ANADOLUBANK ANONİM ŞİRKETİ

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

(Convenience translation of publicly announced unconsolidated 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 Unconsolidated Financial Statements

1. Opinion

We have audited the accompanying unconsolidated financial statements of Anadolubank Anonim Şirketi (the "Bank"), which comprise the statement of unconsolidated balance sheet as at 31 December 2023, unconsolidated statements of profit and loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended and the notes to the unconsolidated financial statements and a summary of significant accounting policies and unconsolidated financial statement notes.

In our opinion, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision 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 Unconsolidated Financial Statements" section of our report. We hereby declare that we are independent of the Bank 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 unconsolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the unconsolidated financial statements, 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 Bank has total expected credit losses for loans amounting to TL 690,779 thousand in respect to total loans amounting to TL 29,912,727 thousand which represent a significant portion of the Bank's total assets in its unconsolidated 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 unconsolidated financial statements as of 31 December 2023. The Bank 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 Bank 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 Bank 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 Bank with TFRS 9 for calculation of the provision amount through stage classification of loans. For forward looking assumptions made by the Bank'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 Bank 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 Bank employs complex models derived from multiple systems to detect significant increases in credit risk and calculate expected credit loss provisions. These models incorporate judgments and estimates, such as forward-looking expectations based on expert opinions, scenario analysis of macroeconomic conditions, and the weighting of these scenarios. Information considered in the accounting for expected credit loss provisions, whether assessed individually or collectively, must be reasonable and supportable, including past events, current conditions, and macroeconomic forecast Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macro-economic expectations, current conditions, historical loss experiences, development and weighting of macro-economic scenarios; the significance of the loans 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 Bank 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 Bank's policy by means of supporting data and evaluated appropriateness via communications with management. We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists. We checked accuracy of resultant expected credit losses calculations on a sample basis. To assess appropriateness of the Bank'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 unconsolidated financial statements regarding the provision for impairment of loans.

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

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

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

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

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

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

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

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

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

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

B. 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 unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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



Talar Gül, SMMM
Independent Auditor

Istanbul, 22 March 2024

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

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The unconsolidated financial report for the year ended 31 December 2023 prepared in accordance with the relevant communiqué issued by the Banking Regulation and Supervision Agency ("BRSA"), titled "Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures" consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATORY DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDIT REPORT

The unconsolidated 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	Assistant General Manager	Member of Audit Committee

Zeki Murat URAL	**İlker TEKER**
Assistant General Manager	Head of Financial Control, Budget and 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
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SECTION ONE: GENERAL INFORMATION ABOUT THE BANK

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

Anadolubank Anonim Şirketi ("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 Bank's Capital Structure, Shareholders of the Bank Who Are in Charge of the Management and/or Auditing of the Bank Directly or Indirectly, Changes in These Matters (if any)

The foundation of the bank may be traced back to HABAŞ, whose creation was incepted in 1956 by Hamdi BAŞARAN (1913-1987) through the founding of Topkapı Oxygen Factory. HABAŞ 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 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
Ferudun CANBAY	Member - Member of Audit Committee	-
İbrahim Sencan DEREBEYOĞLU	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 resigned from his position as General Manager as of February 16, 2024. As of March 1, 2024, Board Member Suat İnce has been appointed as the acting General Manager.
(**) Until an Assistant General Manager is appointed to the Financial Affairs Department, the authority to sign the financial statements has been granted to Zeki Murat Ural, Deputy General Manager of 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 ABOUT THE BANK (Continued)

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

As of 31 December 2023 and 2022, the composition of shareholders and their respective percentage of ownership can be summarized 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 share in HABAŞ Sınai ve Tıbbi Gazlar İstihsal Endüstrisi A.Ş., his partnership share in the Bank is 76.46%.

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. Explanations on the Bank's Services and Activities

As stated in the articles of association of the 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 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).

ANADOLUBANK ANONİM ŞİRKETİ

UNCONSOLIDATED BALANCE SHEET – ASSETS
FOR THE YEAR ENDED DECEMBER 31, 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)**		**10,438,251**	**8,321,932**	**18,760,183**	**2,825,809**	**9,510,255**	**12,336,064**
1.1	**Cash and Cash Equivalents**		**7,018,663**	**6,407,066**	**13,425,729**	**1,557,086**	**8,169,019**	**9,726,105**
1.1.1	Cash and Balances with Central Bank	V-I-1	4,207,306	4,615,042	8,822,348	1,006,093	5,023,371	6,029,464
1.1.2	Banks	V-I-2	1,803	1,793,555	1,795,358	100,874	3,150,945	3,251,819
1.1.3	Money Market Placements		2,810,043	-	2,810,043	450,256	-	450,256
1.1.4	Expected Credit Losses (-)		489	1,531	2,020	137	5,297	5,434
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 Debt 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**	**1,441,203**	**1,689,385**	**3,130,588**	**867,607**	**1,011,447**	**1,879,054**
1.3.1	Government Debt Securities		1,351,279	1,609,927	2,961,206	795,980	971,201	1,767,181
1.3.2	Equity Instruments		13,781	79,458	93,239	13,781	40,246	54,027
1.3.3	Other Financial Assets		76,143	-	76,143	57,846	-	57,846
1.4	**Derivative Financial Assets**	**V-I-5**	**1,978,385**	**107,243**	**2,085,628**	**395,333**	**284,152**	**679,485**
1.4.1	Derivative Financial Assets Measured at Fair Value Through Profit or Loss		1,978,385	107,243	2,085,628	395,333	284,152	679,485
1.4.2	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)**		**23,768,116**	**5,481,580**	**29,249,696**	**18,134,037**	**4,399,134**	**22,533,171**
2.1	**Loans**	**V-I-6**	**24,381,992**	**5,530,735**	**29,912,727**	**17,035,570**	**4,429,475**	**21,465,045**
2.2	**Lease Receivables**	**V-I-8**			-	-	-	-
2.3	**Factoring Receivables**	**V-I-9**	**27,748**	**-**	**27,748**	-	-	-
2.4	**Other Financial Assets Measured at Amortized Cost**	**V-I-7**	**-**	**-**	**-**	**1,744,224**	**-**	**1,744,224**
2.4.1	Government Debt Securities		-	-	-	1,744,224	-	1,744,224
2.4.2	Other Financial Assets		-	-	-	-	-	-
2.5	**Expected Credit Losses (-)**		**641,624**	**49,155**	**690,779**	**645,757**	**30,341**	**676,098**
III.	**PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)**	**V-I-17**	211,656	-	211,656	218,226	-	218,226
3.1	Held for Sale Purpose		211,656	-	211,656	218,226	-	218,226
3.2	Related to Discontinued Operations				-	-	-	-
IV.	**EQUITY INVESTMENTS**		**902,047**	**4,329,423**	**5,231,470**	**534,637**	**2,235,375**	**2,770,012**
4.1	**Investments in Associates (Net)**	**V-I-10**	-	-	-	-	-	-
4.1.1	Accounted Under Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	**Subsidiaries (Net)**	**V-I-11**	**902,047**	**4,329,423**	**5,231,470**	**534,637**	**2,235,375**	**2,770,012**
4.2.1	Unconsolidated Financial Subsidiaries		902,047	4,329,423	5,231,470	534,637	2,235,375	2,770,012
4.2.2	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3	**Entities under Common Control (Joint Venture) (Net)**	**V-I-12**	-	-	-	-	-	-
4.3.1	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	**V-I-13**	**1,720,293**	**257**	**1,720,550**	**876,173**	**163**	**876,336**
VI.	**INTANGIBLE ASSETS (Net)**	**V-I-14**	**97,681**	**-**	**97,681**	**71,038**	**-**	**71,038**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		97,681	-	97,681	71,038	-	71,038
VII.	**INVESTMENT PROPERTY (Net)**	**V-I-15**	-	-	-	-	-	-
VIII.	**CURRENT TAX ASSET**		-	-	-	-	-	-
IX.	**DEFERRED TAX ASSET**	**V-I-16**	-	-	-	-	-	-
X.	**OTHER ASSETS**	**V-I-18**	**991,493**	**47,342**	**1,038,835**	**398,348**	**91,999**	**490,347**
	TOTAL ASSETS		**38,129,537**	**18,180,534**	**56,310,071**	**23,058,268**	**16,236,926**	**39,295,194**

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

ANADOLUBANK ANONİM ŞİRKETİ

UNCONSOLIDATED BALANCE SHEET – LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 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**	**26,589,988**	**16,383,881**	**42,973,869**	**19,888,222**	**10,500,817**	**30,389,039**
II.	**FUNDS BORROWED**	**V-II-2**	**115,019**	**71,694**	**186,713**	**91,899**	**14,705**	**106,604**
III.	**MONEY MARKET FUNDS**		**-**	**-**	**-**	**281,646**	**-**	**281,646**
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-3**	**130,796**	**124,451**	**255,247**	**8,723**	**157,087**	**165,810**
7.1	Derivative Financial Liabilities Measured at Fair Value Through Profit or Loss		130,796	124,451	255,247	8,723	157,087	165,810
7.2	Derivative Financial Liabilities Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	**FACTORING PAYABLES**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**LEASE PAYABLES**	**V-II-4**	**235,437**	**258**	**235,695**	**128,610**	**164**	**128,774**
X.	**PROVISIONS**	**V-II-5**	**176,306**	**1,459**	**177,765**	**193,903**	**881**	**194,784**
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reverse for Employee Benefits		139,146	-	139,146	174,582	-	174,582
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		37,160	1,459	38,619	19,321	881	20,202
XI.	**CURRENT TAX LIABILITY**	**V-II-6**	**18,575**	**-**	**18,575**	**196,055**	**-**	**196,055**
XII.	**DEFERRED TAX LIABILITY**	**V-II-7**	**206,021**	**-**	**206,021**	**55,906**	**-**	**55,906**
XIII.	**LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	**V-II-8**	**-**	**-**	**-**	**-**	**-**	**-**
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBT INSTRUMENTS**	**V-II-9**	**-**	**-**	**-**	**-**		**-**
14.1	Subordinated Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	-	-	-	-	-
XV.	**OTHER LIABILITIES**	**V-II-10**	**975,918**	**147,334**	**1,123,252**	**824,575**	**48,910**	**873,485**
XVI.	**SHAREHOLDERS' EQUITY**		**10,721,323**	**411,611**	**11,132,934**	**6,819,344**	**83,747**	**6,903,091**
16.1	**Paid-in capital**	**V-II-11**	**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	**Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss**		**1,159,957**	**38,911**	**1,198,868**	**432,387**	**18,775**	**451,162**
16.4	**Accumulated Other Comprehensive Income or Loss Reclassified Through 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
	TOTAL EQUITY AND LIABILITIES		**39,169,383**	**17,140,688**	**56,310,071**	**28,488,883**	**10,806,311**	**39,295,194**

