV-6, in the accompanying consolidated financial statements as of 31 December 2023. 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 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 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. 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.

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 balances; the classification of loans 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. 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 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. 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.

4. 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.

5. 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 2023 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 2023. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

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



Talar Gül, SMMM
Independent Auditor

Istanbul, 22 March 2024

THE CONSOLIDATED FINANCIAL REPORT OF ANADOLUBANK A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2023

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Anadolubank Anonim Şirketi'nin ("the Bank"),The consolidated financial report for the year ended 31 December 2023, designed by the Banking Regulation and Supervision Agency ("BRSA") in line with the Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP WHICH IS UNDER CONSOLIDATION
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATORY DISCLOSURES AND FOOTNOTES
- 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**	**Ferudun CANBAY**	**Suat İNCE**
Chairman of the Board of Directors	Member of Audit Committee	Member of Audit Committee	General Manager

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

Information about the responsible personnel whom questions may be asked:

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

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SECTION ONE: GENERAL INFORMATION

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

Anadolubank Anonim Şirketi ("Parent Bank" or "Bank") is a private sector deposit bank and was established by splitting the assets of Etibank Banking Inc. in accordance with the relevant provisions of the Law No. 4046 on the Regulation of Privatization Practices dated 24 November 1994. The establishment works of the Bank were carried out by the Privatization Administration and the Undersecretariat of Treasury of the Prime Ministry of the Republic of Türkiye. The Decree No. 96/8532 dated 19 September 1996, regarding this matter, was published in the Official Gazette on 11 October 1996. Anadolubank Anonim Şirketi (the "Bank") started its operations on 25 September 1997 in Türkiye under the Turkish Banking Law and the Turkish Commercial Code pursuant to the permit of the Turkish Undersecretariat of Treasury dated 25 August 1997 and numbered 39692.

II. Explanation about the Parent Bank's capital structure, shareholders of the Parent Bank who are in charge of the management and/or auditing of the Parent Bank directly or indirectly, changes in these matters (if any) and the Group that the Bank belongs to

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

III. Explanation on the board of directors, members of the audit committee, president and executive vice presidents, if available, shares of the Parent Bank they possess, and their areas of responsibility

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

(*) Namık Ülke has stepped down from his position as CEO as of February 16, 2024. As of March 1, 2024, Board Member Suat İnce has been appointed as the acting CEO.
(**) Until an Assistant General Manager is appointed to the Finance Department, the authority to sign the financial statements has been granted to Zeki Murat Ural, the Deputy General Manager of the Treasury.
(***) Resigned from the position as of December 15, 2023.
(****) Resigned from the position as of March 4, 2024.
(*****) Resigned from the position as of January 2, 2024.

SECTION ONE: GENERAL INFORMATION (Continued)

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

As at 31 December 2023 and 2022, the composition of shareholders and their respective percentage of ownership can be summarised as follows:

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

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

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**

V. Information on the Parent Bank's service types and fields of operation

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

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

The Parent Bank's headquarters is in Istanbul. As of 31 December 2023, the Bank has a total of 114 branches, 49 of which are in Istanbul, and 1,547 employees (31 December 2022: a total of 116 branches, 49 of which are in Istanbul, and 1,671 employees.

SECTION ONE: GENERAL INFORMATION (Continued)

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 31 DECEMBER 2023

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

			Audited Current Period 31 December 2023			Audited Prior Period 31 December 2022		
	ASSETS	**Note**	**TRY**	**FC**	**Total**	**TRY**	**FC**	**Total**
I.	**FINANCIAL ASSETS (Net)**		**10,624,703**	**24,682,718**	**35,307,421**	**2,947,702**	**15,070,556**	**18,018,258**
1.1	**Cash and Cash Equivalents**		**7,204,955**	**15,881,374**	**23,086,329**	**1,678,819**	**12,975,277**	**14,654,096**
1.1.1	Cash and Balances with Central Bank	**V-I-1**	4,207,322	4,615,126	8,822,448	1,006,096	5,023,521	6,029,617
1.1.2	Banks	**V-I-2**	188,079	11,267,812	11,455,891	222,604	7,599,065	7,821,669
1.1.3	Money Market Placements		2,810,043	-	2,810,043	450,256	358,223	808,479
1.1.4	Expected Credit Losses (-)		489	1,564	2,053	137	5,532	5,669
1.2	**Financial Assets Measured at Fair Value Through Profit or Loss**	**V-I-3**	**-**	**118,238**	**118,238**	**5,783**	**45,637**	**51,420**
1.2.1	Government Securities		-	102,803	102,803	5,783	38,692	44,475
1.2.2	Equity Instruments		-	-	-	-	-	-
1.2.3	Other Financial Assets		-	15,435	15,435	-	6,945	6,945
1.3	**Financial Assets Measured at Fair Value Through Other Comprehensive Income**	**V-I-4**	**1,441,363**	**8,410,228**	**9,851,591**	**867,767**	**1,663,138**	**2,530,905**
1.3.1	Government Securities		1,351,279	2,277,538	3,628,817	795,980	1,622,892	2,418,872
1.3.2	Equity Securities		13,941	79,458	93,399	13,941	40,246	54,187
1.3.3	Other Financial Assets		76,143	6,053,232	6,129,375	57,846	-	57,846
1.4	**Derivative Financial Assets**	**V-I-5**	**1,978,385**	**272,878**	**2,251,263**	**395,333**	**386,504**	**781,837**
1.4.1	Derivative Financial Assets Measured at Fair Value Through Profit or Loss		1,978,385	272,878	2,251,263	395,333	386,504	781,837
1.4.2	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)**		**26,376,264**	**21,687,160**	**48,063,424**	**19,733,841**	**15,220,551**	**34,954,392**
2.1	**Loans**	**V-I-6**	**24,542,466**	**18,469,203**	**43,011,669**	**17,294,328**	**13,692,453**	**30,986,781**
2.2	**Lease Receivables**	**V-I-9**	**-**	**-**	**-**	-	-	-
2.3	**Factoring Receivables**	**V-I-8**	**2,499,984**	**-**	**2,499,984**	**1,349,710**	**-**	**1,349,710**
2.4	**Other Financial Assets Measured at Amortized Cost**	**V-I-7**	**-**	**3,411,385**	**3,411,385**	**1,744,224**	**1,634,383**	**3,378,607**
2.4.1	Government Securities		-	646,464	646,464	1,744,224	367,327	2,111,551
2.4.2	Other Financial Assets		-	2,764,921	2,764,921	-	1,267,056	1,267,056
2.5	**Expected Credit Losses (-)**		**666,186**	**193,428**	**859,614**	**654,421**	**106,285**	**760,706**
III.	**ASSETS HELD FOR SALE AND ASSETS DISCONTINUED OPERATIONS (NET)**	**V-I-17**	**211,656**	**-**	**211,656**	**218,226**	**-**	**218,226**
3.1	Held for Sale		211,656	-	211,656	218,226	-	218,226
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**	**1,721,924**	**48,613**	**1,770,537**	**877,593**	**10,767**	**888,360**
VI.	**INTANGIBLE ASSETS (Net)**	**V-I-14**	**97,895**	**-**	**97,895**	**71,238**	**-**	**71,238**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		97,895	-	97,895	71,238	-	71,238
VII.	**INVESTMENT PROPERTY (Net)**	**V-I-15**	-	-	-	-	-	-
VIII.	**CURRENT TAX ASSET**		**-**	**10,187**	**10,187**	**-**	**4,693**	**4,693**
IX.	**DEFERRED TAX ASSET**	**V-I-16**	**8,119**	**-**	**8,119**	**1,429**	**2,532**	**3,961**
X.	**OTHER ASSETS**	**V-I-18**	**1,104,998**	**64,376**	**1,169,374**	**474,265**	**119,102**	**593,367**
	TOTAL ASSETS		**40,145,559**	**46,493,054**	**86,638,613**	**24,324,294**	**30,428,201**	**54,752,495**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET – LIABILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

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

			Audited Current Period 31 December 2023			Audited Prior Period 31 December 2022		
	LIABILITIES	**Note**	**TRY**	**FC**	**Total**	**TRY**	**FC**	**Total**
I.	**DEPOSITS**	**V-II-1**	**26,573,244**	**44,211,838**	**70,785,082**	**19,878,237**	**21,914,991**	**41,793,228**
II.	**FUNDS BORROWED**	**V-II-2**	**1,953,806**	**71,694**	**2,025,500**	**1,211,399**	**1,364,772**	**2,576,171**
III.	**MONEY MARKET FUNDS**		**94,784**	**-**	**94,784**	**371,480**	**1,144,407**	**1,515,887**
IV.	**SECURITIES ISSUED (Net)**		-	-	-	-	-	-
4.1	Bills		-	-	-	-	-	-
4.2	Assets Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	**BORROWER FUNDS**		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS**		-	-	-	-	-	-
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**V-II-2**	**130,796**	**288,245**	**419,041**	**8,723**	**299,906**	**308,629**
7.1	Derivative Financial Liabilities Measured at Fair Value Through Profit or Loss		130,796	288,245	419,041	8,723	299,906	308,629
7.2	Derivative Financial Liabilities Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	**FACTORING PAYABLES**		**10**	**-**	**10**	**48**	**-**	**48**
IX.	**LEASE PAYABLES**	**V-II-3**	**236,643**	**42,427**	**279,070**	**129,932**	**7,477**	**137,409**
X.	**PROVISIONS**	**V-II-4**	**185,386**	**34,328**	**219,714**	**199,363**	**13,786**	**213,149**
10.1	Restructuring Reserves		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		148,023	18,567	166,590	179,886	-	179,886
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		37,363	15,761	53,124	19,477	13,786	33,263
XI.	**CURRENT TAX LIABILITY**	**V-II-5**	**78,801**	**-**	**78,801**	**218,245**	**-**	**218,245**
XII.	**DEFERRED TAX LIABILITY**	**V-II-6**	**206,021**	**15,061**	**221,082**	**55,906**	**-**	**55,906**
XIII.	**LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	**V-II-7**	-	-	-	-	-	-
13.1	Held for Sale		-	-	-	-	-	-
13.2	Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBT INSTRUMENTS**	**V-II-8**	-	-	-	-	-	-
14.1	Subordinated Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	-	-	-	-	-
XV.	**OTHER LIABILITIES**	**V-II-9**	**1,027,334**	**335,314**	**1,362,648**	**869,898**	**149,089**	**1,018,987**
XVI.	**SHAREHOLDERS' EQUITY**		**10,741,270**	**411,611**	**11,152,881**	**6,831,089**	**83,747**	**6,914,836**
16.1	**Paid-in Capital**	**V-II-10**	**1,100,000**	**-**	**1,100,000**	**1,100,000**	**-**	**1,100,000**
16.2	**Capital Reserves**		**-**	**-**	**-**	**-**	**-**	**-**
16.2.1	Share Premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		-	-	-	-	-	-
16.3	**Other Comprehensive Income/Expense Items not to be Reclassified to Profit or Loss**		**1,159,957**	**38,911**	**1,198,868**	**432,387**	**18,775**	**451,162**
16.4	**Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss**		**1,279,081**	**(117,997)**	**1,161,084**	**758,118**	**(147,929)**	**610,189**
16.5	**Profit Reserves**		**4,741,743**	**-**	**4,741,743**	**2,756,677**	**-**	**2,756,677**
16.5.1	Legal Reserves		220,000	-	220,000	164,453	-	164,453
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		4,521,743	-	4,521,743	2,592,224	-	2,592,224
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	**Profit or Loss**		**2,440,542**	**490,697**	**2,931,239**	**1,772,162**	**212,901**	**1,985,063**
16.6.1	Prior Period's Profit/Loss		-	-	-	-	65,531	65,531
16.6.2	Current Period's Profit/Loss		2,440,542	490,697	2,931,239	1,772,162	147,370	1,919,532
16.7	**Minority Interest**		**19,947**	**-**	**19,947**	**11,745**	**-**	**11,745**
	TOTAL EQUITY AND LIABILITIES		**41,228,095**	**45,410,518**	**86,638,613**	**29,774,320**	**24,978,175**	**54,752,495**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES FOR THE YEAR ENDED 31 DECEMBER 2023

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

			Audited Current Period 31 December 2023			Audited Prior Period 31 December 2022		
		Note	TRY	FC	Total	TRY	FC	Total
	OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES							
A.	**(I+II+III)**		**46,290,690**	**86,094,151**	**132,384,841**	**28,529,167**	**44,556,619**	**73,085,786**
I.	**GUARANTEES AND COLLATERALS**	**V-III-2**	**12,334,944**	**5,352,850**	**17,687,794**	**7,120,447**	**2,712,677**	**9,833,124**
1.1	Letters of Guarantee		9,989,694	2,377,481	12,367,175	5,477,762	1,316,222	6,793,984
1.1.1	Guarantees Subject to State Tender Law		66,465	8,178	74,643	68,477	1,125	69,602
1.1.2	Guarantees Given for Foreign Trade Operations		113,422	7,172	120,594	75,873	4,424	80,297
1.1.3	Other Letters of Guarantee		9,809,807	2,362,131	12,171,938	5,333,412	1,310,673	6,644,085
1.2	Bank Acceptances		-	74,195	74,195	-	42,802	42,802
1.2.1	Import Letter of Acceptance		-	74,195	74,195	-	42,802	42,802
1.2.2	Other Bank Acceptance		-	-	-	-	-	-
1.3	Letters of Credit		-	2,852,313	2,852,313	1,824	1,158,017	1,159,841
1.3.1	Documentary Letters of Credit		-	2,852,313	2,852,313	1,824	1,158,017	1,159,841
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Guaranteed Prefinancing		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Underwriting Commitments		-	-	-	-	-	-
1.7	Factoring Related Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		2,345,250	48,861	2,394,111	1,640,861	195,636	1,836,497
1.9	Other Collaterals		-	-	-	-	-	-
II.	**COMMITMENTS**	**V-III-1**	**4,309,703**	**3,056,470**	**7,366,173**	**2,458,774**	**2,012,769**	**4,471,543**
2.1	Irrevocable Commitments		4,309,703	3,056,470	7,366,173	2,458,774	2,012,769	4,471,543
2.1.1	Forward Asset Purchase and Sale Commitments		783,087	3,056,470	3,839,557	548,216	2,012,769	2,560,985
2.1.2	Forward Deposit Purchase and Sale Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		2,317,989	-	2,317,989	1,148,216	-	1,148,216
2.1.5	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Payment Commitment for Checks		815,921	-	815,921	488,216	-	488,216
2.1.8	Tax and Fund Liabilities from Export Commitments		12	-	12	-	-	-
2.1.9	Commitments for Credit Card Expenditure Limits		323,994	-	323,994	212,182	-	212,182
2.1.10	Commitments for Promotions Related with Credit Cards and Banking Activities		617	-	617	1,085	-	1,085
2.1.11	Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		68,083	-	68,083	60,859	-	60,859
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**V-III-6**	**29,646,043**	**77,684,831**	**107,330,874**	**18,949,946**	**39,831,173**	**58,781,119**
3.1	Derivative Financial Instruments for Hedging Purposes		-	1,921,860	1,921,860	-	1,123,882	1,123,882
3.1.1	Fair Value Hedges		-	1,921,860	1,921,860	-	637,917	637,917
3.1.2	Cash Flow Hedges		-	-	-	-	485,965	485,965
3.1.3	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2	Trading Transactions		29,646,043	75,762,971	105,409,014	18,949,946	38,707,291	57,657,237
3.2.1	Forward Foreign Currency Purchase/Sale Transactions		8,034,856	10,024,522	18,059,378	3,116,413	4,034,743	7,151,156
3.2.1.1	Forward Foreign Currency Transactions- Purchases		8,034,791	1,294,460	9,329,251	3,100,200	574,760	3,674,960
3.2.1.2	Forward Foreign Currency Transactions- Sales		65	8,730,062	8,730,127	16,213	3,459,983	3,476,196
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rate		16,292,728	56,439,695	72,732,423	5,389,954	23,522,937	28,912,891
3.2.2.1	Foreign Currency Swap- Purchases		3,147,742	24,889,307	28,037,049	371,848	12,160,826	12,532,674
3.2.2.2	Foreign Currency Swap- Sales		3,602,986	24,379,896	27,982,882	2,198,106	10,484,975	12,683,081
3.2.2.3	Interest Rate Swap- Purchases		4,771,000	3,585,246	8,356,246	1,410,000	438,568	1,848,568
3.2.2.4	Interest Rate Swap- Sales		4,771,000	3,585,246	8,356,246	1,410,000	438,568	1,848,568
3.2.3	Foreign Currency, Interest Rate, and Securities Options		5,318,459	9,298,754	14,617,213	10,443,579	11,149,611	21,593,190
3.2.3.1	Foreign Currency Options- Purchases		974,804	7,070,187	8,044,991	7,882,582	3,041,187	10,923,769
3.2.3.2	Foreign Currency Options- Sales		4,343,655	2,228,567	6,572,222	2,560,997	8,108,424	10,669,421
3.2.3.3	Interest Rate Options- Purchases		-	-	-	-	-	-
3.2.3.4	Interest Rate Options- Sales		-	-	-	-	-	-
3.2.3.5	Securities Options- Purchases		-	-	-	-	-	-
3.2.3.6	Securities Options- Sales		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Purchases		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sales		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures- Purchases		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures- Sales		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	**CUSTODY AND PLEDGED ITEMS (IV+V+VI)**		**529,837,241**	**51,254,827**	**581,092,068**	**409,403,902**	**28,699,548**	**438,103,450**
IV.	**ITEMS HELD IN CUSTODY**		**130,235,634**	**6,354,189**	**136,589,823**	**133,898,290**	**2,875,588**	**136,773,878**
4.1	Customers' Securities Held		1,196,531	2,148,446	3,344,977	412,028	-	412,028
4.2	Investment Securities Held in Custody		115,511,257	3,990,353	119,501,610	125,104,007	2,734,197	127,838,204
4.3	Checks Received for Collection		13,170,734	106,157	13,276,891	7,860,208	75,459	7,935,667
4.4	Commercial Notes Received for Collection		77,184	16,387	93,571	95,177	37,971	133,148
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		279,928	92,846	372,774	426,870	27,961	454,831
4.8	Custodians		-	-	-	-	-	-
V.	**PLEDGED ITEMS**		**398,004,622**	**44,900,638**	**442,905,260**	**273,908,627**	**25,823,960**	**299,732,587**
5.1	Marketable Securities		5,494,535	-	5,494,535	9,765,650	-	9,765,650
5.2	Guarantee Notes		11,329	71,648	82,977	15,220	46,154	61,374
5.3	Commodities		-	-	-	-	-	-
5.4	Warranties		237,365	-	237,365	2,219,760	-	2,219,760
5.5	Real Estate		-	-	-	-	-	-
5.6	Other Pledged Items		392,261,393	44,828,990	437,090,383	261,907,997	25,777,806	287,685,803
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	**CONFIRMED BILLS OF EXCHANGE AND SURETIES**		**1,596,985**	**-**	**1,596,985**	**1,596,985**	**-**	**1,596,985**
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		**576,127,931**	**137,348,978**	**713,476,909**	**437,933,069**	**73,256,167**	**511,189,236**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