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

ANADOLUBANK ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES FOR THE YEAR ENDED DECEMBER 31, 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
A.	**OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)**		**46,290,741**	**51,970,592**	**98,261,333**	**28,542,129**	**32,033,454**	**60,575,583**
I.	**GUARANTEES AND COLLATERALS**	**V-III-2**	**12,335,125**	**4,122,578**	**16,457,703**	**7,133,749**	**2,241,158**	**9,374,907**
1.1	Letters of Guarantee		9,989,875	2,392,095	12,381,970	5,491,064	1,333,012	6,824,076
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		9,809,988	2,376,745	12,186,733	5,346,714	1,327,463	6,674,177
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		-	1,607,427	1,607,427	1,824	669,708	671,532
1.3.1	Documentary Letters of Credit		-	1,607,427	1,607,427	1,824	669,708	671,532
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Guaranteed Prefinancings		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Underwriting Commitments		-	-	-	-	-	-
1.7	Factoring Related Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		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 Sales 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**	**29,645,913**	**44,791,544**	**74,437,457**	**18,949,606**	**27,779,527**	**46,729,133**
3.1	Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1	Fair Value Hedges		-	-	-	-	-	-
3.1.2	Cash Flow Hedges		-	-	-	-	-	-
3.1.3	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2	Trading Transactions		29,645,913	44,791,544	74,437,457	18,949,606	27,779,527	46,729,133
3.2.1	Forward Foreign Currency Purchase/Sale Transactions		8,034,726	8,555,068	16,589,794	3,116,073	3,013,976	6,130,049
3.2.1.1	Forward Foreign Currency Transactions- Purchases		8,034,726	559,919	8,594,645	3,100,030	64,368	3,164,398
3.2.1.2	Forward Foreign Currency Transactions- Sales		-	7,995,149	7,995,149	16,043	2,949,608	2,965,651
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rate		16,292,728	26,937,722	43,230,450	5,389,954	13,615,940	19,005,894
3.2.2.1	Foreign Currency Swap- Purchases		3,147,742	13,743,468	16,891,210	371,848	7,719,515	8,091,363
3.2.2.2	Foreign Currency Swap- Sales		3,602,986	13,194,254	16,797,240	2,198,106	5,896,425	8,094,531
3.2.2.3	Interest Rate Swap- Purchases		4,771,000	-	4,771,000	1,410,000	-	1,410,000
3.2.2.4	Interest Rate Swap- Sales		4,771,000	-	4,771,000	1,410,000	-	1,410,000
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-Sell		-	-	-	-	-	-
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 PLEDGES ITEMS (IV+V+VI)**		**369,652,401**	**50,035,876**	**419,688,277**	**250,555,819**	**28,634,194**	**279,190,013**
IV.	**ITEMS HELD IN CUSTODY**		**10,763,068**	**6,261,343**	**17,024,411**	**6,582,258**	**2,847,627**	**9,429,885**
4.1	Customers' Securities Held		195,761	2,148,446	2,344,207	61,441	-	61,441
4.2	Investment Securities Held in Custody		218	3,990,353	3,990,571	218	2,734,197	2,734,415
4.3	Checks Received for Collection		10,489,905	106,157	10,596,062	6,425,422	75,459	6,500,881
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		-	-	-	-	-	-
4.8	Custodians		-	-	-	-	-	-
V.	**PLEDGED ITEMS**		**357,292,348**	**43,774,533**	**401,066,881**	**242,376,576**	**25,786,567**	**268,163,143**
5.1	Marketable Securities		5,748	-	5,748	2,962	-	2,962
5.2	Guarantee Notes		11,329	71,648	82,977	15,220	46,154	61,374
5.3	Commodities		-	-	-	-	-	-
5.4	Warranties		-	-	-	-	-	-
5.5	Real Estate		-	-	-	-	-	-
5.6	Other Pledged Items		357,275,271	43,702,885	400,978,156	242,358,394	25,740,413	268,098,807
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)		**415,943,142**	**102,006,468**	**517,949,610**	**279,097,948**	**60,667,648**	**339,765,596**

(*) Confirmed bills of exchange and sureties have been included.

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

ANADOLUBANK ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 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**		**6,802,669**	**4,762,400**
1.1	Interest Income on Loans	V-IV-1	5,972,909	4,322,518
1.2	Interest Received on Reserve Deposits		118	16,238
1.3	Interest Received on Banks	V-IV-1	246,026	62,115
1.4	Interest Received on Money Market Transactions		210,463	41,836
1.5	Interest Received on Securities Portfolio	V-IV-1	367,657	311,456
1.5.1	Financial Assets Measured at Fair Value through Profit or (Loss)		6,786	10,921
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		282,097	57,888
1.5.3	Financial Assets at Measured at Amortized Cost		78,774	242,647
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		5,496	8,237
II.	**INTEREST EXPENSE (-)**		**6,674,869**	**3,086,926**
2.1	Interest on Deposits	V-IV-2	6,505,167	2,892,276
2.2	Interest on Funds Borrowed	V-IV-2	26,334	18,445
2.3	Interest on Money Market Transactions		86,892	103,290
2.4	Interest on Securities Issued		-	-
2.5	Interest on Lease		32,385	19,429
2.6	Other Interest Expenses		24,091	53,486
III.	**NET INTEREST INCOME/EXPENSE (I - II)**		**127,800**	**1,675,474**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSE**		**1,333,703**	**386,885**
4.1	Fees and Commissions Received		1,590,034	455,072
4.1.1	Non-Cash Loans		161,773	77,128
4.1.2	Other	V-IV-11	1,428,261	377,944
4.2	Fees and Commissions Paid (-)		256,331	68,187
4.2.1	Non-Cash Loans		153	5
4.2.2	Other		256,178	68,182
V.	**DIVIDEND INCOME**	**V-IV-3**	**2,735**	**63**
VI.	**TRADING GAIN/(LOSS) (Net)**	**V-IV-4**	**3,640,319**	**947,558**
6.1	Trading Gains/(Losses) on Securities		288,913	55,963
6.2	Gains/losses from derivative transactions		665,003	2,170,207
6.3	Foreign Exchange Gains/(Losses)		2,686,403	(1,278,612)
VII.	**OTHER OPERATING INCOME**	**V-IV-5**	**421,179**	**585,469**
VIII.	**TOTAL OPERATING GROSS PROFIT (III+IV+V+VI+VII)**		**5,525,736**	**3,595,449**
IX.	**EXPECTED CREDIT LOSSES (-)**	**V-IV-6**	**233,168**	**198,157**
X.	**OTHER PROVISION EXPENSES (-)**	**V-IV-6**	**26,991**	**1,822**
XI.	**PERSONNEL EXPENSES (-)**		**1,169,472**	**546,563**
XII.	**OTHER OPERATING EXPENSES (-)**	**V-IV-7**	**1,100,605**	**648,973**
XIII.	**NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)**		**2,995,500**	**2,199,934**
XIV.	**EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER**		-	-
XV.	**PROFIT/(LOSS) FROM INVESTMENTS UNDER EQUITY ACCOUNTING**		**860,940**	**304,647**
XVI.	**PROFIT/ (LOSS) ON NET MONETARY POSITION**		-	-
XVII.	**OPERATING PROFIT/LOSS BEFORE TAXES (XIII+...+XVI)**	**V-IV-9**	**3,856,440**	**2,504,581**
XVIII.	**PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)**	**V-IV-10**	**(925,201)**	**(585,049)**
18.1	Current Tax Charge		(159,464)	(323,217)
18.2	Deferred Tax Charge (+)		(1,035,695)	(322,808)
18.3	Deferred Tax Credit (-)		269,958	60,976
XIX.	**NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XVII±XVIII)**	**V-IV-9**	**2,931,239**	**1,919,532**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**		-	-
20.1	Income from Assets Held for Resale		-	-
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-10**	-	-
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**	**2,931,239**	**1,919,532**
	Earnings/Loss per Share	III-XXIV	0.02665	0.01745

ANADOLUBANK ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2023

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

	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**		**2,931,239**	**1,919,532**
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)**		**4,229,840**	**2,495,591**

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

ANADOLUBANK ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31,2023

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

							Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss						
	STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Note	Paid-in Capital	Share Premium	Share Cancel Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Gains/Losses	Other	Translation Differences	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Other	Profit Reserves	Prior Period Profit/ (Loss)	Net Profit/ (Loss)	Total Equity
	Prior Period															
I.	**Balances at the Beginning of the 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**
II.	**Corrections made as per TAS 8**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Balances at the Beginning of the Period (I+II)**	**V-V-7**	**1,100,000**	**-**	**-**	**-**	**147,764**	**(21,808)**	**14,759**	**1,237,594**	**(95,902)**	**(797,115)**	**2,204,373**	**617,835**	**-**	**4,407,500**
IV.	**Total Comprehensive Income**		**-**	**-**	**-**	**-**	**344,477**	**(38,046)**	**4,016**	**525,864**	**36,475**	**(296,727))**	**-**	**-**	**1,919,532**	**2,495,591**
V.	**Capital Increase in Cash**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	**Capital Increase from Internal Sources**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	**Capital Reserves from Inflation Adjustments to Paid-in Capital**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Convertible Bonds**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Subordinated Debt Instruments**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Other Changes**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	**552,304**	**(552,304)**	-	-
11.1	**Dividends Paid**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	**Transfers to Reserves**		-	-	-	-	-	-	-	-	-	-	552,304	(552,304)	-	-
11.3	**Other**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period-End Balance (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**

							Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss						
	STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Note	Paid-in Capital	Share Premium	Share Cancel Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Gains/Losses	Other	Translation Differences	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Other	Profit Reserves	Prior Period Profit/ (Loss)	Net Profit/ (Loss)	Total Equity
	Current Period															
I.	**Balances at the end of the Beginning of the 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**
II.	**Corrections made as per TAS 8**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Balances at the Beginning of the Period (I+II)**	**V-V-7**	**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**
IV.	**Total Comprehensive Income**		**-**	**-**	**-**	**-**	**764,059**	**(36,489)**	**20,136**	**1,552,716**	**(112,686)**	**(889,135)**	**-**	**-**	**2,931,239**	**4,229,840**
V.	**Capital Increase in Cash**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	**Capital Increase from Internal Sources**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	**Capital Reserves from Inflation Adjustments to Paid-in Capital**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Convertible Bonds**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Subordinated Debt Instruments**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Other Changes**		-	-	-	-	-	-	-	-	-	-	**3**	-	-	**3**
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	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the 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**

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

ANADOLUBANK ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

		Notes	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**		**2,578,466**	**3,038,405**
1.1.1	Interest Received		6,442,806	4,611,169
1.1.2	Interest Paid		(6,235,071)	(2,762,989)
1.1.3	Dividend Received		2,735	63
1.1.4	Fees and Commissions Received		1,590,034	455,072
1.1.5	Other Income		3,097,749	2,544,334
1.1.6	Collections From Previously Written-Off Loans		255,124	415,228
1.1.7	Cash Payments to Personnel and Service Suppliers		(1,169,472)	(546,563)
1.1.8	Taxes Paid		265,397	(179,275)
1.1.9	Other	V-VI-1	(1,670,836)	(1,498,634)
1.2	**Changes in Operating Assets and Liabilities Subject to Banking Operations**		**664,797**	**(2,296,350)**
1.2.1	Net (Increase)/Decrease in Financial Assets measured at Fair Value Through Profit or Loss		(55,581)	(43,548)
1.2.2	Net (Increase)/Decrease in Due from Banks		4,625	(687,465)
1.2.3	Net (Increase)/Decrease in Loans		(7,941,309)	(2,719,036)
1.2.4	Net (Increase)/Decrease in Other Assets	V-VI-1	(2,310,521)	(137,916)
1.2.5	Net Increase/(Decrease) in Bank Deposits		2,101,812	(60,622)
1.2.6	Net Increase/(Decrease) in Other Deposits		10,043,220	3,057,055
1.2.7	Net Increase/(Decrease) in Funds Borrowed		-	-
1.2.8	Net Increase/(Decrease) in Matured Payables		-	-
1.2.9	Net Increase/(Decrease) in Other Liabilities	V-VI-1	(1,177,449)	(1,704,818)
I.	**Net Cash Provided from Banking Operations**		**3,243,263**	**742,055**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net Cash Provided from Investing Activities**		**(77,831)**	**(827,184)**
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		(260,020)	(196,768)
2.4	Fixed assets sales		(45,566)	112,585
2.5	Cash paid for purchase of financial assets measured at fair value through other comprehensive income		(3,325,138)	(859,949)
2.6	Cash obtained from sale of financial assets measured at fair value through other comprehensive income		2,798,726	-
2.7	Cash paid for purchase of Financial Assets Measured at Amortized Cost		-	-
2.8	Cash obtained from sale of Financial Assets Measured at Amortized Cost		1,744,224	578,336
2.9	Other		(990,057)	(461,388)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net cash provided from / (used in) financing activities**		**(26,924)**	**(69,832)**
3.1	Cash Obtained from Funds Borrowed and Securities Issued		79,997	-
3.2	Cash used for repayment of funds borrowed and securities issued		-	(27,043)
3.3	Issued equity instruments		-	-
3.4	Dividends paid		-	-
3.5	Payments for finance leases		(106,921)	(42,789)
3.6	Other		-	-
IV.	**Effect of foreign currency exchange differences on cash and cash equivalents**	**V-VI-1**	**553,546**	**459,364**
V.	**Net Increase/Decrease in Cash and Cash Equivalents (I+II+III+IV)**		**3,692,054**	**304,403**
VI.	**Cash and Cash Equivalents at Beginning of the Period**		**6,091,188**	**5,786,785**
VII.	**Cash and Cash Equivalents at End of the Period**		**9,783,242**	**6,091,188**

The accompanying notes are an integral part of these 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.)

		Notes	Current Period 31 December 2023	Prior Period 31 December 2022
I.	**DISTRIBUTION OF INCOME [1]**			
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 Year Losses (-)**		**-**	**-**
1.4	**First Legal Reserve (-)**		**-**	**-**
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	**Dividens 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**		**0.02665**	**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 had not yet been held, 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.

SECTION THREE: ACCOUNTING POLICIES

I. Explanation on Basis of Presentation

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

The unconsolidated 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 unconsolidated financial statements in conformity with TFRS requires the Parent 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 unconsolidated financial statements are presented in TRY, which is the Bank's functional currency. Except as indicated, the financial information presented in TRY has been rounded to the nearest thousand.

Explanation for convenience translation into English:

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

Adjustment of financial statements during periods of high inflation

In the announcement published by the Public Oversight Accounting and Auditing Standards Authority ("POA") on 11 January 2024, it was stated that since the cumulative change in the general purchasing power according to the Consumer Price Index ("CPI") rates over the last three years was 74.41%, businesses applying Turkish Financial Reporting Standards ("TFRS") do not need to make any adjustments within the scope of TAS 29 'Financial Reporting in Hyperinflationary Economies' standard in their financial statements for the year 2021.No inflation adjustment has been made in the attached financial statements in accordance with TAS 29. As of 31 December 2023, no new announcement has been made by the POA within the scope of TAS 29, and therefore, no inflation adjustment has been made in the financial statements as of 31 December 2023.

SECTION THREE: ACCOUNTING POLICIES (Continued)

II. Overview of Presentation Revisions Regarding Accounting Policies and Related Footnotes Significant New and Revised Standards and Interpretations

None.

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

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

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

Foreign currency transactions

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

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

Starting from 1 May 2018, the Bank has decided to implement a hedging strategy in its unconsolidated financial statements to hedge against the exchange rate risk arising from its foreign subsidiary, Anadolubank Nederland NV. This strategy is implemented by designating the net asset value of Anadolubank Nederland NV in foreign currency as the hedged item and associating a portion of the Bank's Euro time deposit accounts as the hedging instrument using the net investment hedge method.

SECTION THREE: ACCOUNTING POLICIES (Continued)

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

Foreign currency transactions (Continued)

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.

IV. Information on Subsidiaries and Related Entities

The Bank has no subsidiaries.

As of 31 March 2018, the application of accounting for subsidiaries, joint ventures, and investments in associates in individual financial statements according to the equity method defined in TAS 28, as explained in Turkish Accounting Standard TAS 27, has commenced.

V. Explanations on Forward Transactions, Options and Derivative Instruments

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

The Bank'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.

VI. Explanation on Interest Income and Expenses

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

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

VII. Explanations on Fee and Commission Income and Expenses

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

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

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

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

SECTION THREE: ACCOUNTING POLICIES (Continued)

VIII. Explanations and Disclosures on Financial Instruments (Continued)

Explanations and Disclosures on Financial Assets Measured in 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.

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 included 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.

SECTION THREE: ACCOUNTING POLICIES (Continued)

IX. Explanations on Expected Credit Losses (Continued)

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. 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:

Probability of Default (PD):

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

The 12-month 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-month 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.

SECTION THREE: ACCOUNTING POLICIES (Continued)

IX. Explanations on Expected Credit Losses (Continued)

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.

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 include the quantitative and qualitative elements listed below:

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

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

X. Explanations on Netting of Financial Instruments

Financial assets and liabilities are presented as net figures in the balance sheet provided there is a legal basis to offset the recognized amounts and an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

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

Securities sold under repurchase agreements ('Repos') are accounted for 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: ACCOUNTING POLICIES (Continued)

XIII. Explanations on Goodwill and Other Intangible Assets

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

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

The estimated useful life of the Bank'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.

Income/losses arising from disposal of tangible fixed assets are calculated as the difference between the net disposal proceeds and the net book value of the tangible fixed asset and are reflected in the profit or loss statement in the relevant period. Normal maintenance and repair expenses incurred on tangible fixed assets are recognized as expense. There are no liens, mortgages or similar restrictions on tangible fixed assets.

There are no changes in accounting estimates that have a significant impact on the current period or are expected to have a significant impact in future 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 Group 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.

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.

SECTION THREE: ACCOUNTING POLICIES (Continued)

XIV. Explanations on Tangible Assets(Continued)

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

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

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

The 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.

The 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.

SECTION THREE: ACCOUNTING POLICIES (Continued)

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 Bank 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 Bank, 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 Bank. The Bank does not recognize contingent assets in the financial statements but continuously assesses them to ensure that the developments are appropriately reflected in the financial statements. When the inflow of economic benefits to the Bank becomes virtually certain, the related asset and income are recognized in the financial statements of the period in which the change occurs. If the inflow of economic benefits is probable, the Bank discloses the contingent asset in the notes to the financial statements.

XVII. Explanations on Obligations Related to Employee Right

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

Provisions for Other Employee Benefits

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

XVIII. Explanations on Taxation

Corporate tax

In Türkiye, the corporate tax rate applied to corporate earnings, which was 20%, was increased to 25% for the 2021 taxation period and to 23% for the 2022 taxation period, in accordance with the regulation introduced by Law No. 7316 on the Amendment of Certain Laws and the Collection Procedure of Public Receivables, published in the Official Gazette No. 31462 dated 22 April 2021. However, with the regulation introduced by Law No. 7394 on the Amendment of Certain Laws and Decrees Regarding the Evaluation of Immovable Properties Owned by the Treasury and the Amendment of the Value Added Tax Law, this rate has been set at 25% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized exchange offices, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies, to be applied to corporate earnings from the 2022 taxation period onwards. The regulation introduced by Law No. 7456, published in the Official Gazette No. 32249 on July 15, 2023, and effective from that date, stipulates a 30% rate for tax declarations starting from October 1, 2023. This law covers changes related to the special motor vehicle tax to compensate for the economic losses caused by the earthquakes on February 6, 2023, and amendments to certain laws and Decree Law No. 375.

SECTION THREE: ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued)

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 February 3, 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 based on the corporate tax rate applicable to the relevant year's earnings. Provisional taxes paid during the year can be offset against the corporate tax calculated on the relevant year's annual corporate tax return.

According to the regulation introduced by Law No. 7456, published in the Official Gazette No. 32249 on July 15, 2023, and effective from that date, a 25% rate will be applied to capital gains from the sale of real estate made after the enactment of this provision (July 15, 2023)
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.

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

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

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.

SECTION THREE: ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued)

Deferred Tax

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts considered in the legal tax base calculation, in accordance with IAS 12 - Income Taxes Standard. 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.

Calculated deferred tax assets and deferred tax liabilities are presented net in the financial statements.

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. 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. Under IAS 12 Income Taxes, deferred tax assets or liabilities are calculated based on tax rates (and tax laws) that are currently in effect or nearly certain to come into effect as of the reporting period end (balance sheet date). These rates are used to determine the expected tax rates applicable when the assets are realized or the liabilities are settled. Therefore, as of December 31, 2023, the bank has calculated deferred taxes on its assets and liabilities at a rate of 30%.

Transfer Pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published on 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 measured at fair value through profit or loss are measured at their fair values, while other financial liabilities are measured at amortized cost using the effective interest method. No convertible bonds or debt instruments representing borrowing have been issued.

XX. Explanations on Issuance of Share Certificates

None.

SECTION THREE: ACCOUNTING POLICIES (Continued)

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 Bank 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 Bank'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 0.02665 Full TRY (31 December 2022: 0.001745 Full TRY).

Related Parties

For the purposes of these 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, 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 POSITION AND RISK MANAGEMENT

I. Explanations on Equity

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

The Bank's tier 1 capital adequacy ratio is 20.84% (31 December 2022: 21.86%); the core capital adequacy ratio is 20.84% (31 December 2022: 21.86%). The calculation of the capital adequacy standard ratio is carried out within the framework of the Regulation on the Measurement and Evaluation of Banks' Capital Adequacy, published in the Official Gazette dated 23 October 2015, and numbered 29511.

a. Information about shareholders' equity items:

	31 December 2023	31 December 2022
COMMON EQUITY TIER I CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1,100,000	1,100,000
Share issue Premium	-	-
Reserves	4,741,743	2,756,677
Other Comprehensive Income according to 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
Common Equity Tier I Capital Before Deductions	**13,516,874**	**8,116,463**
Deductions From Common Equity Tier I Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	-	-
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS	2,383,941	1,213,373
Leasehold Improvements on Operational Leases	17,536	12,540
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	97,681	71,038
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	-	-
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 from changes in bank's liabilities' fair values due to changes in credit worthiness	-	-
Net amount of defined benefit plans	-	-
Direct and Indirect Investments of the Bank on its own Tier I Capital	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank owns more than 10% of the issued share capital (amount above 10% threshold)	-	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
Amounts exceeding 15% of Tier 1 Capital according to second paragraph of the provisional article 2 in the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank owns more than 10% of the issued common share capital of the entity	-	-
Amounts related to mortgage servicing rights	-	-

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

I. Explanations on Equity (Continued)

a. Information about shareholders' equity items (Continued)

	31 December 2023	31 December 2022
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 I Capital	**2,499,158**	**1,296,951**
Common Equity Tier I Capital	**11,017,716**	**6,819,512**
ADDITIONAL TIER I CAPITAL	-	-
Preferred Stock not Included in Common Equity Tier I Capital 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 on its own Additional Tier I Capital	-	-
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued Share Capital (amount above 10% threshold)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA (-)	-	-
Items to be Deducted from Tier I Capital during the Transition Period	-	-
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	**11,017,716**	**6,819,512**
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA(Covered by Temporary Article 4)	-	-
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	204,586	164,482
Total Deductions from Tier II Capital	**204,586**	**164,482**
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	**204,586**	**164,482**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**11,222,302**	**6,983,994**
Total Capital	**11,222,302**	**6,983,994**
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	-	-

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

I. Explanations on Equity (Continued)

a. Information on shareholders' equity items (Continued)

	31 December 2023	31 December 2022
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	**11,222,239**	**6,983,764**
Total risk weighted amounts	**52,876,437**	**31,200,861**
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	20.84	21.86
Tier 1 Capital Adequacy Ratio (%)	20.84	21.86
Capital Adequacy Ratio (%)	21.22	22.38
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 (%)	16.34	17.36
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	204,586	164,482
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 Covered by Temporary Article 4 (effective between 1 January 2018-1 January 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: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. Explanations on 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 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 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: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Credit Risk

Definitions of Past Due and Impaired Elements in Accounting Practices

The 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

	Current Period		Prior Period	
Exposure Categories	Risk Amount (1)	Average Risk Amount (2)	Risk Amount (1)	Average Risk Amount (2)
Conditional and unconditional receivables from central governments or central banks	6,869,733	6,188,587	6,290,291	6,920,664
Conditional and unconditional receivables from regional governments or local governments	116,577	132,041	182,860	63,544
Conditional and unconditional receivables from administrative units and non-commercial 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	4,386,401	3,899,589	3,636,618	4,513,003
Conditional and unconditional corporate receivables	25,968,071	22,720,435	16,470,639	16,990,840
Conditional and unconditional retail receivables	12,436,223	12,465,001	7,837,877	7,195,251
Conditional and unconditional receivables secured by mortgages	1,739,603	1,511,764	1,125,508	1,187,138
Past due receivables	159,952	184,838	243,633	345,495
Receivables defined in high risk category by BRSA	109,472	83,203	8,061	11,301
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from to banks, brokerage houses and corporates	-	-	-	-
Investments of natured collective investment enterprise	-	-	-	-
Other receivables	7,970,865	6,663,582	4,665,304	4,456,930

(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: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Credit Risk (Continued)

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

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

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

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

II. Explanations on Credit Risk (Continued)

a) The proportion of the Bank'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 33.48% and 44.37% respectively (31 December 2022: 34.81% and 45.71%).

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

The percentage of top 100 and top 200 non-cash loans in the total non-cash loan portfolio is 45.33% and 59.67% respectively (31 December 2022: 44.64% and 60.19%).

c) The proportion of the Bank'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 28.99% and 39.07% respectively (31 December 2022: 29.13% and 39.49%).

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

II. Explanations on Credit Risk (Continued)

Profile of significant exposures in major regions

	Risk Classifications (1)											
Current Period	**Conditional and unconditional exposures to central governments or central banks**	**Conditional and unconditional exposures to regional governments or local authorities**	**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**	**Items in regulatory high-risk categories**	**Receivables secured by commercial real estate mortgage**	**Other receivables**	**Total**
Domestic	6,805,659	116,577	15,313	6,114	24,123,427	12,364,868	464,556	159,952	109,463	1,274,807	5,321,301	50,762,037
European Union Countries	-	-	-	1,110,130	-	36	118	-	9	-	2,649,563	3,759,856
OECD Countries (2)	-	-	-	129,330	3,500	-	122	-	-	-	-	132,952
Off – Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-
USD, Canada	-	-	-	230,663	-	2	-	-	-	-	-	230,665
Other Countries	-	-	-	-	-	-	-	-	-	-	-	-
Associates, Subsidiaries and Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/ Liabilities (3)	-	-	-	-	-	-	-	-	-	-	-	-
Total	**6,805,659**	**116,577**	**15,313**	**1,476,237**	**24,126,927**	**12,364,906**	**464,796**	**159,952**	**109,472**	**1,274,807**	**7,970,864**	**54,885,510**

(1) Exposure categories based on Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

(2) Includes assets and liability items that cannot be allocated on a consistent basis.