	INCOME AND EXPENSE ITEMS	Note	Audited Current Period 1 January – 31 December 2023	Audited Prior Period 1 January – 31 December 2022
I.	**INTEREST INCOME**		**8,973,335**	**5,504,828**
1.1	Interest Income on Loans	**V-IV-1**	7,103,235	4,693,026
1.2	Interest Received on Reserve Deposits		118	16,238
1.3	Interest Received on Banks	**V-IV-1**	554,767	76,944
1.4	Interest Received on Money Market Transactions		210,463	47,001
1.5	Interest Received on Securities Portfolio	**V-IV-1**	460,668	357,937
1.5.1	Financial Assets Measured at Fair Value through Profit or (Loss)		12,055	10,985
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		285,699	59,387
1.5.3	Financial Assets Measured at Measured at Amortized Cost		162,914	287,565
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		644,084	313,682
II.	**INTEREST EXPENSE (-)**		**7,627,673**	**3,303,018**
2.1	Interest on Deposits	**V-IV-2**	6,996,196	2,954,959
2.2	Interest on Funds Borrowed	**V-IV-2**	484,996	150,752
2.3	Interest on Money Market Transactions		86,892	119,911
2.4	Interest on Securities Issued	**V-IV-2**	-	-
2.5	Interest on Leases		32,385	19,429
2.6	Other Interest Expenses		27,204	57,967
III.	**NET INTEREST INCOME/EXPENSE (I - II)**		**1,345,662**	**2,201,810**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSE**		**1,713,322**	**526,762**
4.1	Fees and Commissions Received		2,060,382	612,454
4.1.1	Non-Cash Loans		161,248	76,921
4.1.2	Other	**V-IV-11**	1,899,134	535,533
4.2	Fees and Commissions Paid (-)		347,060	85,692
4.2.1	Non-Cash Loans		153	5
4.2.2	Other		346,907	85,687
V.	**DIVIDEND INCOME**	**V-IV-3**	**3,074**	**322**
VI.	**TRADING GAIN/(LOSS) (Net)**	**V-IV-4**	**3,700,252**	**954,016**
6.1	Trading Gains/(Losses) on Securities		288,579	54,459
6.2	Gains/losses from derivative transactions		725,271	2,178,171
6.3	Foreign Exchange Gains/(Losses)		2,686,402	(1,278,614)
VII.	**OTHER OPERATING INCOME**	**V-IV-5**	**418,711**	**583,374**
VIII.	**TOTAL OPERATING GROSS PROFIT (III+IV+V+VI+VII)**		**7,181,021**	**4,266,284**
IX.	**EXPECTED CREDIT LOSSES (-)**	**V-IV-6**	**275,839**	**219,959**
X.	**OTHER PROVISION EXPENSES (-)**	**V-IV-6**	**26,991**	**1,822**
XI.	**PERSONNEL EXPENSES (-)**		**1,407,458**	**669,535**
XII.	**OTHER OPERATING EXPENSES (-)**	**V-IV-7**	**1,274,156**	**765,016**
XIII.	**NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)**		**4,196,577**	**2,609,952**
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**	**4,196,577**	**2,609,952**
XVIII.	**PROVISION FOR TAXES OF CONTINUING OPERATIONS (±)**	**V-IV-9**	**(1,257,005)**	**(687,062)**
18.1	Current Tax Charge		(496,442)	(426,132)
18.2	Deferred Tax Charge (+)		(1,035,695)	(322,808)
18.3	Deferred Tax Credit (-)		275,132	61,878
XIX.	**NET PROFIT/LOSS AFTER TAXES (XVII±XVIII)**	**V-IV-9**	**2,939,572**	**1,922,890**
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**	**2,939,572**	**1,922,890**
25.1	Group's profit/loss		2,931,239	1,919,532
25.2	Non-Controlling interest		8,333	3,358
	Earnings per Share	**III-XXIV**	0.026723	0.017481

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 31 DECEMBER 2023

(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 2023	Audited Prior Period 1 January – 31 December 2022
I.	**CURRENT PERIOD PROFIT/LOSS**		**2,939,572**	**1,922,890**
II	**OTHER COMPREHENSIVE INCOME**		**1,298,601**	**576,059**
2.1.	**Other Income/Expense Items Not Reclassified Through Profit or Loss**		**747,706**	**310,447**
2.1.1.	Revaluation Surplus on Tangible Assets		716,732	398,379
2.1.2.	Revaluation Surplus on Intangible Assets		-	-
2.1.3.	Defined Benefit Plans' Actuarial Gains/Losses		(55,910)	(51,869)
2.1.4.	Other Income/Expense Items not Reclassified to Profit or Loss		30,554	5,865
2.1.5.	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss		56,330	(41,928)
2.2.	**Other Income/Expense Items Reclassified to Profit or Loss**		**550,895**	**265,612**
2.2.1.	Exchange Differences on Translation		1,564,410	525,864
2.2.2.	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI		(198,551)	46,475
2.2.3.	Gains/losses from Cash Flow Hedges		(7,032)	17,721
2.2.4.	Gains/Losses on Hedges of Net Investments in Foreign Operations		(1,365,012)	(484,820)
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		557,080	160,372
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**		**4,238,173**	**2,498,949**

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 31 DECEMBER 2023

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

							Other Comprehensive Income/Expense Items not to be Reclassified to Profit or Loss			Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss								
	CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Note	Paid – in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Gains/Losses	Others	Translation Differences	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Others	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Shareholders' Equity Before Non-Controlling Interest	Non-Controlling Interest	Total Shareholders' Equity
	Prior Period																	
I.	**Balances at Beginning of Period**		**1,100,000**	**-**	**-**	**-**	**147,764**	**(21,808)**	**14,759**	**1,237,594**	**(95,902)**	**(797,115)**	**2,204,373**	**617,835**	**-**	**4,407,500**	**8,366**	**4,415,866**
II.	**Correction made as per TAS 8**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	**Effect of Changes in Accounting Policies**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Balances at Beginning of Period (I+II)**	**V-II-10**	**1,100,000**	**-**	**-**	**-**	**147,764**	**(21,808)**	**14,759**	**1,237,594**	**(95,902)**	**(797,115)**	**2,204,373**	**617,835**	**-**	**4,407,500**	**8,366**	**4,415,866**
IV.	**Total Comprehensive Income**		-	-	-	-	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 Liabilities**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Other Changes**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	21	21
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	552,304	(552,304)	-	-	-	-
11.1	**Dividends**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	**Transfers to Reserves**		-	-	-	-	-	-	-	-	-	-	552,304	(552,304)	-	-	-	-
11.3	**Others**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of the period (III+IV+…...+X+XI)		**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**

							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 Premium	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Gains/Losses	Others	Translation Differences	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Others	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/ Loss	Shareholders' Equity Before Non-Controlling Interest	Non-Controlling Interest	Total Shareholders' Equity
	Current Period																	
I.	**Balances at Beginning of Period**		**1,100,000**	**-**	**-**	**-**	**492,241**	**(59,854)**	**18,775**	**1,763,458**	**(59,427)**	**(1,093,842)**	**2,756,677**	**1,985,063**	**-**	**6,903,091**	**11,745**	**6,914,836**
II.	**Correction made as per TAS 8**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Balances at Beginning of Period (I+II)**	**V-II-10**	**1,100,000**	**-**	**-**	**-**	**492,241**	**(59,854)**	**18,775**	**1,763,458**	**(59,427)**	**(1,093,842)**	**2,756,677**	**1,985,063**	**-**	**6,903,091**	**11,745**	**6,914,836**
IV.	**Total Comprehensive Income**		-	-	-	-	764,059	(36,489)	20,136	1,552,716	(112,686)	(889,135)	-	-	2,931,239	4,229,840	8,333	4,238,173
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**		-	-	-	-	-	-	-	-	-	-	**3**	-	-	**3**	**(131)**	**(128)**
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	**1,985,063**	**(1,985,063)**	-	-	-	-
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1,985,063	(1,985,063)	-	-	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of the period (III+IV…+X+XI)		**1,100,000**	**-**	**-**	**-**	**1,256,300**	**(96,343)**	**38,911**	**3,316,174**	**(172,113)**	**(1,982,977)**	**4,741,743**	**-**	**2,931,239**	**11,132,934**	**19,947**	**11,152,881**

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

ANADOLUBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

		Note	Audited Current Period 1 January- 31 December 2023	Audited Prior Period 1 January- 31 December 2022
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating profit before changes in operating assets and liabilities**		**5,977,010**	**3,281,958**
1.1.1	Interest received		8,956,878	5,144,695
1.1.2	Interest paid		(7,088,393)	(2,948,342)
1.1.3	Dividend received		3,074	322
1.1.4	Fees and commissions received		2,060,382	611,347
1.1.5	Other income		3,260,353	1,987,708
1.1.6	Collections from previously written-off loans		257,485	419,814
1.1.7	Cash payments to personnel and service suppliers		(1,407,458)	(669,535)
1.1.8	Taxes paid		(277,707)	(220,626)
1.1.9	Other	V-VI-1	212,396	(1,043,425)
1.2	**Changes in operating assets and liabilities subject to banking operations**		**6,378,620**	**233,086**
1.2.1	Net (increase) decrease in financial assets measured at fair value through profit/loss		(124,357)	(39,935)
1.2.2	Net (increase) decrease in due from banks		(313,438)	(541,730)
1.2.3	Net (increase) decrease in loans		(11,668,940)	(5,514,758)
1.2.4	Net (increase) decrease in other assets	V-VI-1	(10,171,466)	(1,430,054)
1.2.5	Net increase (decrease) in bank deposits		2,994,019	(65,201)
1.2.6	Net increase (decrease) in other deposits		25,458,555	8,139,144
1.2.7	Net increase (decrease) in financial liabilities at fair value through profit or loss		-	-
1.2.8	Net increase (decrease) in funds borrowed		-	-
1.2.9	Net increase (decrease) in matured payables	V-VI-1	204,247	(314,380)
I.	**Net cash provided from banking operations**		**12,355,630**	**3,515,044**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net cash provided from / (used in) investing activities**		**(4,135,374)**	**(1,599,658)**
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		(303,718)	(167,686)
2.4	Fixed assets sales		27,940	106,578
2.5	Cash paid for purchase of financial assets measured at fair value through other comprehensive income		(6,478,880)	(1,207,263)
2.6	Cash obtained from sale of financial assets measured at fair value through other comprehensive income		3,267,955	-
2.7	Cash paid for purchase of Financial Assets Measured at Amortized Cost		(1,780,417)	(521,598)
2.8	Cash obtained from sale of Financial Assets Measured at Amortized Cost		2,674,407	700,255
2.9	Other		(1,542,661)	(509,944)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net cash provided from / (used in) financing activities**		**(681,660)**	**911,229**
3.1	Cash obtained from funds borrowed and securities issued		-	955,930
3.2	Cash used for repayment of funds borrowed and securities issued		(539,999)	-
3.3	Issued equity instruments		-	-
3.4	Dividends paid		-	-
3.5	Payments for finance leases		(141,661)	(44,701)
3.6	Other		-	-
IV.	**Effect of foreign currency exchange differences on cash and cash equivalents**	V-VI-1	**568,318**	**459,366**
V.	**Net increase / (decrease) in cash and cash equivalents**		**8,106,914**	**3,285,981**
VI.	**Cash and cash equivalents at the beginning of the period**		**11,107,244**	**7,821,263**
VII.	**Cash and cash equivalents at end of the period (V+VI)**		**19,214,158**	**11,107,244**

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

ANADOLUBANK ANONİM ŞİRKETİ

STATEMENT OF PROFIT DISTRIBUTION OF THE PARENT BANK FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022

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

		Note	Current Period 31 December 2023	Prior Period 31 December 2022
I.	**DISTRIBUTION OF CURRENT YEAR INCOME** [(1) (2)]			
1.1	**CURRENT YEAR INCOME**		**3,856,440**	**2,504,581**
1.2	**TAXES AND DUTIES PAYABLE**		**(925,201)**	**(585,049)**
1.2.1	Corporate Tax (Income Tax)		-	-
1.2.2	Income Withholding Tax		(925,201)	(585,049)
1.2.3	Other Taxes and Duties		-	-
A.	**NET INCOME FOR THE YEAR**		**2,931,239**	**1,919,532**
1.3	**PRIOR YEARS LOSSES (-)**		**-**	**-**
1.4	**FIRST LEGAL RESERVES (-)**		**-**	**-**
1.5	**OTHER STATUTORY RESERVES (-)**		**-**	**-**
B.	**NET INCOME AVAILABLE FOR DISTRIBUTION**		**2,931,239**	**1,919,532**
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 (-)**		**-**	**54,962**
1.11	**STATUTORY RESERVES (-)**		**-**	**-**
1.12	**EXTRAORDINARY RESERVES**		**-**	**1,864,570**
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**		**0.002665**	**0.01745**
3.2	**TO OWNERS OF ORDINARY SHARES (%)**		**266.50**	**174.57**
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 2023; therefore, only the net profit for the period is stated in the 2023 profit distribution table.

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

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

SECTION THREE: EXPLANATION ON ACCOUNTING POLICIES

I. Explanation on Basis of Presentation

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

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

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

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

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

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

Adjustment of financial statements during periods of high inflation

The Public Oversight Accounting and Auditing Standards Authority ("POA") announced on November 23, 2023, that companies applying Turkish Financial Reporting Standards ("TFRS") should prepare their financial statements for annual reporting periods ending on or after December 31, 2023, in accordance with the Standard for Financial Reporting in Hyperinflationary Economies ("TAS 29"). However, institutions or organizations authorized to regulate and oversee specific sectors may set different transition dates for the application of TAS 29. In response to this announcement by POA, the Banking Regulation and Supervision Agency ("BRSA") decided, with its resolution dated December 12, 2023, numbered 10744, that banks and companies involved in financial leasing, factoring, financing, savings financing, and asset management are not required to apply inflation adjustments in their financial statements as of December 31, 2023, under TAS 29. According to the BRSA's decision dated January 11, 2024, numbered 10825, banks and companies engaged in financial leasing, factoring, financing, savings financing, and asset management are to begin applying inflation accounting starting January 1, 2025. Accordingly, the Bank did not apply inflation accounting as per TAS 29 in its financial statements for the year ending December 31, 2023.

SECTION THREE: EXPLANATION ON ACCOUNTING POLICIES (Continued)

I. Explanation on Basis of Presentation(Continued)

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

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

Significant New and Revised Standards and Interpretations

None.

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 2023. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the 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 are recorded in TRY, which is the Bank’s functional currency. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the dates of the transactions.

As of the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into TRY at the Central Bank of Türkiye's buying exchange rates prevailing on the balance sheet date and are reflected in the income statement under foreign exchange gains or losses, depending on whether the result is positive or negative.

SECTION THREE: EXPLANATION ON ACCOUNTING POLICIES (Continued)

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

Foreign currency transactions (Continued)

Net investments in foreign subsidiaries are accounted for using the equity method in accordance with the "Amendment to the Communiqué on Turkish Accounting Standard for Individual Financial Statements ("TAS 27") published in the Official Gazette No. 29321 on April 9, 2015. The assets and liabilities of foreign subsidiaries are translated into TRY using the exchange rates at the balance sheet date, while income and expense items are translated at average exchange rates. Foreign exchange differences arising from the translation of income and expense items and other equity items are recorded under "Accumulated Other Comprehensive Income or Loss Reclassified to Profit or Loss" within equity.