(3) Includes assets and liability items that cannot be allocated on a consistent basis.

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

II. Explanations on Credit Risk (Continued)

Profile of significant exposures in major regions (Continued)

	Risk Classification(1)											
Prior Period	**Conditional and unconditional exposures to central governments or central banks**	**Conditional and unconditional exposures to regional governments or local authorities**	**Conditional and unconditional exposures to administrative bodies and non-commercial undertakings**	**Conditional and unconditional exposures to 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**	**Items in regulatory high-risk categories**	**Receivables secured by commercial real estate mortgage**	**Other receivables**	**Total**
Domestic	5,981,963	182,860	24,144	1,834,591	15,939,768	7,650,041	264,910	243,633	8,061	857,678	2,973,576	35,961,225
European Union Countries	-	-	-	558,330	-	2,086	389	-	-	-	1,691,728	2,252,533
OECD Countries (2)	-	-	-	470,883	3,500	-	148	-	-	-	-	474,531
Off –Shore Banking Areas	-	-	-	-	-	-	-	-	-	-	-	-
USD, Canada	-	-	-	262,138	-	-	-	-	-	-	-	262,138
Other Countries	-	-	-	-	-	-	-	-	-	-	-	-
Associates, Subsidiaries and Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/ Liabilities (3)	-	-	-	-	-	-	-	-	-	-	-	-
Total	**5,981,963**	**182,860**	**24,144**	**3,125,942**	**15,943,268**	**7,652,127**	**265,447**	**243,633**	**8,061**	**857,678**	**4,665,304**	**38,950,427**

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

(2) OECD countries other than EU Countries, USA and Canada.

(3) Assets and liabilities that are not distributed according to a consistent principle.

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

II. Explanations on Credit Risk (Continued)

Risk profile regarding sectors or counterparties

Current Period Sectors/ Counterparties	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	Conditional and unconditional exposures to 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	Items in regulatory high-risk categories	Other Receivables	TRY	FC	Total [1]
Agriculture	**-**	**-**	**-**	**-**	**406,468**	**696,271**	**364,866**	**6,957**	**283**	**-**	**1,471,058**	**3,787**	**1,474,845**
Farming and Raising Livestock	-	-	-	-	318,202	649,599	357,199	6,941	283	-	1,329,839	2,385	1,332,224
Forestry	-	-	-	-	52,221	16,977	2,032	-	-	-	71,230	-	71,230
Fishing	-	-	-	-	36,045	29,695	5,635	16	-	-	69,989	1,402	71,391
Industrial	**-**	**-**	**-**	**-**	**12,188,356**	**4,199,144**	**506,368**	**21,053**	**36**	**-**	**14,023,607**	**2,891,350**	**16,914,957**
Mining and Quarrying	-	-	-	-	734,807	94,814	3,743	4,646	8	-	612,893	225,125	838,018
Production	-	-	-	-	11,154,717	3,979,422	492,469	16,252	23	-	13,155,064	2,487,819	15,642,883
Electricity, Gas, Water	-	-	-	-	298,832	124,908	10,156	155	5	-	255,650	178,406	434,056
Construction	**-**	**-**	**-**	**-**	**1,169,411**	**1,095,915**	**200,551**	**80,448**	**191**	**-**	**2,311,270**	**235,246**	**2,546,516**
Services	**6,805,659**	**93,558**	**15,313**	**1,476,237**	**9,304,212**	**5,929,745**	**618,404**	**44,772**	**563**	**7,970,865**	**23,695,730**	**8,563,598**	**32,259,328**
Wholesale and retail trade	-	-	-	-	4,708,282	4,709,488	509,254	26,774	208	-	8,943,760	1,010,246	9,954,006
Hotel, food and beverage	-	-	-	-	174,909	147,415	9,102	1,375	14	-	290,092	42,723	332,815
Transportation and Communication	-	-	-	-	428,912	425,274	62,299	1,824	166	-	712,800	205,675	918,475
Financial Institutions	6,805,659	-	-	1,476,237	3,483,872	35,938	819	-	8	7,970,865	12,577,679	7,195,719	19,773,398
Real Estate and Rent Services	-	-	-	-	3,962	10,825	7,814	11,641	4	-	34,246	-	34,246
Self- Employment Services	-	-	-	-	422	1,895	1,363	-	-	-	3,680	-	3,680
Educational Services	-	-	-	-	302,036	384,472	14,721	258	85	-	609,260	92,312	701,572
Health and Social Services	-	93,558	15,313	-	201,817	214,438	13,032	2,900	78	-	524,213	16,923	541,136
Other	**-**	**23,019**	**-**	**-**	**1,058,480**	**443,832**	**49,413**	**6,721**	**108,399**	**-**	**1,285,752**	**404,112**	**1,689,864**
Total	**6,805,659**	**116,577**	**15,313**	**1,476,237**	**24,126,927**	**12,364,907**	**1,739,602**	**159,951**	**109,472**	**7,970,865**	**42,787,417**	**12,098,093**	**54,885,510**

[1] Includes risk amount given before the effect of credit risk mitigation but after the credit conversions.

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

II. Explanations on Credit Risk (Continued)

Prior Period Sectors/ Counterparties	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	Conditional and unconditional exposures to 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	Items in regulatory high-risk categories	Other receivables	TRY	FC	Total [1]
Agriculture	**-**	**-**	**-**	**-**	**174,440**	**466,684**	**263,316**	**19,523**	**59**	**-**	**911,952**	**12,070**	**924,022**
Farming and raising	-	-	-	-	112,262	423,752	258,186	19,482	59	-	806,241	7,500	813,741
Forestry	-	-	-	-	48,842	15,351	2,299	22	-	-	66,514	-	66,514
Fishing	-	-	-	-	13,336	27,581	2,831	19	-	-	39,197	4,570	43,767
Industrial	**-**	**-**	**-**	**-**	**8,938,121**	**2,534,201**	**237,260**	**35,713**	**385**	**-**	**9,460,012**	**2,285,668**	**11,745,680**
Mining and Quarrying	-	-	-	-	335,090	66,873	3,611	4,916	-	-	247,096	163,394	410,490
Production	-	-	-	-	8,426,464	2,383,040	231,143	22,378	67	-	8,952,045	2,111,047	11,063,092
Electricity, Gas, Water	-	-	-	-	176,567	84,288	2,506	8,419	318	-	260,871	11,227	272,098
Construction	**-**	**-**	**-**	**-**	**1,283,895**	**754,034**	**165,732**	**126,656**	**53**	**-**	**2,184,267**	**146,103**	**2,330,370**
Services	**5,981,963**	**161,538**	**24,144**	**3,125,942**	**5,088,926**	**3,426,965**	**400,435**	**53,949**	**513**	**2,226,365**	**11,457,451**	**9,033,289**	**20,490,740**
Wholesale and retail trade	-	-	-	-	3,205,082	2,690,618	317,409	19,553	282	-	5,504,911	728,033	6,232,944
Hotel, food and beverage	-	-	-	-	106,853	109,247	14,604	2,103	1	-	212,978	19,830	232,808
Transportation and Telecommunication	-	-	-	-	264,890	250,323	43,546	1,785	117	-	421,485	139,176	560,661
Financial Institutions	5,981,963	-	-	3,125,942	1,155,662	12,409	596	2	-	2,226,365	4,452,220	8,050,719	12,502,939
Real Estate and Rental Services	-	-	-	-	42,390	3,158	7,652	12,554	4	-	65,533	225	65,758
Self- Employment Services	-	-	-	-	422	7,286	1,359	-	-	-	9,067	-	9,067
Educational Services	-	-	-	-	215,833	184,006	10,653	2,313	41	-	323,251	89,595	412,846
Health and Social Services	-	161,538	24,144	-	97,794	169,918	4,616	15,639	68	-	468,006	5,711	473,717
Other	**-**	**21,322**	**-**	**-**	**457,886**	**470,243**	**56,382**	**7,792**	**7,051**	**2,438,939**	**2,922,475**	**537,140**	**3,459,615**
Total	**5,981,963**	**182,860**	**24,144**	**3,125,942**	**15,943,268**	**7,652,127**	**1,123,125**	**243,633**	**8,061**	**4,665,304**	**26,936,157**	**12,014,270**	**38,950,427**

[1] Includes risk amount given before the effect of credit risk mitigation but after the credit conversions.

SECTION FOUR INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on 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	6,805,659	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	5,258	10,497	33,703	67,119	-
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	1,353,841	88,216	26,937	4,236	3,007	-
Conditional and unconditional receivables from corporates	4,273,901	6,975,846	3,979,151	5,699,925	3,198,104	-
Conditional and unconditional receivables from retail portfolios	1,963,833	3,171,949	2,522,776	3,460,701	1,245,648	-
Conditional and unconditional receivables secured by mortgages	204,810	422,867	296,980	572,032	242,914	-
Past due receivables	-	-	-	-	-	159,952
Receivables defined in high risk category by BRSA	5,197	155	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	-	-	-	-	-	7,970,864
TOTAL (*)	**14,607,241**	**10,664,291**	**6,847,335**	**9,781,101**	**4,854,727**	**8,130,816**

(*) Risk amounts prior to loan reduction, after the loan conversion rates are given.

	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	5,981,963	-	-	-	-	-
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	2,387,918	291,880	419,150	20,645	6,349	-
Conditional and unconditional receivables from corporates	2,757,297	3,384,442	4,303,864	4,026,766	1,470,899	-
Conditional and unconditional receivables from retail portfolios	957,044	1,972,940	2,148,301	1,872,353	701,489	-
Conditional and unconditional receivables secured by mortgages	76,128	224,755	229,276	326,971	265,995	-
Past due receivables	-	-	-	-	-	243,633
Receivables defined in high-risk category by BRSA	-	-	2,442	-	5,619	-
Securities collateralized by mortgages	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the nature of collective investment undertakings	-	-	-	-	-	-
Other receivables	-	-	-	-	-	4,665,304
TOTAL (*)	**12,160,688**	**5,874,373**	**7,140,087**	**6,279,206**	**2,587,136**	**4,908,937**

(*) Risk amounts prior to loan reduction, after the loan conversion rates are given.

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SECTION FOUR INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Credit Risk (Continued)

Information on Risk Classes

In determining the risk weights for the risk classes specified in Article 6 of the Regulation on the Measurement and Assessment 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 Organization 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
	AAA					
	AA+					
	AA					
1	AA-	0%	20%	20%	20%	20%
	A+					
	A					
2	A-	20%	50%	20%	50%	50%
	BBB+					
	BBB					
3	BBB-	50%	100%	20%	50%	100%
	BB+					
	BB					
4	BB-	100%	100%	50%	100%	100%
	B+					
	B					
5	B-	100%	100%	50%	100%	150%
6	CCC+	150%	150%	150%	150%	150%

SECTION FOUR INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Credit Risk (Continued)

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	8,566,885	-	-	1,797,347	-	-	3,363,488	12,749,294	-	24,116,219	167,962	4,120,361	3,956	2,499,158
Amount After Credit Risk Mitigation	8,591,534	-	-	1,797,347	459,289	-	3,361,357	12,117,251	-	23,742,676	122,885	4,120,361	3,956	2,499,158

	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%**	**250%**	**Deducted from equity**
Amount Before Credit Risk Mitigation	6,939,637	-	-	3,002,601	-	-	2,126,030	7,700,861	-	18,294,135	102,099	781,007	4,058	1,296,951
Amount After Credit Risk Mitigation	6,942,260	-	-	2,999,291	256,390	-	2,130,238	6,916,194	-	16,569,251	43,669	781,007	4,058	1,296,951

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**	**40,417**	**33,962**
1.1	Farming and Raising Livestock	13,558	38,465	32,025
1.2	Forestry	-	632	632
1.3	Fishing	-	1,320	1,305
2	**Industry**	**62,717**	**156,008**	**161,085**
2.1	Mining and Quarrying	-	55,504	50,873
2.2	Production	62,717	96,372	106,226
2.3	Electricity, Gas, Water	-	4,132	3,986
3	**Construction**	**85,643**	**190,271**	**129,632**
4	**Services**	**64,960**	**224,643**	**190,951**
4.1	Wholesale and Retail Trade	31,124	163,843	140,952
4.2	Hotel and Beverage Service	-	10,982	9,652
4.3	Transportation and Telecommunication	2,083	8,955	7,646
4.4	Financial Institutions	29,179	43	119
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	-	8,643	6,236
5	**Other**	**44,800**	**51,261**	**55,194**
	Total	**271,678**	**662,600**	**570,824**

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

SECTION FOUR INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Credit Risk (Continued)

Miscellaneous Information Regarding Major Sectors or Counterparty Type (Continued)

		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**	**63,808**	**215,496**	**168,286**
4.1	Wholesale and Retail Trade	33,452	143,147	129,281
4.2	Hotel and Beverage Service	44	14,827	12,727
4.3	Transportation and Telecommunication	527	10,590	9,235
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**	**41,665**	**33,700**
	Total	**265,098**	**770,872**	**583,953**

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

Movements in value adjustments and provisions

Current Period	Opening Balance	Provisions Allocated During the Period	Provision Cancellations (2)	Other Adjustments (1)	Closing Balance
Stage 3 Provisions	527,239	111,204	(149,931)	14,135	502,647
Stage 1 and 2 Provisions	148,628	423,704	(369,449)	(14,751)	188,132

(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 Cancellations (2)	Other Adjustments (1)	Closing Balance
Stage 3 Provisions	742,835	147,771	(373,270)	9,903	527,239
Stage 1 and 2 Provisions	112,521	352,114	(306,104)	(9,903)	148,628

(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 285,343 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 INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued

II. Explanations on Credit Risk (Continued)

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	41,947	7,554	-	-
Provisions for loans and other receivables classified as loss	576,039	134,484	11,120	-
Total	**651,480**	**159,953**	**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	16,020	3,708	-	-
Provisions for loans and other receivables classified as loss	738,850	236,753	5,487	-
Total	**765,385**	**243,633**	**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 regarding collateral held by the Bank for live cash and non-cash loans

Cash Loans	**31 December 2023**	**31 December 2022**
Secured Loans:		
Cash Secured Loans	696,515	2,292,073
Loans Secured by Real Estate Mortgage	3,051,096	1,659,539
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)	23,837,561	15,170,589
Unsecured Loans	1,662,449	1,542,938
Total Cash Loans	**29,250,127**	**20,694,173**

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)	14,865,311	8,351,931
Unsecured Loans	674,018	334,684
Total Non-Cash Loans	**16,457,703**	**9,374,907**

SECTION FOUR INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Credit Risk (Continued)

Information on the collateral of non-performing receivables

Current Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Cash	1,490	-	-	1,490
Mortgage	100,100	2,907	327	103,334
Pledge	-	-	-	-
Guarantees issued by financial institutions	2,602	-	-	2,602
Checks and notes	-	-	-	-
Other	348,936	1,132	4,656	354,724
Unsecured	184,668	15,330	452	200,450
Total	**637,796**	**19,369**	**5,435**	**662,600**

Prior Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Cash	1,051	-	-	1,051
Mortgage	186,499	3,394	451	190,344
Pledge	-	-	-	-
Guarantees issued by financial institutions	-	-	-	-
Checks and notes	-	-	-	-
Other	346,838	438	4,484	351,760
Unsecured	221,006	6,239	472	227,717
Total	**755,394**	**10,071**	**5,407**	**770,872**

Regional concentration of impaired loans and receivables

	31 December 2023	31 December 2022
Türkiye	662,600	770,872
Total	**662,600**	**770,872**

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 INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Credit Risk (Continued)

Non-overdue and unimpaired loans and receivables

	31 December 2023	31 December 2022
Group 1: Low-risk loans and receivables	28,990,104	20,412,184
Group 2: Loans and receivables under close monitoring	135,065	52,447
Total	**29,125,169**	**20,464,631**
Restructured Loans	100,091	181,489
Total	**29,225,260**	**20,646,120**

III. Explanations on Market Risk

The risk policies and implementation procedures determined for the market risk to which the 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)	2,861,950
2	Equity Risk (general and specific)	158,925
3	Foreign Exchange risk	150,650
4	Commodity risk	118,900
	Options	
5	Simplified approach	-
6	Delta-plus method	91,000
7	Scenario approach	-
8	Securitization	-
9	**Total**	**3,381,425**

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

IV. Explanations on Operational Risk

The operational risk forming the basis of further operations amount is calculated according to the basic indicator method in accordance with Article 25 of the Regulation on Measurement and Assessment 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 end of the year. In the calculation of annual gross income, provisions related to income included in the calculation and operating expenses including payments made to persons or organizations from which the bank receives support services are not deducted. Profit/loss from the sale of securities monitored outside the trading account, extraordinary income and income arising from amounts compensated from insurance are not included in annual gross income

	2020	2021	2022	Total number of years for which gross income is positive	Ratio (%)	Total
Gross Income	1,035,727	1,340,618	3,490,569	1,955,638	15	293,346
Amount subject to operational risk (Total*12.5)			3,666,821			

V. Explanations on 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 Bank is exposed, the Standard Method used in legal reporting and the Value at Risk Method are used.

In calculating the capital requirement for exchange rate risk, the Bank'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 Bank has no derivative financial instruments classifed as hedging instruments.

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

V. Explanations on Currency Risk (Continued)

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.

The Bank's current foreign exchange buying rates made public as of the balance sheet date and the previous five business days from such date are given in TRY in the table below:

	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
Average of the 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	18,016	7,695	17,624	2,355
Euro	(431,019)	(431,019)	(305,862)	(305,862)
Other currencies	4,479	4,479	(9,185)	(9,185)
Total, net	**(408,524)**	**(418,845)**	**(297,423)**	**(312,692)**

(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 (Continued)

V. Explanations on Currency Risk (Continued)

Information on Currency risk

Current Period	Euro	US Dollar	Other	Total
Assets				
Cash Equivalents and Central Bank of the Republic of Türkiye	2,426,369	1,787,210	400,934	4,614,513
Banks	1,125,745	595,077	71,731	1,792,553
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	-	1,689,385	-	1,689,385
Loans (1)	1,403,452	2,376,518	1,701,610	5,481,580
Investments in Associates, Subsidiaries and Joint Ventures (Business Partners)	4,329,423	-	-	4,329,423
Financial Assets Measured at Amortized Cost	-	-	-	-
Tangible Assets	-	257	-	257
Intangible Assets	-	-	-	-
Others (3)	14,212	31,675	11	45,898
Total Assets	**9,300,353**	**6,597,208**	**2,174,286**	**18,071,847**
Liabilities				
Bank Deposits	849,030	1,054,864	1,143	1,905,037
Foreign Currency Deposits	8,479,320	4,664,937	1,334,587	14,478,844
Funds from interbank Money market	-	-	-	-
Loans received	13,561	58,133	-	71,694
Lease liabilities	-	258	-	258
Marketable Securities Issued	-	-	-	-
Other Liabilities (2)(3)	46,248	99,648	2,897	148,793
Total Liabilities	**9,388,159**	**5,877,840**	**1,338,627**	**16,604,626**
Net On Balance Sheet Position	**(87,806)**	**719,368**	**835,659**	**1,467,221**
Net Off-Balance Sheet Position	**107,037**	**(642,418)**	**(790,868)**	**(1,326,249)**
Financial Derivative Assets	7,635,883	13,329,463	473,954	21,439,300
Financial Derivative Liabilities	7,528,846	13,971,881	1,264,822	22,765,549
Non-cash loans (1)(3)	1,865,732	2,256,845	-	4,122,577
Prior Period	**Euro**	**US Dollar**	**Other**	**Total**
Total Assets	5,134,237	9,044,667	1,777,641	15,956,545
Total Liabilities	3,946,793	5,798,985	819,699	10,565,477
Net On-Balance Sheet Position	**1,187,444**	**3,245,682**	**957,942**	**5,391,068**
Net Off-Balance Sheet Position	**(2,010,686)**	**(3,222,137)**	**(1,049,790)**	**(6,282,613)**
Financial Derivative Assets	3,480,917	8,158,420	106,140	11,745,477
Financial Derivative Liabilities	5,491,603	11,380,557	1,155,930	18,028,090
Non-cash loans (1)(3)	874,140	1,332,716	34,302	2,241,158

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

(2) The foreign exchange income rediscount of TRY 107,243 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 124,451 is not included in other liabilities.

(3) Provisions for non-cash loans amounting to TRY 1,459 are included in the other liabilities item.

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

VI. Explanations on 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 weekly 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	-	-	-	-	2,323,477	8,821,334
Banks (4)	148,151	-	-	-	-	1,646,201	1,794,352
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	-	-	-	1,351,279	1,609,927	169,382	3,130,588
(3)(4)	5,776,545	10,068,414	11,114,615	2,073,093	29,328	159,953	29,221,948
Financial Assets Measured at Amortized Cost (4)	-	-	-	-	-	-	-
Other assets(1)	546,973	873,416	692,987	-	-	8,300,192	10,413,568
Total assets	**15,779,569**	**10,942,159**	**11,822,367**	**3,457,611**	**1,709,160**	**12,599,205**	**56,310,071**
Liabilities							
Bank Deposits	847,958	-	1,050,132	254,138	-	7,999	2,160,227
Other Deposits	23,702,901	8,952,217	2,425,344	248	-	5,732,932	40,813,642
Funds from Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Loans received (3)	-	-	127,035	5,270	-	54,408	186,713
Other Liabilities (2)	116,374	99,771	85,677	96,635	92,485	12,658,547	13,149,489
Total liabilities	**24,667,233**	**9,051,988**	**3,688,188**	**356,291**	**92,485**	**18,453,886**	**56,310,071**
Balance Sheet Long Position	-	1,890,171	8,134,179	3,101,320	1,616,675	-	14,742,345
Balance Sheet Short Position	(8,887,664)	-	-	-	-	(5,854,681)	(14,742,345)
Off-Balance Sheet Long Position	16,319,596	12,477,960	9,504,290	-	-	-	38,301,846
Off-Balance Sheet Short Position	(15,924,097)	(11,792,066)	(8,419,448)	-	-	-	(36,135,611)
Total position	**(8,492,165)**	**2,576,065**	**9,219,021**	**3,101,320**	**1,616,675**	**(5,854,681)**	**2,166,235**

(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) Net of non-performing receivables is shown in the non-interest bearing column under loans granted.
(4) Expected loss provisions are included.

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

VI. Explanations on Interest Rate Risk (Continued)

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

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	3,126,881	-	-	-	-	2,901,865	6,028,746
Banks [3]	2,388,299	-	-	-	-	858,804	3,247,103
Financial Assets at Fair Value Through Profit or Loss	-	1,166	5,651	20,430	24,173	-	51,420
Interbank Money Market Placements	450,256	-	-	-	-	-	450,256
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	795,980	971,201	111,873	1,879,054
[3]	3,699,897	5,429,409	10,231,181	990,718	194,340	243,635	20,789,180
Financial Assets Measured at Amortized Cost [3]	-	-	1,743,991	-	-	-	1,743,991
Other assets [1]	176,078	274,082	229,325	-	-	4,425,959	5,105,444
Total assets	**9,841,411**	**5,704,657**	**12,210,148**	**1,807,128**	**1,189,714**	**8,542,136**	**39,295,194**
Liabilities							
Bank Deposits	40,863	-	-	-	-	4,077	44,940
Other Deposits	15,762,012	8,442,293	2,206,080	7,973	-	3,925,741	30,344,099
Funds from Interbank Money Market	281,646	-	-	-	-	-	281,646
Marketable Securities Issued	-	-	-	-	-	-	-
Loans received [3]	9,162	23,481	73,961	-	-	-	106,604
Other liabilities [2]	27,344	75,407	90,784	47,393	53,656	8,223,321	8,517,905
Total liabilities	**16,121,027**	**8,541,181**	**2,370,825**	**55,366**	**53,656**	**12,153,139**	**39,295,194**
Balance Sheet Long Position	-	-	9,839,323	1,751,762	1,136,058	-	12,727,143
Balance Sheet Short Position	(6,279,616)	(2,836,524)	-	-	-	(3,611,003)	(12,727,143)
Off-Balance Sheet Long Position	10,719,897	8,943,481	3,926,152	-	-	-	23,589,530
Off-Balance Sheet Short Position	(10,590,569)	(8,786,024)	(3,763,010)	-	-	-	(23,139,603)
Total Position	**(6,150,288)**	**(2,679,067)**	**10,002,465**	**1,751,762**	**1,136,058**	**(3,611,003)**	**449,927**

(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) Expected loss provisions for financial assets measured at amortized cost are netted off against the related items.