Starting from 1 May 2018, the Bank has decided to implement a hedging strategy in its unconsolidated statements, which are accounted for using the equity method, 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 Entities Under Common Control

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

V. Explanations on Forward Transactions, Options and Derivative Instruments

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

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

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

The fair value differences of derivative instruments that are reflected in the profit and loss accounts are measured at fair value and associated with income statement during recognition. If the fair value of derivative financial instruments is positive, it is disclosed under the main account "Derivative Financial Assets at Fair Value Through Profit or Loss"; and if the fair value difference is negative, it is disclosed under "Derivative Financial Liabilities at Fair Value Through Profit or Loss". Differences arising from the valuation of fair value are reflected in the "Derivative Financial Transactions Gains/Losses" account under income.

SECTION THREE: EXPLANATION ON ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

SECTION THREE: EXPLANATION ACCOUNTING POLICIES (Continued)

VIII. Explanations and Disclosures on Financial Instruments (Continued)

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.

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-month 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: 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-month 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 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: ACCOUNTING POLICIES (Continued)

IX. Explanations on Expected Credit Losses (Continued)

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

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

Individual Assessment: In accordance with the documented procedure, the bank performs an individual assessment in the calculation of provisions for financial assets in Stage 3 above a certain amount and for loans in Stage 2, provided they meet certain criteria. n 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. A 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: EXPLANATION ACCOUNTING POLICIES (Continued)

XIII. Explanations on Goodwill and Other Intangible Assets

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

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

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

XIV. Explanations on tangible assets

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

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

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

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

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

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

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

SECTION THREE: EXPLANATION 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 started in accordance with TFRS 16. Lease payments are discounted by using the Bank's incremental borrowing rate.

After the lease 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 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: EXPLANATION 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 and Contingent Liabilities and Contingent Assets

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

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

XVII. Explanations on Obligations Related to Employee Rights

Severance Pay Provision

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

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

Provisions for Other Employee Benefits

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

SECTION THREE: EXPLANATION 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.

In accordance with the regulation introduced by Law No. 7456, titled "Law on the Introduction of Additional Motor Vehicle Tax to Compensate for Economic Losses Caused by the Earthquakes on 6 February 2023 and Amending Certain Laws and Decree Law No. 375," published in the Official Gazette dated 15 July 2023 and numbered 32249, the rate has been set at 30% starting from declarations required to be submitted as of 1 October 2023.

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

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

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

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

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

SECTION THREE: EXPLANATION ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued)

Corporate tax (Continued)

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

According to the regulation introduced by Law No. 7456, titled "Law on the Introduction of Additional Motor Vehicle Tax to Compensate for Economic Losses Caused by the Earthquakes on 6 February 2023 and Amending Certain Laws and Decree Law No. 375," published in the Official Gazette dated 15 July 2023 and numbered 32249, a 25% rate will apply to real estate sale profits realized after the enactment date of this article (15 July 2023).

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

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

Deferred Tax

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

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

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

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

"As stated in the Corporate Tax disclosures, the rate has been set at 25% to be applied to corporate earnings for the taxation periods of 2023 and 2022; According to the regulation introduced by Law No. 7456, titled "Law on the Introduction of Additional Motor Vehicle Tax to Compensate for Economic Losses Caused by the Earthquakes on 6 February 2023 and Amending Certain Laws and Decree Law No. 375," published in the Official Gazette dated 15 July 2023 and numbered 32249, the rate has been set at 30%.

In accordance with TAS 12 Income Taxes standard, deferred tax assets or liabilities are calculated using the tax rates (and tax laws) that are enacted or substantively enacted by the end of the reporting period (balance sheet date) and are expected to apply in the period when the assets are realized or the liabilities are settled. Therefore, the Bank has calculated deferred tax on its assets and liabilities at the rate of 30% as of 31 December 2023.

SECTION THREE: ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued)

Transfer Pricing

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

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

XIX. Explanations on borrowings

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

XX. Explanations on Issuance of Share Certificates

None.

XXI. Explanations on Avalized Drafts and Acceptances

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

XXII. Explanations on Government Incentivies

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

XXIII. Explanations on segment reporting

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

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 2023, is Full TRY 0.026723 (31 December 2022: Full TRY 0.017481).

SECTION THREE: ACCOUNTING POLICIES (Continued)

XXIV. Explanation on Other Matters (Continued)

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 17.84% (31 December 2022: 19.30%). The Bank's unconsolidated capital adequacy standart ratio is 21.22% (31 December 2022 : 22.38%).

The Group's tier 1 capital adequacy ratio is 17.39% (31 December 2022: 18.76%); the core capital adequacy ratio is 17.39% (31 December 2022: 18.76%). The calculation of the capital adequacy standard ratio is made within the framework of the 'Regulation on the Measurement and Evaluation of Capital Adequacy of Banks' published in the Official Gazette dated September 6, 2014 and numbered 29111.

a. Information about consolidated shareholders' equity items

COMMON EQUITY TIER 1 CAPITAL	31 December 2023	31 December 2022
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1,100,000	1,100,000
Share issue premiums	-	-
Reserves	4,741,743	2,756,677
Gains recognized in equity as per TAS	4,743,643	2,340,005
Profit	2,931,239	1,919,532
Current Period Profit	2,931,239	1,919,532
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	249	249
Minorities' Share	19,947	11,745
Common Equity Tier 1 Capital Before Deductions	**13,536,821**	**8,128,208**
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	2,383,941	1,213,373
Improvement costs for operating leasing (-)	17,536	12,540
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	97,895	71,224
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier 1 Capital	**2,499,372**	**1,297,137**
Total Common Equity Tier 1 Capital	**11,037,449**	**6,831,071**

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

I. Explanations on Consolidated Equity (Continued)

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

COMMON EQUITY TIER 1 CAPITAL	31 December 2023	31 December 2022
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7. (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA (-)	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	**11,037,449**	**6,831,071**
TIER II CAPITAL		
Debt instruments and premiums deemed suitable by the BRSA	-	-
Debt instruments and premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	288,682	197,383
Tier II Capital Before Deductions	**288,682**	**197,383**
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank(-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	**288,682**	**197,383**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**11,326,131**	**7,028,454**
Total Capital	**11,326,131**	**7,028,454**

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

I. Explanations on Consolidated Equity (Continued)

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

COMMON EQUITY TIER 1 CAPITAL	31 December 2023	31 December 2022
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
The loan amounts specified in the fifth paragraph of Article 12/A of the Regulation on Credit Transactions of Banks published in the Official Gazette dated 1/11/2006 and numbered 26333	63	230
Other items to be Defined by the BRSA	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
CAPITAL		
Total Capital	**11,326,068**	**7,028,224**
Total risk weighted amounts	**63,487,447**	**36,408,130**
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	17.39	18.76
Tier 1 Capital Adequacy Ratio (%)	17.39	18.76
Capital Adequacy Ratio (%)	17.84	19.30
BUFFERS		
Total buffer ratio	2.50	2.50
Capital conservation buffer requirement (%)	2.50	2.50
Bank specific counter-cyclical buffer requirement (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	12.89	14.26
Amounts below the Excess Limits as per the Deduction Principles	-	-
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Amount arising from mortgage-servicing rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before ten thousand twenty-five limitation)	-	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	288,682	197,383
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018, and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

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

I. Explanations on Consolidated Equity (Continued)

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

None.

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

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

II. Explanations on consolidated 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	12,913,800	10,952,299	9,691,912	9,101,076
Conditional and unconditional receivables from regional or local governments	116,577	132,041	182,860	63,544
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	15,313	19,515	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	13,279,178	12,975,647	9,592,271	9,670,204
Conditional and unconditional receivables from corporates	32,174,181	27,993,710	19,945,344	20,357,814
Conditional and unconditional receivables from retail portfolios	14,666,709	14,245,555	9,208,315	7,750,994
Conditional and unconditional receivables secured by mortgages	1,739,603	1,511,764	1,125,508	1,187,138
Past due receivables	173,362	194,696	249,788	355,519
Receivables defined in high risk category by BRSA	269,956	159,767	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	4,556,434	3,650,296	2,537,251	2,610,209

[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.r. 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 45.78% and 56.67% respectively (31 December 2022: 47.39% and 57.82%).

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 47.35% and 61.34% respectively (31 December 2022: 45.91% and 61.40%).

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 36.54% and 47.87% respectively (31 December 2022: 39.48% and 49.62%).

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 receivables from regional or local governments**	**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**	**Receivables defined in high risk category by BRSA**	**Receivables Secured by Commercial Real Estate Mortgages**	**Other Receivables**	**Total**
Domestic	6,915,639	116,578	15,313	5,679,036	24,608,390	14,595,354	464,556	167,731	269,947	1,274,808	4,516,364	58,623,716
European Union Countries	5,934,086	-	-	3,449,676	4,559,512	37	118	5,631	9	-	40,070	13,989,139
OEC Countries [2]	-	-	-	230,920	185,880	-	122	-	-	-	-	416,922
Offshore Banking Areas	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	363,197	395,628	2	-	-	-	-	-	758,827
Other Countries	-	-	-	74,770	489,721	-	-	-	-	-	-	564,491
Associates, Subsidiaries and Joint-Ventures	-	-	-	-	93,906	-	-	-	-	-	-	93,906
Unallocated Assets/Liabilities [3]	-	-	-	-	-	-	-	-	-	-	-	-
Total	**12,849,725**	**116,578**	**15,313**	**9,797,599**	**30,333,037**	**14,595,393**	**464,796**	**173,362**	**269,956**	**1,274,808**	**4,556,434**	**74,447,001**

(1) Exposure categories based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks."
(2) OECD countries other than EU Countries, USA and Canada.
(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	6,060,004	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/Liabilities [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) OECD countries other than EU Countries, USA and Canada.
(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

		Risk Classifications												
	Current Period	**Conditional and unconditional exposures to central governments or central banks**	**Conditional and unconditional receivables from regional or local governments**	**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**	**-**	**-**	**-**	**-**	**592,412**	**755,002**	**364,866**	**6,957**	**1,298**	**-**	**1,534,749**	**185,786**	**1,720,535**
1.1	Farming and Raising Livestock	-	-	-	-	503,871	692,624	357,199	6,941	1,298	-	1,377,549	184,384	1,561,933
1.2	Forestry	-	-	-	-	52,496	32,683	2,032	-	-	-	87,211	-	87,211
1.3	Fishing	-	-	-	-	36,045	29,695	5,635	16	-	-	69,989	1,402	71,391
2	**Industrial**	**-**	**-**	**-**	**-**	**15,039,967**	**5,501,049**	**506,368**	**29,065**	**37**	**-**	**15,496,193**	**5,580,293**	**21,076,486**
2.1	Mining and Quarrying	-	-	-	-	1,366,021	109,464	3,743	6,070	9	-	628,083	857,224	1,485,307
2.2	Production	-	-	-	-	13,328,692	5,247,806	492,469	22,703	23	-	14,592,617	4,499,076	19,091,693
2.3	Electricity, Gas, Water	-	-	-	-	345,254	143,779	10,156	292	5	-	275,493	223,993	499,486
3	**Construction**	**-**	**-**	**-**	**-**	**1,433,365**	**1,500,531**	**200,551**	**81,087**	**191**	**-**	**2,747,625**	**468,100**	**3,215,725**
4	**Services**	**12,849,726**	**93,559**	**15,313**	**9,797,599**	**12,206,990**	**6,376,540**	**618,405**	**49,532**	**915**	**4,556,434**	**23,575,752**	**22,989,261**	**46,565,013**
4.1	Wholesale and retail trade	-	-	-	-	5,321,538	4,919,747	509,254	30,072	560	-	9,186,046	1,595,125	10,781,171
4.2	Hotel, food and beverage	-	-	-	-	174,909	150,171	9,102	1,375	14	-	292,848	42,723	335,571
4.3	Transportation and Communication	-	-	-	-	1,370,114	598,577	62,299	3,007	166	-	896,278	1,137,885	2,034,163
4.4	Financial Institutions	12,849,726	-	-	9,797,599	4,624,276	41,465	820	-	8	4,556,434	11,973,183	19,897,145	31,870,328
4.5	Real Estate and Rent Services	-	-	-	-	3,962	10,825	7,814	11,641	4	-	34,246	-	34,246
4.6	Self- Employment Services	-	-	-	-	422	1,895	1,363	-	-	-	3,680	-	3,680
4.7	Educational Services	-	-	-	-	509,952	406,137	14,721	528	85	-	631,962	299,461	931,423
4.8	Health and Social Services	-	93,559	15,313	-	201,817	247,723	13,032	2,909	78	-	557,509	16,922	574,431
5	**Other**	**-**	**23,019**	**-**	**-**	**1,060,303**	**462,272**	**49,413**	**6,721**	**267,514**	**-**	**1,465,130**	**404,112**	**1,869,242**
6	**Total**	**12,849,726**	**116,578**	**15,313**	**9,797,599**	**30,333,037**	**14,595,394**	**1,739,603**	**173,362**	**269,955**	**4,556,434**	**44,819,449**	**29,627,552**	**74,447,001**

(1) Risk amounts are given as prior 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 counter parties (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**	-	-	-	**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 Institutions	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 prior 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)

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 receivables from central governments and Central Banks	12,849,725	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	5,258	10,497	33,703	67,120	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	15,313	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	2,487,718	783,095	2,048,242	2,891,299	1,587,243	-
Conditional and unconditional receivables from corporates	4,910,883	7,708,685	4,358,629	6,472,179	6,882,660	-
Conditional and unconditional receivables from retail portfolios	2,502,686	4,411,509	2,936,883	3,498,667	1,245,648	-
Conditional and unconditional receivables secured by mortgages	204,810	422,867	296,981	572,032	242,913	-
Past due receivables	13,410	-	-	-	-	159,953
Receivables defined in high risk category by BRSA	165,682	156	10,994	10,504	82,622	-
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	-	-	-	-	-	4,556,435
Total [1]	**23,134,914**	**13,331,570**	**9,662,226**	**13,478,384**	**10,123,519**	**4,716,388**

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

	Term To Maturity					
Prior Period Exposure Categories	**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	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 receivables to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the nature of collective investment undertakings	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	2,537,251
General 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.

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

II. Explanations on Consolidated Credit Risk (Continued)

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.

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	0%	20%	20%	20%	20%
	AA+					
	AA					
	AA-					
2	A+	20%	50%	20%	50%	50%
	A					
	A-					
3	BBB+	50%	100%	20%	50%	100%
	BBB					
	BBB-					
4	BB+	100%	100%	50%	100%	100%
	BB					
	BB-					
5	B+	100%	100%	50%	100%	150%
	B					
	B-					
6	CCC+	150%	150%	150%	150%	150%

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

II. Explanations on Consolidated Credit Risk (Continue)

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	14,385,590	-	108,509	2,297,694	-	185,783	11,433,337	14,978,539	-	26,427,501	328,445	4,296,084	5,517	2,499,372
Amount After Credit Risk Mitigation	14,410,240	-	108,509	2,297,694	459,289	185,783	11,431,205	14,346,481	-	25,624,757	283,371	4,296,084	5,517	2,499,372

	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	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

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	**13,558**	**40,868**	**34,256**
1.1	Farming and Raising Livestock	13,558	38,665	32,068
1.2	Forestry	-	883	883
1.3	Fishing	-	1,320	1,305
2	**Industry**	**62,717**	**207,174**	**212,226**
2.1	Mining and Quarrying	-	55,504	50,873
2.2	Production	62,717	96,372	106,226
2.3	Electricity, Gas, Water	-	55,298	55,127
3	**Construction**	**118,224**	**193,353**	**134,492**
4	**Services**	**173,127**	**263,737**	**222,237**
4.1	Wholesale and Retail Trade	31,124	199,992	168,791
4.2	Hotel and Beverage Service	-	10,982	9,652
4.3	Transportation and Telecommunication	2,083	10,644	8,153
4.4	Financial Institutions	137,346	43	1,857
4.5	Real Estate and Lending Service	2,574	12,454	6,865
4.6	Self-Employment Service	-	19,625	19,384
4.7	Education Service	-	98	97
4.8	Health and Social Services	-	9,899	7,438
5	**Other**	**44,800**	**58,617**	**59,380**
	Total	**412,426**	**763,749**	**662,591**

(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)

Miscellaneous Information Regarding Major Sectors or Counterparty Type (Continue)

		Loans		
	Prior 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.

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	579,257	118,084	(150,822)	42,599	589,118
Stage 1 and 2 Provisions	166,307	451,374	(370,317)	(4,517)	242,847

(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 616 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	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.

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

II. Explanations on Consolidated Credit Risk (Continue)

Gross and Net Amounts of Specific Loan Provisions by Risk Ratings

	Loans		Other Assets	
31 December 2023	**Gross**	**Net**	**Gross**	**Net**
Provisions for loans and other receivables with limited collectability	33,494	17,915	-	-
Provisions for doubtful loans and other receivables	126,992	14,453	-	-
Provisions for loans and other receivables classified as loss	592,143	142,263	11,120	-
Total	**752,629**	**174,631**	**11,120**	**-**

	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**	**-**

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 within the industry, its industry expertise, management effectiveness, off-balance sheet risks and general economic and sectoral status.