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

VI. Explanations on Interest Rate Risk (Continued)

Average interest rates on monetary financial instruments

Current Period	Euro %	US Dollar %	Yen %	TRY %
Assets				
Cash and Balances with CBRT	-	-	-	-
Receivables from Banks and Other Financial Institutions	-	1.36	-	23.76
Financial Assets Measured at Fair Value Through Profit or Loss (Net)	4.70	7.05	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	6.94	-	13.49
Loans	8.23	7.17	-	33.49
Financial Assets Measured at Amortized Cost	-	-	-	-
Liabilites				
Bank deposits	5.00	7.16	-	23.69
Other Deposits	3.54	0.89	-	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 and Balances with CBRT	-	4.50	-	-
Receivables from Banks and Other Financial Institutions	-	3.63	-	10.17
Financial Assets Measured at Fair Value Through Profit or Loss (Net)	5.26	8.05	-	7.72
Interbank Money Market Placements	-	-	-	8.82
Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	8.15	-	8.59
Loans	6.67	6.64	-	16.47
Financial Assets Measured at Amortized Cost	-	-	-	10.18
Liabilites				
Bank Deposits	-	-	-	19.95
Other Deposits	1.06	0.96	-	16.27
Funds from Interbank Money Market	-	-	-	7.65
Other Liabilities	-	-	-	-
Marketable Securities Issued	-	-	-	-
Loans Received	5.98	6.26	-	19.58

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

VI. Explanations on 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 include 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%)**

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

None.

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

VIII. Explanations on Liquidity Risk Management and 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 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 Bank and providing communication with Board of Directors and line of businesses in terms of liquidity risk strategy, policy and applications

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

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

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

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

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

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

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

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

The currencies that constitute at least five percent of the 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 Bank utilizes liquidity stress tests for the internal measurement of liquidity risk. In this approach, the level at which the Bank's liquid assets can cover the likely net cash outflows within one month under liquidity stress scenarios, whose parameters are determined by the Board of Directors, is demonstrated.
Stress tests within the scope of liquidity risk are presented in detail in the Internal Capital Adequacy Assessment Process (ICAAP) report. The stress test results, evaluated and approved at the Board of Directors level, are shared with the Banking Regulation and Supervision Agency (BRSA).

g. General information on liquidity emergency and contingency plans

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

1. 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).

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

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

1. Liquidity Coverage Rate (Continued)

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.

	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			10,418,834	4,743,772
Cash Outflows				
Retail and customer deposits	22,127,777	6,107,220	2,013,211	600,705
Stable deposits	3,991,329	200,329	199,566	10,016
Less stable deposits	18,136,448	5,906,891	1,813,645	590,689
Unsecured funding other than retail and small business customers deposits	21,749,289	7,877,398	10,574,722	3,527,231
Operational deposits	-	-	-	-
Non-Operational deposits	19,562,434	7,692,521	8,387,867	3,342,354
Other unsecured funding	2,186,855	184,877	2,186,855	184,877
Secured funding			-	-
Other cash outflows	326,637	3,306,161	326,615	3,306,140
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	326,637	3,306,161	326,615	3,306,140
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	-	-	-	-
Other irrevocable or conditionally revocable commitments	15,854,584	4,040,790	1,391,672	518,792
TOTAL CASH OUTFLOWS			**14,306,220**	**7,952,868**
Cash Inflows				
Secured lending transactions	876,393	-	-	-
Unsecured lending transactions	7,939,182	1,874,627	5,370,530	1,513,999
Other cash inflows	556,211	2,505,974	556,227	2,505,990
TOTAL CASH INFLOWS	**9,371,786**	**4,380,601**	**5,926,757**	**4,019,989**
			Max limit applied values	
TOTAL HQLA STOCK			**10,418,834**	**4,743,772**
TOTAL NET CASH OUTFLOWS			**8,379,463**	**3,932,879**
LIQUIDITY COVERAGE RATIO (%)			**124.34**	**120.62**

(*) The 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	182.24%	17 October 2023	104.57%	10 October 2023	125.90%
FC	217.16%	20 November2023	87.74%	11 December 2023	126.32%

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

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

1. Liquidity coverage ratio (Continued)

	Total value to which the consideration ratio is not applied (*)		Total value to which the consideration ratio is applied (*)	
Prior Period	**TRY+FC**	**FC**	**TRY+FC**	**FC**
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			7,987,932	5,458,837
Cash Outflows				
Retail and customer deposits	18,331,191	5,944,149	1,683,141	584,578
Stable deposits	2,998,938	197,687	149,943	9,885
Less stable deposits	15,332,253	5,746,462	1,533,198	574,693
Unsecured funding other than retail and small business customers deposits	17,024,185	6,794,938	7,600,471	2,845,098
Operational deposits	-	-	-	-
Non-Operational deposits	15,865,905	6,589,853	6,442,942	2,640,315
Other unsecured funding	1,158,280	205,085	1,157,529	204,783
Secured funding			-	-
Other cash outflows	125,477	3,132,624	125,334	3,133,746
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	125,477	3,132,624	125,334	3,133,746
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	-	-	-	-
Other irrevocable or conditionally revocable commitments	8,941,582	2,350,440	787,622	295,362
TOTAL CASH OUTFLOWS			**10,196,568**	**6,858,784**
Cash Inflows				
Secured lending transactions	462,532	-	-	-
Unsecured lending transactions	8,614,767	5,819,486	7,231,489	5,668,600
Other cash inflows	252,625	2,273,758	252,610	2,274,839
TOTAL CASH INFLOWS	**9,329,924**	**8,093,244**	**7,484,099**	**7,943,439**
			Max limit applied values	
TOTAL HQLA STOCK			**7,987,932**	**5,458,837**
TOTAL NET CASH OUTFLOWS			**3,141,775**	**1,714,696**
LIQUIDITY COVERAGE RATIO (%)			**254.25**	**318.36**

(*) The 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	354.24%	28 December 2022	167.84%	19 December 2022	259.96%
FC	463.40%	30 December 2022	243.52%	2 November 2022	323.38%

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

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

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

2. Minimum Disclosures by Banks Regarding the Liquidity Coverage Ratio

a. The change in matters that impact the 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, 65% are accounts held at the CBRT, 28% are free securities, and 7% are cash value.

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, 99.6% of the funding sources consist of deposits and 0.4% of borrowings from money markets. Cash outflows comprise 72% unsecured fundings, 0% secured fundings, and 28% 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 Bank 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, 48% of the Bank's time deposits consist of individual customers, 2% 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 by considering operational and legal factors preventing liquidity transfer

There is no risk related to this matter when considering the Bank and its 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: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

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

2. Minimum Disclosures by Banks Regarding the 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	2,323,477	6,497,857	-	-	-	-	-	8,821,334
Receivables from Banks and Other Financial Institutions [3]	1,646,201	148,151	-	-	-	-	-	1,794,352
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	169,382	-	-	-	1,351,279	1,609,927	-	3,130,588
Loans [2] [3]	-	5,776,545	10,068,414	11,114,615	2,073,093	29,328	159,953	29,221,948
Financial Assets at Fair Value Through Amortized Cost [3]	-	-	-	-	-		-	-
Other Assets	-	1,585,808	873,416	692,987	-	-	7,261,357	10,413,568
Total assets	**4,139,060**	**16,818,404**	**10,942,159**	**11,822,367**	**3,457,611**	**1,709,160**	**7,421,310**	**56,310,071**
Liabilities:								
Banks deposits	7,999	847,958	-	1,050,132	254,138	-	-	2,160,227
Other deposits	5,732,932	23,702,901	8,952,217	2,425,344	248	-	-	40,813,642
Loans received	54,408	-	-	127,035	5,270	-	-	186,713
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Other liabilities	-	116,374	99,771	85,677	96,635	92,485	12,658,547	13,149,489
Total liabilities	**5,795,339**	**24,667,233**	**9,051,988**	**3,688,188**	**356,291**	**92,485**	**12,658,547**	**56,310,071**
Net liquidity gap	**(1,656,279)**	**(7,848,829)**	**1,890,171**	**8,134,179**	**3,101,320**	**1,616,675**	**(5,237,237)**	**-**

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	**3,872,542**	**10,331,758**	**5,704,657**	**12,210,148**	**1,807,128**	**1,189,714**	**4,179,247**	**39,295,194**
Total liabilities	**3,929,818**	**16,121,027**	**8,541,181**	**2,370,825**	**55,366**	**53,656**	**8,223,321**	**39,295,194**
Net Liquidity gap	**(57,276)**	**(5,789,269)**	**(2,836,524)**	**9,839,323**	**1,751,762**	**1,136,058**	**(4,044,074)**	**-**

(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) The net amount of non-performing loans is shown in the undistributed column within loans.

(3) Expected loss provisions are shown net of the related items.

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

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

Maturity distribution of derivative financial instruments for trading purposes

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

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	2,432,331	2,650,964	3,511,350	-	-	8,594,645
Forward Foreign Currency selling	2,388,260	2,515,128	3,091,761	-	-	7,995,149
Swap contracts buying	11,735,577	4,393,007	762,626	-	-	16,891,210
Swap contracts selling	11,765,762	4,442,713	588,765	-	-	16,797,240
Interest rate swap buying	-	1,996,000	2,775,000	-	-	4,771,000
Interest rate swap selling	-	1,996,000	2,775,000	-	-	4,771,000
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	**32,243,693**	**24,270,026**	**17,923,738**	**-**	**-**	**74,437,457**

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Forward Foreign Currency buying	589,582	1,208,116	1,366,700	-	-	3,164,398
Forward Foreign Currency selling	573,808	1,149,051	1,242,792	-	-	2,965,651
Swap contracts buying	7,329,972	721,657	39,734	-	-	8,091,363
Swap contracts selling	7,339,166	717,969	37,396	-	-	8,094,531
Interest rate swap buying	60,000	500,000	850,000	-	-	1,410,000
Interest rate swap selling	60,000	500,000	850,000	-	-	1,410,000
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	**21,310,466**	**17,729,505**	**7,689,162**	**-**	**-**	**46,729,133**

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: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IX. Explanations on Leverage Ratio

The Bank's leverage ratio, calculated in accordance with the "Regulation on Measurement and Evaluation of Bank's Leverage Levels" is 13.87% (31 December 2022: 12.53%) 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)	55,950,209	42,038,042
(Assets deducted from core capital)	(115,142)	(79,285)
Total risk amount for assets on the balance sheet	55,835,067	41,958,757
Derivative Financial Instruments and Loan Derivatives		
Renewal cost of derivative financial instruments and loan derivatives	2,039,917	474,176
Potential credit risk amount of derivative financial instruments and loan derivatives	321,959	176,480
Total risk amount of derivative financial instruments and loan derivatives	2,361,876	650,656
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	2,072,902
Risk amount arising from intermediated transactions	-	-
Total risk amount of financing transactions with securities or goods warranties	2,957,227	2,072,902
Off-Balance Sheet Commitments		
Gross nominal amount of the off-the-balance sheet transactions	12,280,163	6,304,625
Adjustment amount arising from multiplying by the credit conversion rate	-	-
Total risk amount for off-the-balance sheet transactions	12,280,163	6,304,625
Capital and Total Risk		
Core capital	10,194,182	6,363,673
Total risk amount	73,434,333	50,986,940
Leverage ratio	**13.88**	**12.53**

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

X. Explanations on Risk Management

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

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

X. Explanations on Risk Management (Continued)

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)	**43,476,343**	**25,158,918**	**3,478,107**
2	Standardized approach	43,476,343	25,158,918	3,478,107
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	**2,351,848**	**783,148**	**188,148**
5	Standardized approach for counterparty credit risk	2,351,848	783,148	188,148
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	**3,381,425**	**2,994,463**	**270,514**
17	Standardized approach	3,381,425	2,994,463	270,514
18	Internal model approaches	-	-	-
19	Operational risk	**3,666,821**	**2,264,332**	**293,346**
20	Basic indicator approach	3,666,821	2,264,332	293,346
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+11+16+19+23+24)**	**52,876,437**	**31,200,861**	**4,230,115**