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

Cash-loans	**31 December 2023**	**31 December 2022**
Secured Loans:		
Cash Secured Loans	1,414,457	2,396,152
Loans Secured by Real Estate Mortgage	3,625,479	2,195,982
Loans Secured by Treasury Guarantee or Public Sector Securities	1,108	21,526
Guarantees Issued by Financial Institutions	1,398	7,508
Other Collaterals (pledges on assets, corporate and personal guarantees, promissory notes)	28,790,146	17,212,638
Unsecured Loans	8,431,437	8,330,065
Total Cash - Loans	**42,264,025**	**30,163,870**

Non-cash loans	**31 December 2023**	**31 December 2022**
Secured Loans:		
Cash Secured Loans	413,880	344,720
Loans Secured by Real Estate Mortgage	490,980	335,013
Loans Secured by Treasury Guarantee or Public Sector Securities	12,974	7,829
Guarantees Issued by Financial Institutions	540	730
Other Collaterals (pledges on assets, corporate and personal guarantees, promissory notes)	15,000,486	8,391,732
Unsecured Loans	1,768,934	753,100
Total non-cash loans	**17,687,794**	**9,833,124**

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

II. Explanations on Consolidated Credit Risk (Continue)

Information on Collaterals for Non-Performing Receivables

Current Period	Corporate/Commercial Loans	Consumer Loans	Credit Cards	Total
Cash	1,609	-	-	1,609
Mortgage	100,100	2,907	327	103,334
Pledge	-	-	-	-
Checks and Notes	-	-	-	-
Other	418,809	1,132	4,656	424,597
Unsecured	218,427	15,300	452	234,209
Total	**738,945**	**19,369**	**5,435**	**763,749**

Prior 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**

Regional concentration of impaired loans and receivables

Regional	31 December 2023	31 December 2022
Türkiye	678,705	778,591
Holland	85,044	52,039
Switzerland	-	-
Total	**763,749**	**830,630**

Past due but not yet impaired loans and receivables

	31 December 2023	31 December 2022
Group 1: Low-risk loans and receivables	16,094	16,890
Group 2: Loans and receivables under close monitoring	34,307	9,880
Total	**50,401**	**26,770**
Restructured Loans	2,214	21,282
Total	**52,615**	**48,052**

Aging of past due but not yet impaired loans and receivables

	31 December 2023	31 December 2022
0-30 days	32,043	11,376
30-60 days	10,389	5,884
60-90 days	10,183	3,100
90-180 days	-	27,692
Total	**52,615**	**48,052**

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

II. Explanations on Consolidated Credit Risk (Continue)

Non-overdue and unimpaired loans and receivables

	31 December 2023	31 December 2022
Group 1: Low-risk loans and receivables	50,379,349	31,178,930
Group 2: Loans and receivables under close monitoring	275,814	97,201
Total	**50,655,163**	**31,276,131**
Restructured Loans	100,091	181,489
Total	**50,755,254**	**31,457,620**

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.

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 2023, 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 standardized approach

		RWA
	Outright Products	
1	Interest rate risk (general and specific)	3,712,013
2	*Equity risk (general and specific)*	159,225
3	*Foreign Exchange Risk*	351,212
4	Commodity Risk	120,088
	Options	
5	*Simplified approach*	-
6	*Delta-plus method*	91,000
7	*Scenario approach*	-
8	*Securitization*	-
9	**Total**	**4,433,538**

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

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.

	2020	2021	2022	Total/Total number of years for which gross income is positive	Ratio (%)	Total
Gross Income	1,240,904	1,721,378	4,160,230	2,374,171	15	356,126
Amount subject to operational risk (Total*12.5)				4,451,570		

V. Explanations on Consolidated Currency 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 2023, the Group has no derivative financial instruments classifed as hedging instruments.

Management policy for foreign currency risk

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

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

V. Explanations on Consolidated Currency Risk (Continued)

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

	US Dollar	Euro
Spot foreign exchange bid rates in the balance sheet date	**29.4382**	**32.5739**
Prior balance sheet date;		
Spot foreign exchange purchase rate of first day	29.3973	32.6937
Spot foreign exchange purchase rate of second day	29.3374	32.4186
Spot foreign exchange purchase rate of third day	29.2647	32.2421
Spot foreign exchange purchase rate of fourth day	29.2108	32.1766
Spot foreign exchange purchase rate of fifth day	29.1344	32.0726
The basic arithmetical average of last 30 days	**29.0520**	**31.7082**

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 2023 and 31 December 2022, assuming a 10 percent depreciation of TRY against the following currencies, is shown in the table below. This analysis has been prepared under the assumption that all other variables, especially interest rates, remain constant.

	31 December 2023		31 December 2022	
	Statement of profit and loss	Equity[(1)]	Statement of profit and loss	Equity[(1)]
US Dollar	860,317	(11,311)	14,504	(71)
Euro	21,202	21,202	(89,478)	(89,465)
Other currencies	4,761	4,761	(9,075)	(9,075)
Total, net	**886,280**	**14,652**	**(84,049)**	**(98,611)**

(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: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (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	2,426,453	1,787,210	400,934	4,614,597
Banks	10,438,131	754,862	73,784	11,266,777
Financial Assets at Fair Value through Profit or Loss (Net)	1,152	117,086	-	118,238
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	1,323,601	7,086,627	-	8,410,228
Loans [(1)]	8,985,250	7,623,298	1,701,610	18,310,158
Investments in Associates, Subsidiaries and Joint Ventures (Business Partners)	-	-	-	-
Financial Assets Measured at Amortized Cost	2,770,771	606,231	-	3,377,002
Tangible Assets	48,356	257	-	48,613
Intangible Assets	-	-	-	-
Others[(3)]	31,246	31,675	11	62,932
Total Assets	**26,024,960**	**18,007,246**	**2,176,339**	**46,208,545**
Liabilities*:*				
Bank Deposits	1,288,095	1,506,256	29	2,794,380
Foreign Currency Deposits	21,886,673	18,195,852	1,334,933	41,417,458
Money Market Funds	-	-	-	-
Loans Received	13,561	58,133	-	71,694
Securities Issued	-	-	-	-
Lease Liabilities	42,169	258	-	42,427
Other Liabilities[(2)(3)]	244,505	122,235	2,902	369,642
Total Liabilities	**23,475,003**	**19,882,734**	**1,337,864**	**44,695,601**
Net On Balance Sheet Position	**2,549,957**	**(1,875,488)**	**838,475**	**1,512,944**
Net Off-Balance Sheet Position	**(2,337,937)**	**1,762,381**	**(790,868)**	**(1,366,424)**
Financial Derivative Assets	14,386,488	22,554,502	924,865	37,865,855
Financial Derivative Liabilities	16,724,425	20,792,121	1,715,733	39,232,279
Non-cash loans [(2)]	2,257,380	3,167,751	-	5,425,131
Prior Period	**Euro**	**US Dollar**	**Other**	**Total**
Total Assets	12,682,453	15,574,456	1,781,334	30,038,243
Total Liabilities	12,745,518	11,005,352	843,652	24,594,522
Net on-Balance Sheet Position	**(63,065)**	**4,569,104**	**937,682**	**5,443,721**
Net off-Balance Sheet Position	**(831,585)**	**(4,569,813)**	**(1,028,437)**	**(6,429,835)**
Financial Derivative Assets	6,949,186	10,349,740	398,763	17,697,689
Financial Derivative Liabilities	7,780,771	14,919,553	1,427,200	24,127,524
Non-cash loans [(2)]	893,283	1,785,092	34,302	2,712,677

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

(2) The foreign exchange income rediscount of TRY 272,878 and the two-day value commitments of TRY 1,444 related to derivative financial instruments are not included in other assets, and the foreign exchange expense rediscount of TRY 288,245 is not included in other liabilities.

(3) Provisions for non-cash loans amounting to TRY 3,143 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	6,497,857	-	-	-	-	2,323,577	8,821,434
Banks [5]	9,370,485	-	-	-	-	2,084,367	11,454,852
Financial Assets at Fair Value Through Profit or Loss	-	329	14,765	33,239	69,905	-	118,238
Interbank Money Market Placements	2,810,043	-	-	-	-	-	2,810,043
Financial Assets at Fair Value Through Other Comprehensive Income	892,744	818,743	4,213,552	1,930,291	1,826,719	169,542	9,851,591
Loans [4][5]	8,865,461	12,945,382	18,522,357	4,148,309	29,328	175,585	44,686,422
Financial Assets Measured at Amortized Cost [5]	75,868	210,545	785,983	1,827,686	476,920	-	3,377,002
Other Assets [1]	524,767	939,826	786,670	-	-	3,267,768	5,519,031
Total Assets	**29,037,225**	**14,914,825**	**24,323,327**	**7,939,525**	**2,402,872**	**8,020,839**	**86,638,613**
Liabilities :							
Bank Deposits	1,530,061	213,929	1,050,132	254,137	-	257	3,048,516
Other Deposits	32,176,163	12,380,191	9,787,593	5,270,075	35,921	8,086,623	67,736,566
Funds from Interbank Money Market	94,784	-	-	-	-	-	94,784
Miscellaneous Payables	-	-	-	-	-	-	-
Loans received[3]	969,721	630,390	365,711	5,270	-	54,408	2,025,500
Other Liabilities[2]	178,739	168,345	118,548	96,640	92,485	13,078,490	13,733,247
Total Liabilities	**34,949,468**	**13,392,855**	**11,321,984**	**5,626,122**	**128,406**	**21,219,778**	**86,638,613**
Balance Sheet Long Position	-	1,521,970	13,001,343	2,313,403	2,274,466	-	19,111,192
Balance Sheet Short Position	(5,912,243)	-	-	-	-	(13,198,949)	(19,111,192)
Off-Balance Sheet Long Position	22,406,421	15,537,303	14,041,834	2,172,864	570,043	-	54,728,465
Off-Balance Sheet Short Position	(22,062,602)	(14,872,780)	(12,926,612)	(2,170,370)	(570,043)	-	(52,602,407)
Total Position	**(5,568,424)**	**2,186,493**	**14,116,575**	**2,315,897**	**2,274,466**	**(13,198,949)**	**2,126,058**

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

Average interest rates on monetary financial instruments:

Current Period	Euro %	US Dollar %	Yen %	TRY %
Assets:				
Cash Equivalents and Central Bank of the Republic of Türkiye	-	-	-	-
Receivables from Banks and Other Financial Institutions	4.35	2.30	-	23.76
Financial Assets Measured at Fair Value Through Profit or Loss	4.70	7.05	-	-
Interbank Money Market Placements	-	-	-	37.09
Financial Assets Measured at Fair Value through Other Comprehensive Income	3.09	6.90	-	13.49
Loans	7.08	8.18	-	33.49
Financial Assets Measured at Amortized Cost	3.27	6.05	-	-
Liabilities:				
Bank Deposits	7.05	10.27	-	23.69
Other Deposits	2.89	3.90	-	37.41
Funds From Interbank Money Market	-	-	-	-
Other Liabilities	-	-	-	-
Marketable Securities Issued	-	-	-	-
Loans Received	9.15	3.24	-	35.00

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

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

VI. Explanations on Consolidated Interest Rate Risk (Continued)

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.

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	(52,389)	(0.47%)
2	TRY	(-) 400bp	42,393	0.38%
3	USD	(+) 200bp	9,123	0.08%
4	USD	(-) 200bp	(8,775)	(0.08%)
5	EURO	(+) 200bp	33,894	0.30%
6	EURO	(-) 200bp	(35,095)	(0.31%)
	Total (of Negative Shocks)		**(1,477)**	**0.01%**
	Total (of Positive Shocks)		**(9,371)**	**(0.08%)**

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

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.

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.

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

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

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.

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.

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

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			20,273,422	14,541,903
Cash Outflows			-	-
Retail and customer deposits	35,843,726	19,823,872	3,384,832	1,972,367
Stable deposits	3,990,815	200,390	199,541	10,019
Less stable deposits	31,852,911	19,623,482	3,185,291	1,962,348
Unsecured funding other than retail and small business customers deposits	34,873,683	19,265,945	17,252,299	8,412,363
Operational deposits	-	-		
Non-Operational deposits	31,897,008	18,787,466	14,311,163	7,933,898
Other unsecured funding	2,976,675	478,479	2,941,136	478,465
Secured funding			97,983	97,983
Other cash outflows	334,891	3,311,467	334,891	3,311,467
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	334,891	3,311,467	334,891	3,311,467
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	1,109,501	1,109,501	55,475	55,475
Other irrevocable or conditionally revocable commitments	15,810,307	3,999,060	1,384,824	512,072
TOTAL CASH OUTFLOWS			**22,412,321**	**14,263,744**
Cash Inflows	-	-	-	-
Secured lending transactions	860,791	-	-	-
Unsecured lending transactions	11,453,902	3,447,331	8,192,498	2,863,584
Other cash inflows	594,569	2,541,421	594,569	2,541,421
TOTAL CASH INFLOWS	**12,909,262**	**5,988,752**	**8,787,067**	**5,405,005**
			Max limit applied values	
TOTAL HQLA STOCK			**20,273,422**	**14,541,903**
TOTAL NET CASH OUTFLOWS			**13,625,255**	**8,858,740**
LIQUIDITY COVERAGE RATIO (%)			**148.79**	**164.15**

(*) 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	202.77%	17 October 2023	120.11%	30 November 2023	150.83%
FC	203.39%	20 November 2023	123.86%	30 November 2023	165.93%

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			11,470,818	8,899,586
Cash Outflows			-	-
Retail and customer deposits	24,982,362	12,598,244	2,348,280	1,249,939
Stable deposits	2,999,122	197,707	149,956	9,885
Less stable deposits	21,983,240	12,400,537	2,198,324	1,240,054
Unsecured funding other than retail and small business customers deposits	21,434,914	10,619,662	10,136,647	4,812,299
Operational deposits	-	-	-	-
Non-Operational deposits	19,784,259	10,106,431	8,519,219	4,299,068
Other unsecured funding	1,650,655	513,231	1,617,428	513,231
Secured funding			97,983	97,983
Other cash outflows	126,794	3,132,898	126,794	3,132,898
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	126,794	3,132,898	126,794	3,132,898
Debts related to the structured financial products	-	-	-	-
Commitment related to debts to financial markets and other off-balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	342,526	342,526	17,126	17,126
Other irrevocable or conditionally revocable commitments	8,890,715	2,313,302	785,100	293,505
TOTAL CASH OUTFLOWS			**13,511,930**	**9,603,750**
Cash Inflows	-	-	-	-
Secured lending transactions	464,768	-	-	-
Unsecured lending transactions	10,621,434	7,144,730	8,845,904	6,872,002
Other cash inflows	294,784	2,315,649	294,784	2,315,649
TOTAL CASH INFLOWS	**11,380,986**	**9,460,379**	**9,140,688**	**9,187,651**
			Max limit applied values	
TOTAL HQLA STOCK			**11,470,818**	**8,899,586**
TOTAL NET CASH OUTFLOWS			**4,565,211**	**2,446,820**
LIQUIDITY COVERAGE RATIO (%)			**251.27**	**363.72**

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

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

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

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

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, 71% are accounts held at the CBRT, 25% are free securities, and 4% 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, 97% of the funding sources consist of deposits, 3% of loans. Cash outflows comprise 80% unsecured fundings and 20% off-balance sheet fundings.

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

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

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

As of the balance sheet date, 49% of the Bank's time deposits consist of individual customers, 1% of retail customers, 45% of other individual customers, and 5% 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	2,323,577	6,497,857	-	-	-	-	-	8,821,434
Receivables from Banks and Other Financial Institutions	2,129,758	9,324,778	-	-	-	-	316	11,454,852
Financial Assets at Fair Value through Profit or Loss	-	-	329	14,765	33,239	69,905	-	118,238
Interbank Money Market Placements	-	2,810,043	-	-	-	-	-	2,810,043
Financial Assets at Fair Value through Other Comprehensive Income	169,542	381,380	785,857	4,579,284	1,930,293	2,005,235	-	9,851,591
Loans [3][4][5]	160,499	7,643,982	12,419,812	16,027,188	7,979,258	287,948	167,735	44,686,422
Financial Assets at Fair Value Through Amortized Cost	-	75,868	109,542	551,818	2,162,854	476,920	-	3,377,002
Other Assets	-	1,563,603	908,549	746,600	71,355	-	2,228,924	5,519,031
Total Assets	**4,783,376**	**28,297,511**	**14,224,089**	**21,919,655**	**12,176,999**	**2,840,008**	**2,396,975**	**86,638,613**
Liabilites:								
Bank Deposits	257	1,530,061	213,929	1,050,131	254,138	-	-	3,048,516
Other Deposits	14,204,250	31,827,530	12,380,191	6,676,891	2,611,783	35,921	-	67,736,566
Loans received [2]	64,408	1,208,422	526,964	220,436	5,270	-	-	2,025,500
Money Market Borrowings	94,784	-	-	-	-	-	-	94,784
Marketable Securities Issued	-	-	-	-	-	-	-	-
Other Liabilities	-	169,373	158,102	98,404	112,554	116,324	13,078,490	13,733,247
Total Liabilities	**14,363,699**	**34,735,386**	**13,279,186**	**8,045,862**	**2,983,745**	**152,245**	**13,078,490**	**86,638,613**
Net Liquidity Gap	**(9,580,323)**	**(6,437,875)**	**944,903**	**13,873,793**	**9,193,254**	**2,687,763**	**(10,681,515)**	**-**

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

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

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

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

Maturity distribution of derivative financial instruments held for trading purposes

The Group's derivative financial instruments include 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.

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	3,166,937	2,650,964	3,511,350	-	-	9,329,251
Forward Foreign Currency sellir	3,123,238	2,515,128	3,091,761	-	-	8,730,127
Swap contracts buying	14,529,354	8,227,005	1,243,458	3,908,868	128,364	28,037,049
Swap contracts selling	14,567,117	8,322,733	1,077,374	3,889,788	125,870	27,982,882
Interest rate swap buying	-	1,996,000	2,775,000	1,996,780	2,549,396	9,317,176
Interest rate swap selling	-	1,996,000	2,775,000	1,996,780	2,549,396	9,317,176
Options buying	2,151,688	3,437,989	2,455,314	-	-	8,044,991
Options selling	1,770,075	2,838,225	1,963,922	-	-	6,572,222
Total	**39,308,409**	**31,984,044**	**18,893,179**	**11,792,216**	**5,353,026**	**107,330,874**

Prior Period	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Total
Forward Foreign Currency buying	1,100,144	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**

Information on securitization position

None.

Information 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 9.86% (31 December 2022: 9.57% The primary reason for the decrease in the leverage ratio for the current period compared to the previous period is that the growth rate of the core capital is less than the growth rate of the total risk-weighted assets. Subject level is above the minimum requirement which is determined as 3% by the regulation.

	Current Period	Prior Period
Assets On the Balance Sheet		
Assets on the balance sheet (excluding derivative financial instruments and loan derivatives, including collaterals)	84,243,924	56,186,293
Assets deducted from core capital	(115,338)	(79,649)
Total risk amount for assets on the balance sheet	84,128,586	56,106,644
Derivative Financial Instruments and Loan Derivatives		
Renewal cost of derivative financial instruments and loan derivatives	2,245,655	551,761
Potential credit risk amount of derivative financial instruments and loan derivatives	563,066	275,395
Total risk amount of derivative financial instruments and loan derivatives	2,808,721	827,156
Financing Transactions with Securities or Goods Warranties		
Risk amount of financial transactions with securities or good warranties (excluding those in the balance sheet)	2,957,227	3,016,633
Risk amount arising from intermediated transactions	-	-
Total risk amount of financing transactions with securities or goods warranties	2,957,227	3,016,633
Off-Balance Sheet Commitments		
Gross nominal amount of the off-the-balance sheet transactions	13,529,458	6,721,155
Adjustment amount arising from multiplying by the credit conversion rate	-	-
Total risk amount for off-the-balance sheet transactions	13,529,458	6,721,155
Capital and Total Risk		
Core capital	10,213,073	6,374,864
Total risk amount	103,423,992	66,671,588
Leverage Ratio	**9.86**	**9.57**

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

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

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.

Explanations on risk management and risk weighted amount

		Risk Weighted Amounts		Minimum Capital Requirements
		31 December 2023	31 December 2022	31 December 2023
1	**Credit risk (excluding counterparty credit risk)**	**51,879,912**	**29,676,581**	**4,150,393**
2	Standardized approach	51,879,912	29,676,581	4,150,393
3	Internal rating-based approach			
4	**Counterparty credit risk**	**2,722,428**	**945,521**	**217,794**
5	Standardized approach for counterparty credit risk	2,722,428	945,521	217,794
6	Internal model method			
7	Equity position in banking book under basic risk weighting or internal rating-based	-	-	-
8	**Equity investments in funds – look-through approach**	-	-	-
9	**Equity investments in funds – mandate-based approach**	-	-	-
10	**Equity investments in funds – 1250% risk weighting approach**	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	**Market risk**	**4,433,538**	**3,043,213**	**354,683**
17	Standardized approach	4,433,538	3,043,213	354,683
18	Internal model approaches			
19	**Operational risk**	**4,451,569**	**2,742,815**	**356,126**
20	Basic indicator approach	4,451,569	2,742,815	356,126
21	Standardized approach	-	-	-
22	Advanced measurement approach	-	-	-
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	**Total (1+4+7+8+9+10+16+19+23+24)**	**63,487,447**	**36,408,130**	**5,078,996**

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

X. Explanations on Consolidated Risk Management (Continued)

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 / Amortization and Impairments	Net values (a+b-c)
		Defaulted Exposures	Non-defaulted Exposures		
1	Loans	763,749	50,807,868	(825,230)	50,746,387
2	Debt securities	-	13,891,885	(517,404)	13,374,481
3	Off-balance sheet receivables	-	25,053,967	(16,134)	25,037,833
4	**Total**	**763,749**	**89,753,720**	**(1,358,768)**	**89,158,701**

b. Changes in Stock of Defaulted Loans and Debt Securities

1	**Defaulted loans and debt securities at end of the previous reporting period**	830,630
2	Loans and debt securities that have defaulted since the last reporting period	158,227
3	Returned to non-defaulted status	255,124
4	Amounts written off from assets	616
5	Other Changes	30,632
6	**Defaulted loans and debt securities at end of the reporting period end (1+2+3+4+5)**	**763,749**

c. Credit Risk Mitigation Techniques - Overview

		Exposures unsecure: 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	82,520,616	1,499,829	998,070	31,628	24,649	-	-
2	Debt Securities	-	-	-	-	-	-	-
3	**Total**	**82,520,616**	**1,499,829**	**998,070**	**31,628**	**24,649**	**-**	**-**
4	Defaulted	160,011	13,949	1,605	-	-	-	-

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

X. Explanations on Consolidated Risk Management (Continued)

Explanations on Consolidated Credit Risk (Continued)

d. Standardized 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	
	Asset Classes	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	12,849,725	-	12,874,375	-	114,593	1%
2	Exposures to regional governments or local authorities	116,577	-	116,577	-	58,289	50%
3	Exposures to public sector entities	15,313	-	15,313	-	15,313	100%
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to institutions	9,136,662	2,912,688	9,136,662	660,936	4,318,376	44%
7	Exposures to corporates	21,415,664	13,117,862	20,627,764	8,917,373	32,404,484	110%
8	Retail exposures	12,026,738	5,593,058	11,799,141	2,568,656	10,802,324	75%
9	Exposures secured by residential property	446,658	43,267	441,151	18,138	160,751	35%
10	Exposures secured by commercial real estate	1,135,879	242,228	1,135,879	138,928	719,338	56%
11	Past-due loans	173,362	-	171,757	-	156,269	91%
12	Higher-risk categories by the Agency Board	269,956	-	269,846	-	404,769	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	4,556,434	-	4,556,434	-	2,725,407	60%
17	Investment in equities	-	-	-	-	-	-
18	**Total**	**62,142,968**	**21,909,103**	**61,144,899**	**12,304,031**	**51,879,913**	**71%**

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

X. Explanations on Consolidated Risk Management(Continued)

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

Assets Classes / 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	12,580,083	108,509	-	-	185,783	-	-	-	-	-	-
Exposures to regional governments or local authorities	-	-	-	-	-	116,577	-	-	-	-	-
Exposures to public sector entities	-	-	-	-	-	-	-	15,313	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and financial intermediaries	-	-	1,934,743	-	-	7,862,855	-	-	-	-	-
Exposures to corporates	-	-	361,863	-	-	2,297,044	-	22,589,827	-	4,296,084	319
Retail exposures	-	-	-	-	-	-	14,346,481	15,408	710	-	5,198
Exposures secured by residential property	-	-	-	459,289	-	-	-	-	-	-	-
Exposures secured by commercial real estate	-	-	-	-	-	1,110,938	-	163,869	-	-	-
Past-due loans	-	-	-	-	-	43,791	-	115,151	12,815	-	-
Higher Risk categories by the Agency Board	-	-	-	-	-	-	-	-	269,846	-	-
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	1,830,157	-	1,088	-	-	-	-	2,725,189	-	-	-
Total	**14,410,240**	**108,509**	**2,297,694**	**459,289**	**185,783**	**11,431,205**	**14,346,481**	**25,624,757**	**283,371**	**4,296,084**	**5,517**

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)

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

		Replacement cost	Potential future exposure4	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	Risk Weighted Amount
1	Standardized Approach - CCR (For Derivatives)	1,436,052	1,212,019		1,4	2,648,071	2,163,976
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)					704,153	140,831
5	Value at Risk for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	**Total**						**2,304,807**

b. Credit valuation adjustment (CVA) capital charge

		Total subject to the CVA capital charge	Total subject to the CVA capital charge
	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 Standardized CVA capital charge	2,648,071	417,614
4	**Total subject to the CVA capital charge**	**2,648,071**	**417,614**

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 bank	64,074	-	-	-	-	-	-	-	-	64,074
Exposures to regional or local governments	-	-	-	-	-	-	-	-	-	-
Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	24,479	24,479
Exposures to banks and financial intermediaries	-	-	886,325	-	464,887	-	-	-	-	1,351,212
Exposures to corporates	-	-	27	-	-	-	1,841,116	-	-	1,841,143
Retail exposures	-	-	-	-	-	71,316	-	-	-	71,316
Exposures secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
Past-due loan	-	-	-	-	-	-	-	-	-	-
Higher Risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-
Securitization positions in banking accounts	-	-	-	-	-	-	-	-	-	-
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 exposures	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	**64,074**	**-**	**886,352**	**-**	**464,887**	**71,316**	**1,841,116**	**-**	**24,479**	**3,352,224**

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	-	-	-	-	-	757,350
Cash – other currencies	-	-	-	-	-	-
Domestic sovereign deb	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collaterals	-	-	-	-	-	-
Total	-	-	-	-	-	**757,350**

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	1,421	178
5	(iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
6	(iv) Netting groups to which cross product netting is applied	-	-
7	Reserved initial margin	-	
8	Unreserved initial margin	-	-
9	Paid guarantee fund amount	41,750	5,219
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
Asset						
Cash and cash equivalents	23,084,276	23,084,276	-	-	-	-
Financial assets at fair value through profit or loss	118,218	-	-	118,218	-	-
Financial assets at fair value through other comprehensive income	9,851,591	-	-	9,851,591	-	-
Financial assets measured at amortized cost	3,411,385	-	3,411,385	-	-	-
Derivative financial assets	2,251,263	-	2,251,263	-	-	-
Non-performing loans	-	-	-	-	-	-
Allowances for Expected Credit Losses (-)	2,053	-	-	-	-	2,053
Loans (Net)	44,652,039	44,652,039	-	-	-	-
Loans	42,247,920	42,247,920	-	-	-	-
Lease receivables	-	-	-	-	-	-
Factoring Receivables	2,499,984	2,499,984	-	-	-	-
Non-performing loans	763,749	763,749	-	-	-	-
Allowances for Expected Credit Losses (-)	859,614	859,614	-	-	-	-
Assets held for sale and assets of discontinued operations (net)	211,656	211,656	-	-	-	-
Equity investments	-	-	-	-	-	-
Tangible assets (net)	1,770,537	1,770,537	-	-	-	-
Intangible assets (net)	97,895	97,895	-	-	-	-
Investment property (net)	-	-	-	-	-	-
Tax assets	10,187	10,187	-	-	-	-
Deferred tax assets	8,119	8,119	-	-	-	-
Other assets	1,169,374	1,169,374	-	-	-	-
Total Assets	**86,638,613**	**71,004,083**	**5,662,648**	**9,969,829**	**-**	**2,053**
Liabilities						
Deposits	70,785,082	-	-	-	-	70,785,082
Funds borrowed	2,025,500	-	-	-	-	2,025,500
Interbank money markets	94,784	-	94,784	-	-	-
Marketable securities issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Derivative financial liabilities	419,041	-	-	-	-	419,041
Factoring payables	10	-	-	-	-	10
Lease payables	279,070	-	-	-	-	279,070
Provisions	219,714	-	-	-	-	219,714
Tax liability	78,801	-	-	-	-	78,801
Deferred tax liabilities	221,082	-	-	-	-	221,082
Liabilities held for sale and liabilities of discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-
Other liabilities	1,362,648	-	-	-	-	1,362,648
Shareholders' equity	11,152,881	-	-	-	11,152,881	-
Total Liabilities	**86,638,613**	**-**	**94,784**	**-**	**11,152,881**	**75,390,938**

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**	**102,271,090**	**86,638,613**	**-**	**5,662,648**	**9,969,829**
2	Liabilities carrying value amount under regulatory scope of consolidation	-	-	-	-	-
3	**Total net amount under regulatory scope of consolidation**	**102,271,090**	**86,638,613**	**-**	**5,662,648**	**9,969,829**
4	Off-balance sheet amount	132,384,841	25,053,967	-	107,330,874	-
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**	**234,655,931**	**111,692,580**	**-**	**112,993,522**	**9,969,829**

XI. Explanations on the presentation of 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	2,810,043	808,479	2,810,043	808,479
Banks and financial institutions received	11,454,848	7,816,000	11,455,887	7,821,669
Financial Assets at Fair Value through Other Comprehensive Income	9,851,591	2,530,905	9,851,591	2,530,905
Financial Assets Measured at Amortized Cost	3,377,002	3,363,464	3,411,385	3,329,760
Loans	44,680,568	31,443,286	41,095,364	29,196,062
Liabilities				
Bank Deposits	2,005,228	41,021	1,623,960	40,966
Other Deposits	68,779,855	41,752,207	67,710,653	41,249,317
Funds Provided from Other Financial Institutions	2,025,500	2,576,219	1,994,427	2,568,021
Funds From Interbank Money Market	94,784	1,515,887	94,784	1,515,887
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	595,760	400,989	595,760	400,989

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: INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (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 data 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 Level 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. Level 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 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Government Debt Securities	102,803	-	-	102,803
Share Certificates	-	-	-	-
Other Financial Assets	-	181,070	-	181,070
Derivative Financial Asset	-	2,085,628	-	2,085,628
Loans at fair value through profit or loss	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-
Government debt securities	3,628,817	-	-	3,628,817
Share certificates	-	79,458	13,941	93,399
Other Financial Assets	6,053,232	76,143	-	6,129,375
Total Assets	**9,784,852**	**2,422,299**	**13,941**	**12,221,092**
Financial Liabilities at fair value through profit or loss	-	-	-	-
Derivative financial liabilities	-	419,041	-	419,041
Total Liabilities	**-**	**419,041**	**-**	**419,041**

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 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Financial assets at fair value through profit or loss				
Government debt securities	44,475	-	-	44,475
Share certificates	-	-	-	-
Other Financial Assets	-	6,945	-	6,945
Derivative financial asset	-	781,837	-	781,837
Loans at fair value through profit or loss	-	-	-	-
Financial Assets 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 at fair value through profit or loss				
Derivative financial liabilities	-	308,629	-	308,629
Total Liabilities	**-**	**308,629**	**-**	**308,629**

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

	Current Period
Balance at the end of the prior period	**13,941**
Purchases	-
Redemption/Disposals	-
Revaluation Difference	-
Transfers	-
Balance at the end of the period	**13,941**

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

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.

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	3,246,008	762,368	3,172,645	7,181,021
Other	-	-	-	-
Operating Income	**3,246,008**	**762,368**	**3,172,645**	**7,181,021**
Operating Expence	-	-	(2,984,444)	(2,984,444)
Profit before Tax	**3,246,008**	**762,368**	**188,201**	**4,196,577**
Corporate Tax Provision	-	-	(1,257,005)	(1,257,005)
Profit after Tax	**3,246,008**	**762,368**	**(1,068,804)**	**2,939,572**
Segment Assets	27,648,033	129,143	58,861,437	86,638,613
Associates and Subsidiaries				
Total Assets	**27,648,033**	**129,143**	**58,861,437**	**86,638,613**
Segment Liabilities	11,521,196	24,355,331	39,609,206	75,485,732
Equity	-	-	11,152,881	11,152,881
Total Liabilities	**11,521,196**	**24,355,331**	**50,762,087**	**86,638,613**

(*) 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 derivative

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

XII. Explanations on consolidated operating segments (continued)

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

Prior Period	Corporate, Commercial and Business Banking	Retail banking	Treasury&Other	Group's Total Activities
Operating Income	1,545,244	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)
Net Profit for the Period	**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 derivative products.

SECTION FIVE: EXPLANATIONS AND NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to Consolidated Assets

1. Information on cash equivalents and balances with the CBRT

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Cash/Foreign Currency	110,544	658,899	96,737	529,045
CBRT [1]	4,096,778	3,918,551	909,359	4,407,401
Other [2]	-	37,676	-	87,075
Total	**4,207,322**	**4,615,126**	**1,006,096**	**5,023,521**

[1] Includes TRY 6,497,857 held as reserve requirements.
[2] Includes precious metal accounts.