Credit Risk Disclosures

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 Value Defaulted exposures
		Defaulted exposures	Non-defaulted exposures		
1	Loans	662,600	29,250,127	(690,779)	29,221,948
2	Debt securities	-	3,759,497	(510,671)	3,248,826
3	Off-balance sheet receivables	-	23,823,876	(14,435)	23,809,441
4	**Total**	**662,600**	**56,833,500**	**(1,215,885)**	**56,280,215**

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

X. Explanations on Risk Management (Continued)

b. Changes in Stock of Defaulted Loans and Debt Securities

1	**Defaulted loans and debt securities at end of the previous reporting period**	**770,872**
2	Loans and debt securities that have defaulted since the last reporting period	147,468
3	Returned to non-defaulted status	255,124
4	Amounts written off from assets	616
5	Other changes	-
6	**Defaulted loans and debt securities at end of the reporting period end (1+2+3+4+5)**	**662,600**

c. Credit Risk Mitigation Techniques- Overview

		Exposures unsecured: carrying amount	Exposures secured by collaterals	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1	Loans	63,199,595	950,686	568,854	31,628	24,649	-	-
2	Debt Securities	-	-	-	-	-	-	-
3	**Total**	**63,199,595**	**950,686**	**568,854**	**31,628**	**24,649**	-	-
4	Defaulted	146,601	13,351	1,605	-	-	-	-

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

		Exposures before CCF and CRM		Exposures post CCF and CRM		Risk weighted amount and risk weighted amount density	
	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	6,805,659	-	6,830,308	-	-	0%
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	1,113,538	2,327,915	1,113,538	362,699	307,800	21%
7	Exposures to corporates	15,366,504	12,938,774	15,007,804	8,760,423	26,572,177	112%
8	Retail exposures	9,796,251	5,593,058	9,568,669	2,568,656	9,124,191	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	719,339	56%
11	Past-due loans	159,952	-	158,347	-	145,674	92%
12	Higher-risk categories by the Agency Board	109,472	-	109,361	-	164,042	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	4,419,254	-	4,419,254	-	2,657,157	60%
17	Investment in equities	3,551,611	-	3,551,611	-	3,551,611	100%
18	**Total**	**43,036,668**	**21,145,242**	**42,467,812**	**11,848,844**	**43,476,344**	**80%**

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

X. Explanations on Risk Management (Continued)

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

Risk Asset Classes / Risk Weights	0%	20% unrated	35% Secured by real estate	50% unrated	75%	100%	150%	200%	500%	Total credit risk exposure amount (After CCF and CRM)
Exposures to central governments or central banks	6,830,308	-	-	-	-	-	-	-	-	6,830,308
Exposures to regional governments or local authorities	-	-	-	116,577	-	-	-	-	-	116,577
Exposures to public sector entities	-	-	-	-	-	15,313	-	-	-	15,313
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
Exposures to banks and financial intermediaries	-	1,434,396	-	41,841	-	-	-	-	-	1,476,237
Exposures to corporates	-	361,863	-	2,053,842	-	17,232,161	-	4,120,361	-	23,768,227
Retail exposures	-	-	-	-	12,117,251	15,408	710	-	3,956	12,137,325
Exposures secured by residential property	-	-	459,289	-	-	-	-	-	-	459,289
Exposures secured by commercial real estate	-	-	-	1,110,937	-	163,870	-	-	-	1,274,807
Past-due loans	-	-	-	38,160	-	107,373	12,814	-	-	158,347
Higher Risk categories by the Agency Board	-	-	-	-	-	-	109,361	-	-	109,361
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	-	-	-	-	-	3,551,611	-	-	-	3,551,611
Other assets	1,761,226	1,088	-	-	-	2,656,940	-	-	-	4,419,254
Total	**8,591,534**	**1,797,347**	**459,289**	**3,361,357**	**12,117,251**	**23,742,676**	**122,885**	**4,120,361**	**3,956**	**54,316,656**

Explanations on Counterparty Credit Risk (CCR)

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

		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	Risk Weighted Amount
1	Standardized Approach - CCR (For Derivatives)	1,335,547	741,108		1.4	2,076,655	1,917,923
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**						**2,058,754**

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

X. Explanations on Risk Management (Continued)

b. Credit valuation adjustment (CVA) capital charge

		Exposure at default post CRM	Risk Weighted Amount
	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	2,076,655	293,087
4	Total portfolios subject to the Advanced CVA capital charge	**2,076,655**	**293,087**

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.

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	Total Credit Exposures
Exposures to central governments and central banks	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	-	-	-	-	-	-	-	-	-	-
Exposures to banks and financial intermediaries	-	-	754,139	-	25,656	-	-	-	24,479	804,274
Exposures to corporates	-	-	27	-	-	-	1,841,116	-	-	1,841,143
Retail exposures	-	-	-	-	-	71,316	-	-	-	71,316
Exposures secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-	-
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**	**-**	**754,166**	**-**	**25,656**	**71,316**	**1,841,116**	**-**	**24,479**	**2,780,807**

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

X. Explanations on Risk Management (Continued)

d. Composition of colleteral for CCR exposure

	Collateral used in derivative transactions				Collateral used in other transactions	
	Collateral Taken		Collateral Given		Collateral Received	Collateral Given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	-	-	-	-	757,350
Cash – other currencies	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collaterals	-	-	-	-	-	-
Total	-	-	-	-	**-**	**757,350**

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

None.

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

X. Explanations on Risk Management (Continued)

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

	Carrying values in financial statements prepared as per TAS (*)	Subject to credit risk	Subject to counterparty credit risk	Subject to market risk	Considered in equity calculations	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and cash equivalents	13,423,709	13,423,709	-	-	-	-
Financial assets at fair value through profit or loss	118,238	-	-	118,238	-	-
Financial assets at fair value through other comprehensive income	3,130,588	-	-	3,130,588	-	-
Financial assets measured at amortized cost	-	-	-	-	-	-
Derivative financial assets	2,085,628	-	2,085,628	-	-	-
Non-performing loans	-	-	-	-	-	-
Allowances for Expected Credit Losses (-)	2,020	-	-	-	-	2,020
Loans (Net)	29,249,696	29,249,696	-	-	-	-
Loans	29,250,127	29,250,127	-	-	-	-
Lease receivables	-	-	-	-	-	-
Factoring Receivables	27,748	27,748	-	-	-	-
Non-performing loans	662,600	662,600	-	-	-	-
Allowances for Expected Credit Losses (-)	690,779	690,779	-	-	-	-
Assets held for sale and assets of discontinued operations (net	211,656	211,656	-	-	-	-
Equity investments	5,231,470	5,231,470	-	-	-	-
Tangible assets (net)	1,720,550	1,720,550	-	-	-	-
Intangible assets (net)	97,681	97,681	-	-	-	-
Investment property (net)	-	-	-	-	-	-
Tax assets	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-
Other assets	1,038,835	1,038,835	-	-	-	-
Total Assets	**56,310,071**	**51,001,345**	**2,085,628**	**3,248,826**	**-**	**2,020**
Liabilities						
Deposits	42,973,869	-	-	-	-	42,973,869
Funds borrowed	186,713	-	-	-	-	186,713
Interbank money markets	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Derivative financial liabilities	255,247	-	-	-	-	255,247
Factoring payables	-	-	-	-	-	-
Lease payables	235,695	-	-	-	-	235,695
Provisions	177,765	-	-	-	-	177,765
Tax liability	18,575	-	-	-	-	18,575
Deferred tax liabilities	206,021	-	-	-	-	206,021
Liabilities held for sale and liabilities of discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-
Other liabilities	1,123,252	-	-	-	-	1,123,252
Shareholders' equity	11,132,934	-	-	-	11,132,934	-
Total Liabilities	**56,310,071**	**-**	**-**	**-**	**11,132,934**	**45,177,137**

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

X. Explanations on Risk Management (Continued)

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

		Total	Subject to credit risk	Subject to securitization	Subject to counterparty credit risk	Subject to market risk
1	**Asset carrying value amount under scope of regulatory consolidation**	**61,644,525**	**56,310,071**	**-**	**2,085,628**	**3,248,826**
2	Liabilities carrying value amount under regulatory scope of consolidation	-	-	-	-	-
3	**Total net amount under regulatory scope of consolidation**	**61,644,525**	**56,310,071**	**-**	**2,085,628**	**3,248,826**
4	Off-balance sheet amounts	98,261,333	23,823,876	-	74,437,457	-
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	**Risk Amounts**	**159,905,858**	**80,133,947**	**-**	**76,523,085**	**3,248,826**

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	450,256	2,810,043	450,256
Banks and Receivables from other Financial Institutions	1,794,352	3,246,385	1,795,358	3,251,819
Financial Assets at Fair Value Through Other Comprehensive Income	3,130,588	1,879,054	3,130,588	1,879,054
Financial Assets Measured at Amortized Cost	-	1,743,991	-	1,781,614
Loans	29,250,127	20,694,173	25,642,689	18,384,376
Liabilities				
Bank Deposits	2,160,228	44,940	1,778,960	44,885
Other Deposits	40,813,641	30,344,099	39,744,439	29,841,208
Funds From Other Financial Institutions	186,713	106,604	155,640	98,416
Marketable Securities Issued	-	281,646	-	281,646
Miscellaneous Payables	-	-	-	-
Miscellaneous Liabilities	594,870	400,737	594,870	400,737

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 FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values (Continued)

Classification of fair value

"The 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 quoted prices included within Stage 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

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

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

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

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

	31 December 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	-	15,435	-	15,435
Derivative financial asset	-	2,085,628	-	2,085,628
Loans at Fair Value Through Other Profit/Loss	-	-	-	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
- Government debt securities	2,961,206	-	-	2,961,206
- Share certificates	-	79,458	13,781	93,239
- Other financial assets	-	76,143	-	76,143
Total assets	**3,064,009**	**2,256,664**	**13,781**	**5,334,454**
Financial liabilities at Fair Value Through Other profit/loss				
Derivative financial liabilities	-	255,247	-	255,247
Total liabilities	**-**	**255,247**	**-**	**255,247**

The bank has assessed that the costs of financial assets, whose fair value differences are reflected in other comprehensive income and which represent an equity interest, best reflect the fair values of the related assets. The fair value stage of the related assets has been determined as Stage 3.

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

XI. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values (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 assets	-	6,945	-	6,945
Derivative financial asset	-	679,485	-	679,485
Loans at Fair Value Through Other profit/loss	-	-	-	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
- Government debt securities	1,767,181	-	-	1,767,181
- Share certificates	-	40,246	13,781	54,027
- Other assets	-	57,846	-	57,846
Total assets	**1,811,656**	**784,522**	**13,781**	**2,609,959**
Financial liabilities at Fair Value Through Other profit/loss				
Derivative financial liabilities	-	165,810	-	165,810
Total liabilities	-	**165,810**	-	**165,810**

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

	Current Period
Balance at the end of the prior period	**13,781**
Purchases	-
Redemption/Disposals	-
Revaluation Difference	-
Transfers	-
Balance at the end of the period	**13,781**

XII. Explanations and Disclosures on Operating Segments

The bank operates in corporate banking, commercial banking, retail banking and treasury operations business lines.

Corporate banking, commercial banking and business banking offer their customers service packages consisting of loans, deposits, foreign trade transactions, cash management, non-cash loans and other banking products.

Retail banking offers a variety of products and services, including deposits, loans, automatic payment services, and internet banking, to meet the different financial needs of individual customers.

Treasury transactions includes activities and transactions such as securities investments, foreign exchange transactions, money market transactions, and derivative products.