As of December 31, 2023, banks operating in Türkiye are required to maintain reserve requirements ranging from 0% to 30% for Turkish lira liabilities based on their maturities (December 31, 2022: 3.0%-8.0%) and from 5% to 30% for foreign currency liabilities based on their maturities (December 31, 2022: 5.0%-26.0%), in accordance with the Communiqué on Required Reserves.

Additionally, as per the Communiqué on Required Reserves published in the Official Gazette dated December 31, 2022, and numbered 32060, the option to maintain Turkish lira reserve requirements in gold was discontinued as of June 23, 2023.

Information related to balances with the CBRT:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted Demand Deposit	562,119	955,353	46,752	834,555
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	1,308,881
Reserve Requirements	3,534,659	2,963,198	862,607	2,263,965
Total	**4,096,778**	**3,918,551**	**1,113,803**	**4,047,612**

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

1. 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	188,079	11,267,812	222,604	7,599,065
Domestic	188,079	63,810	222,604	1,605,805
Foreign(*)	-	11,204,002	-	5,993,260
Total	**188,079**	**11,267,812**	**222,604**	**7,599,065**

(*) The account with foreign banks includes a collateral of TRY 167,450 for foreign credit collateral, options, and swap transactions (31 December 2022: TRY 66,172), and a mandatory reserve amount of TRY 229,501 for Anadolubank Nederland NV (31 December 2022: TRY 88,198).

	Unrestricted Amount	Restricted Amount	Unrestricted Amount	Restricted Amount
	Current Period	**Current Period**	**Prior Period**	**Prior Period**
European Union Countries	10,185,397	263,704	4,358,838	88,198
USD, Canada	558,857	-	790,148	-
OECD Countries	62,797	133,247	689,904	66,172
Other	-	-	-	-
Total	**10,807,051**	**396,951**	**5,838,890**	**154,370**

Within the foreign banks account, the collateral for foreign derivative transactions is TRY 167,450 (31 December 2022: TRY 66,172).

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

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

None (31 December 2022: None).

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

None (31 December 2022: None).

Securities at Fair Value Through Profit or Loss

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Government debt securities	-	102,803	5,783	38,692
Share certificates	-	-	-	-
Other Assets (*)	-	15,435	-	6,945
Total	**-**	**118,238**	**5,783**	**45,637**

(*) Other Financial Assets includes bonds amounting to TRY 8,334 from Türkiye Vakıflar Bankası, TRY 6,371 from İş Bankası, TRY 450 from Ziraat Bankası, and TRY 280 from Türkiye İhracat Kredi Bankası (December 31, 2022: TRY 6,945 from İş Bankası bonds).

SECTION FIVE: EXPLANATIONS AND NOTES TO 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	**4,215,603**	**2,750,215**
Quoted at the Stock Exchange	4,139,460	2,692,369
Unquoted at the Stock Exchange	76,143	57,846
Share Certificate	**93,399**	**54,187**
Quoted at Stock Exchange	-	-
Unquoted at the Stock Exchange	93,399	54,187
Impairment Provision (-)	**510,643**	**273,497**
Total	**3,798,359**	**2,530,905**

As of 31 December 2023, the financial assets at fair value through other comprehensive income that are subject to repo transactions amount to TRY 0 (31 December 2022: TRY 356,607).

Statement of movement in financial assets 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	867,767	1,663,139	7,819	1,369,386
Purchases during the year	3,596,702	368,463	859,948	347,314
Transfers (Portfolio changes)	-	-	-	-
Disposals	(2,798,726)	(51)	-	-
Stock exchange valuation difference	-	-	-	-
Redemption	-	-	-	-
Exchange rate differences in monetary assets	-	706,025	-	375,835
Rediscount and principal redemption share	-	(469,178)	-	(388,456)
Value increase/decrease	(224,380)	88,598	-	(40,941)
End of the Period	**1,441,363**	**2,356,996**	**867,767**	**1,663,138**

5. Positive differences table related to trading derivative financial assets

	Current Period		Prior Period	
Trading derivative financial assets	**TRY**	**FC**	**TRY**	**FC**
Forward Transactions	58,460	6,615	130,207	2,504
Swap Transactions	141,144	221,931	37,541	113,598
Futures Transactions			-	-
Options Other	**1,778,781**	**44,332**	**227,585**	**270,402**
Total	**1,978,385**	**272,878**	**395,333**	**386,502**

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

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

6. Information Related to Loans

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

	Current Period		Prior Period	
	Cash	**Non-Cash**	**Cash**	**Non-Cash**
Direct Loans Granted to Shareholders	**428,134**	**46,435**	**60,327**	**51,248**
Corporate Shareholders	427,314	46,435	60,110	51,248
Real Person Shareholders	820	-	217	-
Indirect Loans Granted to Shareholders	**848,744**	**21,319**	**347,400**	**53,818**
Loans Granted to Employees	**14,807**	**83**	**6,997**	**71**
Total	**1,291,685**	**67,837**	**414,724**	**105,137**

Loans at fair value through other comprehensive income

	Current Period Carrying Value	Prior Period Carrying Value
Loans at fair value through other comprehensive income	6,059,964	-

Loans measures at amortized cost

Current Period		**Loans under Close Monitoring**		
			Restructured Loans	
Cash Loans	**Standard Loans**	**Non- Restructured Loans**	**Loans with Revised Contract Terms**	**Refinancing**
Non-specialized Loans	**41,851,599**	**310,120**	**99,072**	**-**
Enterprise Loans	-	-	-	-
Export Loans	7,961,593	38,114	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	5,105,335	-	-	-
Retail Loans	149,260	5,504	48	-
Credit Cards	156,435	710	-	-
Other	28,478,976	265,792	99,024	-
Specialized Loans	-	-	3,234	-
Other Receivables	-	-	-	-
Total	**41,851,599**	**310,120**	**102,306**	**-**

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

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

6. Information Related to Loans (Continued)

	Current Period		Prior Period	
	Standard Loans	Loans Under Follow-up	Standard Loans	Loans Under Follow-up
12 Months Expected Credit Loss	162,639	-	90,157	-
Significant Increase in Credit Risk	-	73,440	-	76,146

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	**31,495,673**	**-**	**118,557**	**4,209**
Non-Specialized Loans	31,495,673	-	118,557	2,777
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	1,432
Medium and Long-Term Loans and Other Receivables	**16,415,890**	**-**	**191,563**	**98,097**
Non-Specialized Loans	16,415,890	-	191,563	96,295
Specialized Loans	-	-	-	1,802
Other Receivables	-	-	-	-
Total	**47,911,563**	**-**	**310,120**	**102,306**

SECTION FIVE: EXPLANATIONS AND NOTES TO 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	**18,818**	**107,561**	**126,379**
Mortgage Loans	710	21,717	22,427
Automative Loans	-	1,283	1,283
Consumer Loans	18,108	84,561	102,669
Other	-	-	-
Consumer Loans- Indexed to FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TRY	**27,718**	**-**	**27,718**
Installment	6,013	-	6,013
Non Installment	21,705	-	21,705
Individual Credit Cards-FC	**469**	**-**	**469**
Installment	-	-	-
Non Installment	469	-	469
Personnel Loans-TRY	**4,321**	**5,172**	**9,493**
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	4,321	5,172	9,493
Other	-	-	-
Personnel Loans- Indexed to FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	**5,967**	**-**	**5,967**
Installment	1,509	-	1,509
Non Installment	4,458	-	4,458
Personnel Credit Cards-FC	**293**	**-**	**293**
Installment	-	-	-
Non Installment	293	-	293
Overdraft Account-TRY (Individual)	**18,940**	**-**	**18,940**
Overdraft Account-FC (Individual)	**-**	**-**	**-**
Total	**76,526**	**112,733**	**189,259**

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

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

6. Information Related to Loans (Continued)

Prior Period	Short-term	Medium and Long-term	Total
Consumer Loans-TRY	**173,897**	**57,475**	**231,372**
Mortgage Loans	214	32,534	32,748
Automative Loans	1,063	2,934	3,997
Consumer Loans	172,620	22,007	194,627
Other	-	-	-
Consumer Loans- Indexed to FC	**-**	**251**	**251**
Mortgage Loans	-	251	251
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automative Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TRY	**23,238**	**-**	**23,238**
Installment	6,942	-	6,942
Non Installment	16,296	-	16,296
Individual Credit Cards-FC	**8**	**-**	**8**
Installment	-	-	-
Non Installment	8	-	8
Personnel Loans-TRY	**696**	**3,128**	**3,824**
Mortgage Loans	-	-	-
Automative Loan	-	-	-
Consumer Loans	696	3,128	3,824
Other	-	-	-
Personnel Loans- Indexed to FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automative 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 TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

6. Information Related to Loans (Continued)

Information on commercial installment loans and corporate credit cards:

Current Period	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TRY	**3,201,857**	**1,640,141**	**4,841,998**
Mortgage Loans	-	9,270	9,270
Automotive Loans	138,127	205,468	343,595
Consumer Loans	3,063,730	1,425,403	4,489,133
Other	-	-	-
Commercial Installment Loans- FC Indexed	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans-FC	**14,959**	**214,617**	**229,576**
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	14,959	214,617	229,576
Other	-	-	-
Corporate Credit Cards-TRY	**122,570**	**-**	**122,570**
Installment	22,919	-	22,919
Non Installment	99,651	-	99,651
Corporate Credit Cards-FC	**128**	**-**	**128**
Installment	-	-	-
Non Installment	128	-	128
Overdraft Account-TRY (Commercial)	**59,777**	**-**	**59,777**
Overdraft Account-FC (Commercial)	**-**	**-**	**-**
Total	**3,399,291**	**1,854,758**	**5,254,049**

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

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

6. Information Related to Loans (Continued)

Prior Period	Short-term	Medium and Long-term	Total
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**

Loans according to types of borrowers:

	Current Period	Prior Period
Public	1,089,057	1,679,421
Private (*)	47,234,933	28,484,449
Total	**48,323,990**	**30,163,870**

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

Distribution of domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans (*)	38,945,384	25,961,943
Foreign Loans	9,378,606	4,201,927
Total	**48,323,990**	**30,163,870**

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

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

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

6. Information Related to Loans (Continued)

Specific provisions provided against loans:

Specific Provisions	Current Period	Prior Period
Loans with Limited Collectability	15,579	7,343
Loans with Doubtful Collectability	112,539	57,205
Uncollectible Loans	461,000	514,709
Total	**589,118**	**579,257**

Information on non-performing loans (Net)

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

	III. Group:	IV. Group:	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period			
Gross Amounts Before Provisions	8,288	86,008	59,004
Rescheduled Loans	4,602	78,959	28,526
Prior Period			
Gross Amounts Before Provisions	594	707	87,758
Rescheduled Loans	594	707	87,758

Information on non-performing loans (Net)

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

None.

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

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

6. Information Related to Loans (Continued)

Information on the movement of total non-performing loans:

Current Period	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Balance at the end of Prior Period	**10,515**	**68,059**	**752,056**
Additions (+)	93,536	7,910	56,781
Transfers from Other Categories of Non-Performing Loans (+)	-	58,580	32,273
Transfers to Other Categories of Non-Performing Loans (-)	58,580	32,273	-
Collection During the Period (-)	11,977	8,277	237,231
Removed from assets (-)	-	-	616
Corporate and Commercial Loans	-	-	*616*
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Foreign Currency Difference	-	32,993	-
Balance at the End of the Period	**33,494**	**126,992**	**603,263**
Provisions (-)	15,579	112,539	461,000
Net Balance in Balance Sheet	**17,915**	**14,453**	**142,263**

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

SECTION FIVE: EXPLANATIONS AND NOTES TO 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	**90,158**	**76,149**	**579,257**	**745,564**
Additional provision during the period	400,603	54,257	118,084	572,944
Exits During the Period	(321,158)	(52,645)	(150,822)	(524,625)
Sold Loans	-	-	-	-
Write-off / Sales	-	-	(616)	(616)
Transfer to Stage 1	2,962	(2,962)	-	-
Transfer to Stage 2	(9,929)	(9,929)	-	-
Transfer to Stage 3	(101)	(14,650)	14,751	-
Foreign Currency Difference	6,839	3,395	28,464	38,698
Provision at the End of Period	**169,374**	**73,473**	**589,118**	**831,965**

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)	8,288	86,008	59,004
Specific Provision (-) (1)	4,602	78,959	28,526
Net balance in the balance sheet	3,686	7,049	30,478
Prior Year			
Balance at the end of the period (1)	-	52,733	56,290
Specific Provision (-) (1)	-	44,920	25,538
Net balance in the balance sheet	-	7,813	30,752

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

SECTION FIVE: EXPLANATIONS AND NOTES TO 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:

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Limited Collectability	Uncollectible Loans
Current Period (Net)			
Loans granted to corporate entities and real persons (Gross)	33,494	126,992	592,143
Provisions Amount (-)	15,579	112,539	449,880
Loans granted to corporate entities and real persons (Net)	17,915	14,453	142,263
Banks (Gross)	-	-	-
Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	11,120
Provisions Amount (-)	-	-	11,120
Other Loans (Net)	-	-	-
Prior Period (Net)			
Loans granted to corporate entities and real persons (Gross)	10,515	68,059	746,569
Provisions Amount (-)	7,343	57,205	509,222
Loans granted to corporate entities and real persons (Net)	3,172	10,854	237,347
Banks (Gross)	-	-	-
Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	5,487
Provisions Amount (-)	-	-	5,487
Other Loans (Net)	-	-	-

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

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

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

6. Information Related to Loans (Continued)

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

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
Current Period (Net)	1,822	1,249	44,239
Interest Accruals and Rediscount with Valuation Differences	3,783	11,090	178,906
Provision amount (-)	1,961	9,841	134,667
Prior 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

Explanations regarding the write-off policy

Loans and receivables deemed uncollectible are recovered through legal proceedings and liquidation of collateral or written off from the books based on the Bank's Board of Directors' decision. As of December 31, 2023, the Bank has written off loans amounting to TRY 616 from its non-performing loans portfolio, for which a 100% provision had been set aside, following the decision of the Board of Directors (December 31, 2022: TRY 174,050).

7. Information on financial assets measured at amortized cost

Information on Government Debt Securities measured at amortized cost

	Current Period	Prior Period
Government Bond	646,464	2,015,426
Treasury Bill	-	-
Other Public Debt Securities	151,592	96,125
Total	**798,056**	**2,111,551**

Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt Securities	3,411,385	3,378,607
Quoted at Stock Exchange	*3,411,385*	3,378,607
Unquoted at Stock Exchange	-	-
Impairment Provision (-)	-	-
Total	**3,411,385**	**3,378,607**

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

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

7. Information on financial assets measured at amortized cost

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

	Current Period	Prior Period
Value at the Beginning of the Period	3,378,607	**3,259,079**
Currency Differences in Monetary Assets	880,063	262,349
Purchases During the Year	1,141,992	521,598
Disposal through Sale and Redemption	(1,974,152)	(700,255)
Valuation Effect	(15,125)	35,836
Total at the end of the Period	**3,411,385**	**3,378,607**

8. Information related to factoring receivables

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-Term	2,481,603	-	1,344,131	-
Medium and Long-Term	18,381	-	5,579	-
Total	**2,499,984**	**-**	**1,349,710**	**-**

9. Information on lease receivables

None.

10. Information on investments in associates

None.

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/Netherlands	100.00	-
2	Anadolu Yatırım Menkul Kıymetler A.Ş.	İstanbul/Türkiye	91.90	8.10
3	Anadolu Faktoring A.Ş.	İstanbul/Türkiye	99.99	0.01

	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss(**)	Fair Value
1	32,733,165	4,329,423	48,356	1,338,744	93,011	490,697	147,370	-
2	438,434	245,418	1,629	213,219	-	102,533	41,302	-
3	2,560,168	676,576	216	644,488	-	276,043	119,333	-

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

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

11. Information on Subsidiaries

Information related to subsidiaries (Movement Schedule)

	Current Period	Prior Period
Balance at the Beginning of the Period	**2,770,012**	**1,932,989**
Movements During the Period	**2,461,458**	**-**
Purchases	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends From Current Year Profit	860,940	304,647
Transfer to Other Account	-	-
Sales	-	-
Revaluation Increase, Inflation Adjustment Difference and Exchange Rate Difference	1,600,518	532,376
Impairment Provision	-	-
Balance at the End of the Period	**5,231,470**	**2,770,012**
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	5,231,470	2,770,012
Total	**5,231,470**	**2,770,012**

Sectoral information on financial subsidiaries and the related carrying amounts

	Current Period	Prior Period
Banks	4,329,423	2,235,375
Insurance Companies	-	-
Factoring Companies	676,509	401,835
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	225,538	132,802

Investments in associates sold during the current period

There are no disposed investment in associates.

Subsidiaries acquired within the scope of consolidation during the current period

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

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

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

12. Information on investments in joint ventures

None.

13. Information on tangible assets

	Real Estates	Tangible Fixed Assets Acquired through Financial Leasing	Vehicles	Right of Use Asset	Other tangible fixed assets	Total
Prior Period End:						
Cost	698,555	-	903	219,931	185,897	1,105,286
Accumulated Depreciation and Impairment (-)	-	-	(903)	(102,199)	(113,824)	(216,926)
Net Book Value	698,555	-	-	117,732	72,073	888,360
Current Period End:						
Net Book Value at the Beginning	698,555	-	-	117,732	72,073	888,360
Additions	1,661	-	-	169,003	81,842	252,506
Disposals (Cost)	-	-	(42)	-	(8,771)	(8,813)
Disposals (Depreciation)	-	-	42	-	3,653	3,695
Depreciation (-)	(13)	-	-	(67,170)	(33,939)	(101,122)
Additional Works on Buildings	24,110	-	-	-	-	24,110
Revaluation	704,982	-	-	-	-	704,982
Revaluation Depreciation						
Exchange Difference Cost	-	-	-	143	30,938	31,081
Exchange Difference Depreciation	-	-	-	(47)	(24,215)	(24,262)
Cost at Period End	1,429,308	-	861	389,077	289,906	2,109,152
Accumulated Depreciation at Period End (-)	(13)	-	(861)	(169,416)	(168,325)	(338,615)
Closing Net Book Value	**1,429,295**	**-**	**-**	**219,661**	**121,581**	**1,770,537**

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 TO 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.

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 amortization	Carrying value	Accumulated amortization
Intangible assets	150,949	53,054	99,737	28,499

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

	Current Period	Prior Period
Beginning of the Period	**71,238**	**26,951**
Internally Generated Amounts	-	-
Additions due to mergers, transfers and acquisitions	51,212	57,933
Disposals and Sales (*)	-	-
Depreciation of Disposals and sales	-	-
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 (-)	24,555	13,646
Net Exchange Rate Differences from Foreign Subsidiaries	-	-
Other Changes in Book Value	-	-
End of the Period	**97,895**	**71,238**

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 TO 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 types

None.

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

None.

Explanations on goodwill

None.

15. Explanations on investment properties

None.

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

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

16. Explanations on deferred tax asset:

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

	Current Period	Prior Period
Deferred tax asset	**740,091**	**151,539**
Provisions for bonus premium	-	10,500
Provisions for severance pay and unused leave	43,309	33,726
TAS – TPL Depreciation differences	269,915	1,586
Stage 1 and 2 expected credit loss provisions	66,185	41,185
Financial Asset Valuation Differences	103,552	47,007
Other Provisions	10,169	3,640
Fixed Assets and Equity Participations - Inflation Accounting	183,556	-
Financial Loss	-	-
Other	63,405	13,895
Deferred tax liability	**953,054**	**203,484**
Securities valuation differences	33,392	46,790
Tangible fixed assets valuation differences	287,840	70,320
Derivative financial instruments discount	616,761	86,374
Other	15,061	-
Deferred tax asset/liability, net	**(212,963)**	**(51,945)**

17. Information on assets held for sale and discontinued operations

	Current Period	Prior Period
Prior Period End		
Cost	218,265	271,712
Accumulated Depreciation (-)	(39)	(64)
Impairment	-	(14,686)
Net Book Value	**218,226**	**256,962**
Current Period End		
Additions	30,183	49,849
Disposals (Cost)	(36,753)	(88,610)
Disposals (-) (Depreciation)	-	25
Disposal of Securities Held for Sale	-	(14,686)
Impairment	-	14,686
Cost	211,695	218,265
Impairment	-	-
Accumulated Depreciation	(39)	(39)
Net Book Value	**211,656**	**218,226**

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

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

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	130,566	17,779
Prepaid Taxes	66,497	69,691

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	**248,354**	-	**1,849,036**	**8,693,891**	**3,223,986**	**380,885**	**1,652,355**	-	**16,048,507**
Foreign Currency Deposits	**12,247,696**	-	**2,243,559**	**15,355,759**	**1,205,638**	**2,566,275**	**6,583,713**	-	**40,202,640**
Residents in Türkiye	3,726,519	-	2,238,115	11,665,807	1,129,157	1,663,714	159,951	-	20,583,263
Residents Abroad	8,521,177	-	5,444	3,689,952	76,481	902,561	6,423,762	-	19,619,377
Public Sector Deposits	**30,703**	-	**6**	**18,724**	-	-	-	-	**49,433**
Commercial Deposits	**1,063,177**	-	**2,203,135**	**5,423,202**	**336,891**	**700,383**	**389,267**	-	**10,116,055**
Other Institutions Deposits	**8,325**	-	**1,373**	**37,963**	**56,783**	**675**	-	-	**105,119**
Precious Metal Deposit	**605,995**	-	**73,422**	**515,425**	**10,269**	**8,583**	**1,118**	-	**1,214,812**
Bank Deposit	**257**	-	**1,323,480**	**236,379**	-	**1,234,263**	**254,137**	-	**3,048,516**
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	256	-	1,323,480	236,379	-	1,234,263	254,137	-	3,048,515
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	**14,204,507**	-	**7,694,011**	**30,281,343**	**4,833,567**	**4,891,064**	**8,880,590**	-	**70,785,082**

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

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

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

1. Information on maturity structure of deposits (Continued)

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

	Covered by Deposit Insurance Fund		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3,346,025	2,640,462	12,704,311	10,428,386
Foreign Currency Saving Deposits	1,326,162	834,372	7,538,744	6,379,157
Other Deposits in the Form of Saving	-	-	-	-
Foreign Branches' Deposits under Foreign Authorities' Insurance Coverage	-	-	-	-
Off-Shore Banking Regions' Deposits under Foreign Authorities' Insurance Coverage	-	-	-	-
Total	**4,672,187**	**3,474,834**	**20,243,055**	**16,807,543**

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

	Current Period	Prior Period
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Major Shareholders and Deposits of their Mother, Father, Spouse, Children under their wardship	2,945,909	1,831,138
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse, Children under their wardship	42,382	32,384
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law No:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Bank Which Established in Türkiye in Order to Engage in Off-shore Banking Activities	-	-

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

	Covered by Deposit Insurance Fund		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Commercial Deposits	605,934	530,199	9,684,697	6,247,681
Foreign Currency Commercial Deposits	164,982	92,107	5,400,454	3,191,736
Other Commercial Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	**770,916**	**622,306**	**15,085,151**	**9,439,417**

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

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

1. Information on maturity structure of deposits (Continued)

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

	Current Period	Prior Period
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Major Shareholders and Deposits of their Mother, Father, Spouse, Children under their wardship	1,628,188	1,593,892
Deposits and Other Accounts of Official Institutions	49,367	74,927
Deposits and other accounts of credit institutions and financial institutions	5,622,533	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	1,953,806	17,287	1,211,399	14,705
Foreign Banks and Institutions and Funds	-	54,407	-	1,350,067
Total	**1,953,806**	**71,694**	**1,211,399**	**1,364,772**

Information on the maturity structure of funds borrowed

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-Term (1)	1,953,806	14,459	1,207,474	681,147
Medium and Long-Term (1)	-	57,235	3,925	683,625
Total	**1,953,806**	**71,694**	**1,211,399**	**1,364,772**

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

Table of negative differences for trading derivative financial liabilities:

	Current Period		Prior Period	
Derivative Financial Liabilities	TRY	FC	TRY	FC
Forward Transactions	86,303	946	2,301	-
Swap Transactions	44,407	275,051	5,963	165,900
Future Transactions	-	-	-	-
Options	86	12,248	459	134,006
Other	-	-	-	-
Total	**130,796**	**288,245**	**8,723**	**299,906**

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

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

3. Information on lease liability (Continued)

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

The Bank's liabilities from lease transactions as of 31 December 2023 are as follows.

31 December 2023	Gross	Net
Less than 1 year	68,933	55,766
Between 1- 4 years	114,872	93,383
More than 4 years	228,627	129,921
Total	**412,432**	**279,070**

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**

3. Explanation on provisions

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

None (31 December 2022: None).

Information on other provisions

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

	Current Period	Prior Period
Provisions for non-cash loans	14,436	10,267
Provisions for lawsuit	23,702	9,120
Provision for credit card promotion expenses	617	1,086
Other provisions	32,936	12,790
Total	**71,691**	**33,263**

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

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

4. Information on provisions (Continued)

Reserve for Employee Benefits

As of 31 December 2023, the Group presented the provision for severance pay of TRY 91,832 (31 December 2022: TRY 96,121), the vacation liability of TRY 54,691 (31 December 2022: TRY 40,973), and the bonus provision of TRY 20,067 (31 December 2022: TRY 42,792) under the 'Provision for Employee Benefits' item in the financial statements.

Information on Provisions for Severance Pay

	Current Period	Prior Period
Balance at the beginning of the period	96,121	40,370
Changes during the period	31,418	16,364
Actuarial loss/(gain) transferred to equity	55,910	51,869
Paid current period	(91,616)	(12,482)
Total	**91,832**	**96,121**

5. Explanations on current tax liability

Information on tax provision

As of 31 December 2023, the Bank's tax liability after deducting the prepaid taxes paid during the period from the corporate tax is TRY 51,444 (31 December 2022: TRY 143,407). If the differences arising between the carrying amount and the tax base of the assets subject to the current tax liability are related to the equity accounts group, the current tax asset or liability is offset with the related accounts in this group.

Information on taxes payable

	Current Period	Prior Period
Corporate Tax Payable	51,444	143,407
Banking Insurance Transaction Tax	61,257	7,607
Taxation on Marketable Securities	24,092	737
Capital Gains Tax on Property	1,249	25,176
Value Added Tax Payable	3,596	2,515
Other	24,188	26,245
Total	**165,826**	**205,687**

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

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

6. Explanations on current tax liability

Information on premium payables

	Current Period	Prior Period
Social Security Premiums – Employee	10,441	5,594
Social Security Premiums – Employer	12,093	5,897
Bank Social Aid Pension Fund Premium – Employee	-	-
Bank Social Aid Pension Fund Premium – Employer	-	-
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	523	331
Unemployment Insurance – Employer	1,158	736
Other	139	-
Total	**24,354**	**12,558**

7. 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).

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

None.

9. Information on subordinated loans

None.

10. 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.

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

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

11. Information on consolidated shareholder's equity

Presentation of paid-in capital

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

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

The Bank is not subject to registered share capital system.

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

None.

Information on share capital increases from revaluation funds

None.

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

None.

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

None.

Information on privileges given to shares representing the capital

None.

12. 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	-	-

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

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

13. Information on securities value increase fund

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
From Associates and Subsidiaries	3,312,187	-	1,750,609	7,032
Securities Measured at FV Through Other Comprehensive Income	(54,118)	(79,084)	88,502	(129,154)
From the Securities Subject to Structural Position	-	-	-	-
Total	**3,258,069**	**(79,084)**	**1,839,111**	**(122,122)**

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

1. Explanations on off-balance-sheet-commitments

Type and amount of irrevocable commitments

	Current Period	Prior Period
Payment Commitments for Cheques	815,921	488,216
Commitment For Use Guaranteed Credit Allocation	2,317,989	1,148,216
Credit Cards Limit Commitments	323,994	212,182
Liabilities From Guarantee Letters Issued in Our Favor	68,083	60,859
Forward Asset Purchase Commitments	3,839,557	2,560,985
Commitments for Promotions Related with Credit Cards and Banking Activities	617	1,085
Payment Commitments for Cheques	12	-
Total	**7,366,173**	**4,471,543**

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	7,263,172	4,787,059
Customs Guarantees	120,594	80,297
Tentative Guarantees	272,627	271,805
Advance Letters of Guarantee	423,316	286,212
Other Letters of Guarantee	4,287,466	1,368,611
Total	**12,367,175**	**6,793,984**

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

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

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	4,376,455	1,441,505
Less Than or Equal to One Year with Original Maturity	372,235	261,197
More Than One Year with Original Maturity	4,004,220	1,180,308
Other Non-Cash Loans	13,311,339	8,391,619
Total	**17,687,794**	**9,833,124**

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

	Group I		Group II	
Current Period	**TRY**	**FC**	**TRY**	**FC**
Letters of Guarantee	9,927,217	2,374,284	62,477	3,197
Bank Acceptances	-	74,195	-	-
Letters of Credit	-	2,852,313	-	-
Endorsements				
Factoring Guarantees				
Other Commitments and Contingencies	2,345,250	48,861	-	-
Non-cash loans	**12,272,467**	**5,349,653**	**62,477**	**3,197**

	Group I		Group II	
Prior 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**

SECTION FIVE: EXPLANATIONS AND NOTES TO 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	**92,817**	**0.75**	**7,772**	**0.15**	**117,348**	**1.65**	**10,964**	**0.40**
Farming and Raising Livestock	74,364	0.60	7,772	0.15	93,833	1.32	10,964	0.40
Forestry	11,825	0.10	-	-	17,371	0.24	-	-
Fishing	6,628	0.05	-	-	6,144	0.09	-	-
Manufacturing	**4,555,293**	**36.93**	**2,162,697**	**40.40**	**2,923,306**	**41.06**	**1,211,272**	**44.65**
Mining and Quarrying	132,009	1.07	1,792	0.03	131,059	1.84	7,012	0.26
Production	4,196,452	34.02	2,018,194	37.70	2,656,858	37.31	1,193,952	44.01
Electric, Gas and Water	226,832	1.84	142,711	2.67	135,389	1.90	10,308	0.38
Construction	**1,852,306**	**15.02**	**596,815**	**11.15**	**1,369,208**	**19.23**	**191,331**	**7.05**
Services	**5,479,160**	**44.42**	**2,457,881**	**45.92**	**2,438,349**	**34.24**	**1,245,375**	**45.91**
Wholesale and Retail Trade	2,990,343	24.24	701,901	13.11	1,554,894	21.84	496,810	18.31
Hotel, Food and Beverage Services	43,147	0.35	-	-	42,047	0.59	-	-
Transportation and Telecommunication	178,053	1.44	109,776	2.05	145,166	2.04	86,137	3.18
Financial Institutions	2,009,159	16.29	1,518,992	28.38	548,714	7.71	611,341	22.54
Real Estate and Leasing Services	7,494	0.06	1,401	0.03	14,313	0.20	890	0.03
Self-employment Services	135,650	1.10	90,682	1.69	80,935	1.14	49,075	1.81
Education Services	13,974	0.11	-	-	8,539	0.12	-	-
Health and Social Services	101,340	0.82	35,128	0.66	43,741	0.61	1,122	0.04
Other	**355,368**	**2.88**	**127,686**	**2.39**	**272,236**	**3.82**	**53,735**	**1.98**
Total	**12,334,944**	**100.00**	**5,352,850**	**100.00**	**7,120,447**	**100.00**	**2,712,677**	**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	**8,264**	**2,001**	**-**	**10,265**
Additional provision during the period	26,446	4,862	-	31,308
Exits during the Period	(20,344)	(5,682)	-	(26,026)
Write off / Sales	-	-	-	-
Transfer to stage 1	413	(413)	-	-
Transfer to stage 2	(822)	822	-	-
Transfer to stage 3	-	-	-	-
Provision at the End of the Period	**13,957**	**1,590**	**-**	**15,547**

SECTION FIVE: EXPLANATIONS AND NOTES TO 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)	**88,696,522**	**53,960,101**
Forward transactions	*18,059,378*	*6,647,573*
Swap transactions	*56,019,931*	*25,719,339*
Futures transactions	-	-
Option transactions	*14,617,213*	*21,593,190*
Interest Related Derivative Transactions (II)	16,712,492	3,697,136
Forward rate transactions	-	-
Interest rate swap transactions	*16,712,492*	*3,697,136*
Interest option transactions	-	-
Futures interest transactions	-	-
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	**105,409,014**	**57,657,237**
Types of hedging transactions		
Fair value hedge	1,921,860	637,917
Cash flow hedge	-	485,965
Net investment hedge	-	-
B. Total Hedging Related Derivatives	**1,921,860**	**1,123,882**
Total of derivative financial İnstruments (A+B)	**107,330,874**	**58,781,119**

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 TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

1. Interest Income

Information on interest income on loans

	Current Period [1]		Prior Period[1]	
	TRY	**FC**	**TRY**	**FC**
Short-Term Loans	5,051,357	928,579	3,459,976	356,771
Medium and Long-Term Loans	428,979	613,403	559.436	239.028
Non-Performing Loans	75,321	5,596	75,297	2,518
Total	**5,555,657**	**1,547,578**	**4,094,709**	**598.317**

[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	321,792	7,527	13,113	11,275
Foreign Banks	-	225,448	-	52,556
Total	**321,792**	**232,975**	**13,113**	**63,831**

Information on interest income on marketable securities

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Financial Assets Measured at Fair Value through Profit/Loss	223	11,832	7,874	3,111
Financial Assets Measured at Fair Value through Other Comprehensive Income	263,181	22,518	33,368	26.019
Financial Assets Measured at Amortized Cost	78,774	84,140	242,647	44,918
Total	**342,178**	**118,490**	**283,889**	**74.048**

Information on interest income received from associates and subsidiaries

None.

Information on other interest income

Of the other interest income amounting to TRY 644,084 for the accounting period ending on 31 December 2023 (31 December 2022: TRY 313,682), TRY 635,945 (31 December 2022: TRY 305,445) consists of interest income from factoring transactions.

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

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

2. Interest Expense

Information on interest expense on borrowings

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Banks	475,613	9,383	146,948	3,804
CBRT	-	-	-	-
Domestic Banks	475,613	373	145,958	739
Foreign Banks	-	9,010	990	3,065
Other Institutions	-	-	-	-
Total	**475,613**	**9,383**	**146,948**	**3,804**

Information on interest expense paid to associates and subsidiaries

None.

Information on maturity structure of interest expenses on deposits

	Time Deposit		Current Period		Time Deposit		Current Period	
Current Period	**Demand Deposits**	**Up to 1 Month**	**Demand Deposits**	**Up to 6 Months**	**Demand Deposits**	**Over 1 Year**	**Demand Deposits**	**Total**
Turkish Lira								
Bank Deposits	-	97,031	-	-	-	-	-	97,031
Saving Deposits	-	481,311	2,233,147	832,932	175,028	378,747	-	4,101,165
Public Sector Deposits	-	4	6,148	-	-	-	-	6,152
Commercial Deposits	-	305,655	1,228,343	87,585	77,673	113,073	-	1,812,329
Other Deposits	-	529	26,920	539	600	13	-	28,601
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	**-**	**884,530**	**3,494,558**	**921,056**	**253,301**	**491,833**	**-**	**6,045,278**
Foreign Currency								
Deposits	87,677	25,361	561,740	95,047	59,232	45,122	-	874,179
Bank Deposits	-	18,770	10,556	31,490	9,778	-	-	70,594
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	324	4,874	879	11	57	-	6,145
Total	**87,677**	**44,455**	**577,170**	**127,416**	**69,021**	**45,179**	**-**	**950,918**
Grand Total	**87,677**	**928,985**	**4,071,728**	**1,048,472**	**322,322**	**537,012**	**-**	**6,996,196**

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

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

2. Interest Expense (Continued)

	Time Deposit		Prior Year		Time Deposit		Prior Year	
Prior Year	**Demand Deposits**	**Up to 1 Month**	**Demand Deposits**	**Up to 6 Months**	**Demand Deposits**	**Over 1 Year**	**Demand Deposits**	**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**

3. Information on dividend income

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	339	40
Other	2,735	282
Total	**3,074**	**322**

4. Information on trading income/loss

	Current Period	Prior Period
Trading Gain	**13,181,312**	**8,695,962**
Gain on Capital Market Transactions	299,910	65,279
From Derivative Transactions	6,436,104	5,175,393
Foreign Exchange Gains	6,445,298	3,455,290
Trading Loss (-)	**9,481,060**	**7,741,946**
Losses on Capital Market Transactions	11,331	10,820
From Derivative Transactions	5,710,833	2,997,222
Foreign Exchange Losses	3,758,896	4,733,904
Net Trading Gain/Loss	**3,700,252**	**954,016**

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

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

5. Information on Other Operating Income

	Current Period	Prior Period
Released Provisions	213,527	353,852
Checkbook Fee	20,226	1,875
Provision for Notary Statement Expenses	748	1,033
Communication Revenues	1,833	1,328
Income from the Sale of Assets	2,494	23,556
Collections Related to Expenses of Previous Years	24,036	6,691
Income from the Sale of Real Estate	25,160	66,507
Collections Due to Right of Redemption Agreement	22,241	13,736
Loan Reflected in Profit/Loss at Fair Value Impairment Provision	-	114,566
Other	108,446	230
Total	**418,711**	**583,374**

6. Provision for Losses and Other Provision Expenses

	Current Period	Prior Period
Expected Credit Losses	**275,839**	**219,959**
12 Months Expected Credit Loss (Stage 1)	143,925	89,065
Significant Increase in Credit Risk (Stage 2)	38,778	56,454
Lifetime ECL Impaired Credits (Stage 3)	93,136	74,440
Other Provision Expenses	**26,991**	**1,822**
Marketable Securities Impairment Provision	12,220	30
Financial Assets Measured at Fair Value Through Profit/Loss	*12,220*	*30*
Financial Assets Measured at Other Comprehensive Income	-	-
Provisions for Impairment of Associates, Subsidiaries and Joint Ventures	-	-
Investment in Associates	-	-
Subsidiaries	-	-
Other	14,771	1,792
Total	**302,830**	**221,781**

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

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

7. Other Operating Expenses

	Current Period(**)	Prior Period
Reserve for Employee Termination Benefits	530	3,869
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Property and Equipment	-	-
Depreciation Expenses of Property and Equipment	43,806	27,135
Impairment Expenses of Intangible Assets	-	-
Amortization Expenses of Intangible Assets	24,074	13,609
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses on Assets Held for Sale	-	-
Depreciation Expenses of Right-of-Use Assets	69,319	39,488
Impairment Expenses on Non-Current Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	872,383	228,976
Operating Lease Expenses (*)	*7,902*	*4,226*
Repair and Maintenance Expenses	*40,758*	*20,108*
Advertisement Expenses	*53,963*	*32,879*
Other Expenses (****)	*769,760*	*171,763*
Loss on Sales of Assets	543	96
Other (***)	263,501	451,843
Total	**1,274,156**	**765,016**

(*) 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, TASF, and financial activity fees.
(****) Includes a provision expense amount of TRY 441,544 for lawsuits.

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	20,431	9,859
Fees for Tax Advisory Services	503	83
Fee for Other Assurance Services	3,240	76
Fee for Services Other than Independent Audit	174	43
Total (*)	**24,348**	**10,062**

(*) Amounts are given excluding VAT.

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

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

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

As of 31 December 2023, the Group has no discontinued operations.

The explanations and tables related to the profit/loss before tax from the Group's continuing operations for the accounting period ended 31 December 2023, are shown in detail in notes 1 to 7 of this section.

Explanation on tax provision for continuing and discontinued operations

As of 31 December 2023, the Group has no discontinued operations.

The explanations and tables related to the tax provision arising from the Group's continuing operations for the accounting period ended 31 December 2023, are shown in detail in note 9 of this section.

The Group has no tax provision for discontinued operations for the accounting period ended 31 December 2023.

Explanation of net profit/loss for the period continuing/discontinued operations

As of 31 December 2023, the Group has no discontinued operations.

The explanations and tables related to the period net profit/loss arising from the Group's continuing operations for the accounting period ended 31 December 2023, are shown in detail in notes 1 to 7 and 9 to 11 of this section. The Group has no period net profit/loss for discontinued operations for the accounting period ended 31 December 2023.

10. Tax Provision

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

For the accounting period ended 31 December 2023, the Group's current tax expense is TRY 496,442 (31 December 2022: current tax expense TRY 426,132).

For the accounting period ended 31 December 2023, the Group has a net deferred tax expense of TRY 760,563 (31 December 2022: deferred tax expense of TRY 260,930).

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 TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

As of 31 December 2023, the net amount of the valuation gain/(loss) followed under equity for securities classified as financial assets at fair value through other comprehensive income, after deducting the tax effect and expected credit loss, is TRY (133,202) (31 December 2022: TRY (40,652)).

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 2023, the Group's foreign currency translation differences arising from exchange differences amount to TRY 3,316,174 (31 December 2022: TRY 1,763,458). The exchange differences of TRY 1,564,410 (31 December 2022: TRY 525,864) 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 2023.

5. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Legal Reserves from Undistributed Profits	54,962	27,615
Amount Transferred from Undistributed Profits to Extraordinary Reserves	1,930,101	524,689
Total [(1)]	**1,985,063**	**552,304**

(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 TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations and Disclosures Related to Consolidates 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 212,396 (31 December 2022: TRY 1,043,425) 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 204,247 (31 December 2022: TRY 314,380) 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 10,171,466) (31 December 2022: TRY 1,430,054) included in the 'Change in assets and liabilities subject to banking activities' consists of changes in other assets items.

As of 31 December 2023, the effect of the change in the exchange rate on cash and cash equivalents has been calculated as TRY 568,318 (31 December 2022: TRY 459,366).

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

	Current Period 31 December 2023	Prior Period 31 December 2022
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 and 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)
Required Reserves	(2,175,767)	(2,901,211)
Banks and Money Markets Discount	(1,848)	(16,995)
Total cash and cash equivalents	**11,107,244**	**7,821,263**

[(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 2023	Prior Period 31 December 2022
Cash	**8,822,448**	**6,029,617**
Cash and cash equivalents	769,443	625,782
Central Bank of the Republic of Türkiye, required reserves and other [(1)]	8,053,005	5,403,835
Cash Equivalents	**14,265,934**	**8,630,148**
Banks and Other Financial Institutions	11,455,891	7,821,669
Interbank Money Market Placements	2,810,043	808,479
Cash Equivalents and banks	**(3,874,224)**	**(3,552,521)**
Bank balances with maturities longer than three months	-	-
Restricted Cash and Cash Equivalents	(167,666)	(1,374,906)
Reserve requirements	(3,696,445)	(2,175,767)
Banks and Money Market Rediscounts	(10,113)	(1,848)
Total cash and cash equivalents	**19,214,158**	**11,107,244**

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

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

VI. Explanations and Disclosures Related to Consolidates 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 2022: None). The placements made to other banks amounting to TRY 167,665 (31 December 2022: TRY 66,172) 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 on the Parent Bank's Domestic, Foreign and Off-Shore Banking Branches and Foreign Representatives of the Group

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

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

Parent Bank's Risk Group- current period	Associates and Subsidiaries (Partnerships)		Bank's Direct and Indirect Shareholders		Other Individuals and Legal Entities in the Risk Group	
	Cash	Non- Cash	Cash	Non-cash	Cash	Non- Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	407,727	105,067	278	71
Balance at the End of the Period	-	-	1,276,878	67,754	1,881	83
Interest and Commission Income	-	-	71,808	18	242	-

Parent Bank's Risk Group- prior period	Associates and Subsidiaries (Partnerships)		Bank's Direct and Indirect Shareholders		Other Individuals and Legal Entities in the Risk Group	
	Cash	Non- Cash	Cash	Non- Cash	Cash	Non- Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	414,325	91,522	294	71
Balance at the End of the Period	-	-	407,727	105,067	278	71
Interest and Commission Income	-	-	23,051	17	6	-

Information on deposits of the Parent Bank's risk group

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	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Balance at the Beginning of the Period	-	-	5,075,996	6,581,596	32,766	22,976
Balance at the End of the Period	-	-	12,607,673	5,075,996	45,393	32,766
Deposit interest expense	-	-	661,167	107,789	4,267	1,745

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO 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	-	-	1,852,253	2,277	-	-
Closing Balance	-	-	3,379,285	1,852,253	-	-
Total Profit/Loss	-	-	(47,919)	46,012	-	-
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 2023, the Parent Bank collected a total of TRY 2,111 in stock trading commissions and mutual fund commissions from Anadolu Yatırım Menkul Kıymetler A.Ş. (31 December 2022: TRY 1,610).

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

		According to the Magnitudes in the Financial Statements
Current Period	**Balance**	**%**
Cash loans	1,278,759	2.6
Non-cash loans	67,837	0.4
Deposit	12,653,066	17.9
Forward and option contracts	3,379,285	6.17

SECTION FIVE: EXPLANATIONS AND NOTES RELATED TO 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	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

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 2023, the income obtained by the Parent Bank from its subsidiary Anadolubank Nederland NV within the framework of service procurement and license agreements is TRY 7,621 (31 December 2022: TRY 4,764).

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 2023, the amount of tangible benefits provided and to be provided to the Group's senior management is TRY 145,740 (31 December 2022: TRY 68,030).

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

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	114	1,547			
			Country of incorporation		
Foreign Representation Office	-	-	1- -		
	-	-	2- -		
	-	-	3- -		
				Total Assets	Statutory Share Capital
Foreign Branch	-	-	1- -	-	-
	-	-	2- -	-	-
	-	-	3- -	-	-
Off-shore banking region branches	-	-	1- -	-	-
	-	-	2- -	-	-
	-	-	3- -	-	-

SECTION SIX: OTHER EXPLANATIONS

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

None

II. Summary of Informations 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: March 2024	
Foreign currency-Long-term	B- (Positive)
Domestic currency -Long-term	B- (Positive)
Financial Capacity Rating	b-

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

Based on the decision of our Bank's Board of Directors, dated 15.01.2024, under reference number 2024/06;

It has been decided that our Maltepe Branch, operating at the address Bağlarbaşı Mah. Atatürk Cad. No:78/A Maltepe/Istanbul, will be transferred to our Kartal Branch as of 29.02.2024.
It has been decided that our Sultanbeyli Branch, operating at the address Dudullu OSB Mahallesi İmes-501 Sokak No:34/3 Sultanbeyli/Istanbul, will be transferred to our İmes Branch as of 29.02.2024.
It has been decided that our Tuzla/Orhanlı Branch, operating at the address Orhanlı Mah. Demokrasi Cad. No:85 Aydınlı Tuzla/Istanbul, will be transferred to our Tuzla Organize Branch as of 29.02.2024.
It has been decided that our Dilovası/Kocaeli Branch, operating at the address Cumhuriyet Mah. Yavuz Sultan Selim Cad. No: 51 Kocaeli/Dilovası, will be transferred to our Gebze Branch as of 31.01.2024.

Based on the decision of our Bank's Board of Directors, dated 15.01.2024, under reference number 2024/07;

It has been decided that our Bergama/Izmir Branch, operating at the address Ertuğrul Mah. Böblingen Cad. No:81A Bergama/Izmir, will be transferred to our Menemen Branch as of 19.02.2024.

It has been decided that our Alaşehir/Manisa Branch, operating at the address Yenice Mah. Osman Akça Cad. No:40 Alaşehir/Manisa, will be transferred to our Salihli Branch as of 19.02.2024.

It has been decided that our Turgutlu/Manisa Branch, operating at the address Atatürk Bulvarı No:184/A Turgutlu/Manisa, will be transferred to our Manisa Branch as of 19.02.2024.

It has been decided that our Tire/Izmir Branch, operating at the address Yeni Mah. Enstitü Cad. No:18 Tire/Izmir, will be transferred to our Ödemiş Branch as of 12.02.2024.

It has been decided that our İncirliova/Aydın Branch, operating at the address İstiklal Mah. Prof. Dr. Türkan Saylan Cad. No:61/B İncirliova/Aydın, will be transferred to our Aydın Branch as of 12.02.2024.

SECTION SIX: OTHER EXPLANATIONS (Continued)

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

Based on the decision of our Bank's Board of Directors, dated 15.01.2024, under reference number 2024/07;

It has been decided that our Nazilli/Aydın Branch, operating at the address Yeni Mahalle Hürriyet Caddesi No:170E Nazilli/Aydın, will be transferred to our Aydın Branch as of 12.02.2024.

By the decision of our Bank's Board of Directors, dated 15.01.2024 and numbered 2024/08;

It has been decided that our Lüleburgaz/Kırklareli Branch, operating at the address Yeni Mah. Fatih Cad. No:20/A Kırklareli/Lüleburgaz, will be transferred to our Çorlu Branch as of 26.02.2024.

It has been decided that our Tümsan Sanayi Branch, operating at the address İkitelli Organize San. Bölg. Tümsan 2 San. Sit. B Blok No:6 İkitelli Başakşehir/Istanbul, will be transferred to our İkitelli Branch as of 26.02.2024.

It has been decided that our Küçükköy/Istanbul Branch, operating at the address Fevzi Çakmak Mah. Hekim Suyu Cad. No:14/C Gaziosmanpaşa/Istanbul, will be transferred to our Topçular Branch as of 26.02.2024.

By the decision of our Bank's Board of Directors, dated 15.01.2024 and numbered 2024/09;

It has been decided that our Edremit/Balıkesir Branch, operating at the address Cennetayağı Mahallesi İstasyon Caddesi Koza Cennet Evleri Sitesi B Blok No:39/A Edremit/Balıkesir, will be transferred to our Balıkesir Branch as of 19.02.2024.

It has been decided that our Turgutreis/Muğla Branch, operating at the address Turgutreis Mahallesi Mehmet Hilmi Caddesi Topanoğlu İş Merkezi Sit. No:64 A/1 Muğla/Bodrum, will be transferred to our Bodrum Branch as of 12.02.2024.

It has been decided that our Yüreğir/Adana Branch, operating at the address Cumhuriyet Mah. Karataş Blv. No:99/Z01 Adana/Yüreğir, will be transferred to our Toros Branch as of 05.02.2024.

It has been decided that our Karatay/Konya Branch, operating at the address Fevzi Çakmak Mah. Adana Çevreyolu Cad. No:26/C Konya/Karatay, will be transferred to our Konya Branch as of 05.02.2024.

IV. The Impact of Significant Changes in Exchange Rates that Occurred after the Balance Sheet Date, Which If not Disclosed, Would Affect the Users' Ability to Assess and Make Decisions Based on the Financial Statements, Including the Effect on Foreign Currency Transactions, Line Items, and Financial Statements, as well as the Impact on the Bank's Overseas Operations.

None.

SECTION SEVEN: EXPLANATION ON INDEPENDENT AUDITOR'S REPORT

I. Explanations on Independent Auditor's Report

The consolidated financial statements for the period ended 31 December 2023 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The auditor's report dated 22 March 2024 is presented preceding the consolidated financial statements.

II. Explanations and Notes Prepared by the Independent Auditor

None.

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