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

XII. Explanations on Operating Segments (Continued)

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

Current Period	Corporate and business banking	Retail banking	Treasury &Other	Bank's Total Activities
Operating Income	3,252,528	762,368	1,510,840	5,525,736
Other	-	-	-	-
Operating income	**3,252,528**	**762,368**	**1,510,840**	**5,525,736**
Operating expense	-	-	(1,669,296)	(1,669,296)
Profit before Tax	**3,252,528**	**762,368**	**(158,456)**	**3,856,440**
Corporate Tax Provision	-	-	(925,201)	(925,201)
Profit after tax	**3,252,528**	**762,368**	**(1,083,657)**	2,931,239
Segment Assets	27,852,062	129,143	23,097,396	51,078,601
Associates and Subsidiaries	-	-	5,231,470	5,231,470
Total assets	**27,852,062**	**129,143**	**28,328,866**	**56,310,071**
Segment liabilities	15,355,706	24,355,331	5,466,100	45,177,137
Equity	-	-	11,132,934	11,132,934
Total Liabilities	**15,355,706**	**24,355,331**	**16,599,034**	**56,310,071**

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

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

Prior Period	Corporate and business banking	Retail banking	Treasury &Other	Bank's Total Activities
Operating Income	1,543,538	137,397	1,914,514	3,595,449
Other	-	-	-	-
Operating income	**1,543,538**	**137,397**	**1,914,514**	**3,595,449**
Operating expense	-	-	(1,090,868)	(1,090,868)
Profit before Tax	**1,543,538**	**137,397**	**823,646**	**2,504,581**
Corporate Tax Provision	-	-	(585,049)	(585,049)
Profit after tax	**1,543,538**	**137,397**	**238,597**	**1,919,532**
Segment Assets	19,812,518	124,673	16,587,991	36,525,182
Associates and Subsidiaries	-	-	2,770,012	2,770,012
Total assets	**19,812,518**	**124,673**	**19,358,003**	**39,295,194**
Segment liabilities	14,319,114	15,445,064	2,627,925	32,392,103
Equity	-	-	6,903,091	6,903,091
Total Liabilities	**14,319,114**	**15,445,064**	**9,531,016**	**39,295,194**

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

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations on Related to Assets

1. Information on cash equivalents and balances with the CBRT:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Cash/foreign currency	110,528	658,815	96,734	528,895
The CBRT (1)	4,096,778	3,918,551	909,359	4,407,401
Other (2)	-	37,676	-	87,075
Total	**4,207,306**	**4,615,042**	**1,006,093**	**5,023,371**

(1) Includes TRY 6,497,857 held as reserve requirements.

(2) Includes precious metal accounts.

Banks operating in Türkiye are required to maintain reserve requirement ratios for Turkish Lira liabilities ranging from 0% to 30% (31 December 2022: 3.0% to 8.0%) and for foreign currency liabilities ranging from 5% to 30% (31 December 2022: 5.0% to 26.0%) in accordance with the CBRT's Communiqué No. 2013/15 on Required Reserves.

According to the "Announcement on Required Reserves" published in the Official Gazette No. 32060 on December 31, 2022, the option to maintain Turkish Lira required reserves in gold has been 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**	**909,359**	**4,407,401**

2. Information on banks and other financial institutions

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks	1,803	1,793,555	100,874	3,150,945
Domestic	1,803	17	100,874	1,580,587
Foreign	-	1,793,538	-	1,570,358
Total	**1,803**	**1,793,555**	**100,874**	**3,150,945**

Information on foreign banks account

	Unrestricted Amount	Restricted Amount	Unrestricted Amount	Restricted Amount
	Current Period	Prior Period	Current Period	Prior period
European Union Countries	1,213,384	34,203	446,692	-
USD, Canada	349,907	-	367,590	-
OECD Countries	62,797	133,247	689,904	66,172
Off-Shore Banking Regions	-	-	-	-
Other	-	-	-	-
Total	**1,626,088**	**167,450**	**1,504,186**	**66,172**

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

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to Assets (Continued)

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

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

None (31 December 2022: None).

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

None (31 December 2022: None).

Securities measured at fair value through profit/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: includes TRY 6,945 in İş Bankası bonds).

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

	Current Period	Prior Period
Debt Securities	**3,547,992**	**2,098,524**
Quoted at Stock Exchange	3,471,849	2,040,678
Unquoted at Stock Exchange	76,143	57,846
Share Certificate	**93,239**	**54,027**
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	93,239	54,027
Impairment Provision (-)	**510,643**	**273,497**
Total	**3,130,588**	**1,879,054**

As of 31 December 2023, there are no financial assets subject to repo transactions among those whose fair value difference is reflected in other comprehensive income (31 December 2022: None).

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to Assets (Continued)

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

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	867,607	1,011,447	7,659	1,118,519
Purchases during the year	3,596,702	-	859,948	-
Transfers (Portfolio changes)	-	-	-	-
Disposals	(2,798,726)	(51)	-	-
Stock exchange valuation difference	-	-	-	-
Exchange rate differences in monetary assets	-	589,391	-	301,810
Rediscount and principal redemption share	-	-	-	(367,942)
Value increase/decrease	(224,380)	88,598	-	(40,940)
End of the Period	**1,441,203**	**1,689,385**	**867,607**	**1,011,447**

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	56,296	37,541	11,246
Futures Transactions	-	-	-	-
Options	1,778,781	44,332	227,585	270,402
Other	-	-	-	-
Total	**1,978,385**	**107,243**	**395,333**	**284,152**

6. Information Related to Loans

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

	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	**627**	**21,319**	**4,259**	**53,819**
Loans Granted to Employees	**14,807**	**83**	**6,997**	
Total	**443,568**	**67,837**	**71,583**	**105,138**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to Assets (Continued)

6. Information Related to Loans (Continued)

Loans measured 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	**28,978,449**	**169,372**	**99,072**	**-**
Enterprise Loans	-	-	-	-
Export Loans	7,961,593	38,114	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	1,498,340	-	-	-
Retail Loans	149,260	5,504	48	-
Credit Cards	156,460	710	-	-
Other	19,212,796	125,044	99,024	-
Specialized Loans	-	-	3,234	-
Other Receivables	-	-	-	-
Total	**28,978,449**	**169,372**	**102,306**	**-**

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Months Expected Credit Loss	119,954	-	77,835	-
Significant Increase in Credit Risk	-	68,178	-	70,792

Breakdown of loans according to their maturities

	Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-Term Loans and Other Receivables				
Non-Specialized Loans	26,347,572	-	118,557	2,777
Specialized Loans	-	-	-	1,432
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables				
Non-Specialized Loans	2,630,877		50,815	96,295
Specialized Loans	-	-	-	1,802
Other Receivables	-	-	-	-
Total	**28,978,449**	**-**	**169,372**	**102,306**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to 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
Automotive Loans	-	1,283	1,283
Consumer Loans	18,108	84,561	102,669
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive 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	-	-	-
Automotive Loans	-	-	-
Consumer Loans	4,321	5,172	9,493
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive 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 DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to 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
Automotive 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
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automotive 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	-	-	-
Automotive Loans	-	-	-
Consumer Loans	696	3,128	3,824
Other	-	-	-
Personnel Loans- Indexed to FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automotive 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 DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to 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
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	**122,595**	**-**	**122,595**
Installment	22,919	-	22,919
Non-Installment	99,676	-	99,676
Corporate Credit Cards-FC	**128**	**-**	**128**
Installment	-	-	-
Non-Installment	128	-	128
Overdraft Account-TRY (Commercial)	**59,777**	**-**	**59,777**
Overdraft Account-FC (Commercial)	**-**	**-**	**-**
Total	**3,399,316**	**1,854,758**	**5,254,074**

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	**116,153**	**-**	**116,153**
Installment	45,243	-	45,243
Non-Installment	70,910	-	70,910
Corporate Credit Cards-FC	**-**	**-**	**-**
Installment	-	-	-
Non-Installment	-	-	-
Overdraft Account-TRY (Commercial)	**41,697**	**-**	**41,697**
Overdraft Account-FC (Commercial)	**-**	**-**	**-**
Total	**1,581,078**	**1,384,349**	**2,965,427**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to Assets (Continued)

6. Information related to loans (Continued)

Loans according to types of borrowers

	Current Period	Prior Period
Public	-	337,350
Private	29,250,127	20,356,823
Total	**29,250,127**	**20,694,173**

Distribution of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	29,249,887	20,691,552
Foreign Loans	240	2,621
Total	**29,250,127**	**20,694,173**

Loans granted to investments in associates and subsidiaries

	Current Period	Prior Period
Direct Loans Given to Subsidiaries and Affiliates	51	13
Indirect Loans Given to Subsidiaries and Affiliates	-	-
Total	**51**	**13**

Specific provisions provided against loans

Specific Provisions	Current Period	Prior Period
Loans with Limited Collectability	15,579	7,343
Loans with Doubtful Collectability	34,394	12,312
Uncollectible Loans	452,674	507,584
Total	**502,647**	**527,239**

Information on non-performing loans (Net)

Information on non-performing loans and other receivables restructured loans

	III. Group: Loans with Limited Collectability	IV. Group: Loans with Doubtful Collectability	V. Group Uncollectible Loans
Current Period			
Gross Amounts Before Provisions	2,407	-	37,428
Rescheduled Loans	2,407	-	37,428
Prior Period			
Gross Amounts Before Provisions	594	707	87,758
Rescheduled Loans	594	707	87,758

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to Assets (Continued)

6. Information related to loans (Continued)

Information on the movement of total non-performing loans:

Current Period	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
Balance at the end of prior Period	**10,515**	**16,020**	**744,337**
Additions (+)	93,536	5,537	48,395
Transfers from Other Categories of Non-Performing Loans (+)	-	58,580	32,273
Transfers to Other Categories of Non-Performing Loans (-)	58,580	32,273	-
Collections (-)	11,977	5,916	237,231
Loans written off (-)	-	-	616
Corporate and Commercial Loans	-	-	616
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the end of the Period	**33,494**	**41,948**	**587,158**
Provisions (-)	15,579	34,394	452,674
Net balance in the Balance Sheet	**17,915**	**7,554**	**134,484**

Prior Period	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
Balance at the end of Prior Period	**70,241**	**48,576**	**1,087,975**
Additions (+)	68,384	11,561	184,706
Transfers from Other Categories of Non-Performing Loans (+)	-	103,266	116,884
Transfers to Other Categories of Non-Performing Loans (-)	102,071	116,884	1,195
Collections (-)	26,039	30,499	358,690
Loans written off (-)	-	-	285,343
Corporate and Commercial Loans	-	-	285,343
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the end of the period	**10,515**	**16,020**	**744,337**
Provisions (-)	7,343	12,312	507,584
Net balance in the balance sheet	**3,172**	**3,708**	**236,753**

Information on expected credit loss

	Stage 1	Stage 2	Stage 3	Total
Provision at the Beginning of Period	77,835	70,792	527,239	675,866
Additional provision during the period	369,478	54,226	111,204	534,908
Exits During the Period	(320,291)	(49,157)	(149,931)	(519,379)
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	-
Provision at the End of Period	**119,954**	**68,178**	**502,647**	**690,779**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued

I. Explanations on Related to Assets (Continued)

6. Information related to loans (Continued)

Information on Non-Performing Loans Granted as Foreign Currency Loans

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current period			
Balance at the end of the period (1)	8,288	964	59,004
Provisions (-) (1)	4,602	814	28,526
Net balance in the balance sheet	3,686	150	30,478
Prior period			
Balance at the end of the period	-	694	56,290
Provisions (-)	-	27	25,538
Net balance in the balance sheet	-	667	30,752

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

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

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period Net)	**17,915**	**7,554**	**134,484**
Loans granted to corporate entities and real persons (Gross)	33,494	41,948	576,038
Provisions Amount (-)	15,579	34,394	441,554
Loans granted to corporate entities and real persons (Net)	17,915	7,554	134,484
Banks (Gross)	-	-	-
Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	11,120
Provisions Amount (-)	-	-	11,120
Other Loans (Net)	-	-	-
Prior Period (Net)	**3,172**	**3,708**	**236,753**
Loans granted to corporate entities and real persons (Gross)	10,515	16,020	738,850
Provisions Amount (-)	7,343	12,312	502,097
Loans granted to corporate entities and real persons (Net)	3,172	3,708	236,753
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 DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to 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	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	1,822	861	44,239
Interest Accruals and Rediscount with Valuation Differences	3,783	4,191	178,906
Provision amount (-)	1,961	3,330	134,667
Prior Period (Net)	547	674	75,650
Interest Accruals and Rediscount with Valuation Differences	1,220	2,330	219,846
Provision amount (-)	673	1,656	144,196

Explanations regarding the write-off policy

Loans and other receivables deemed uncollectable are received through legal inquiries and collateral liquidation, or can be deleted from the assets by the Bank's Board of Directors decision. As of December 31, 2023, the Bank sold its non-performing receivables in the amount of TRY 174,050, for which it had set aside a 100% provision, to asset management companies, and deleted its loans in the amount of TRY 616 from the assets by the decision of the Bank's 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	-	1,744,224
Treasury Bill	-	-
Other Public Debt Securities	-	-
Total	**-**	**1,744,224**

Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt Securities	-	1,744,224
Quoted at Stock Exchange	-	1,744,224
Unquoted at Stock Exchange	-	-
Impairment Provision (-)	-	-
Total	**-**	**1,744,224**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to Assets (Continued)

Movements of Financial Assets Measured at Amortized Cost During the Year

	Current Period	Prior Period
Value at the Beginning of the Period	1,744,224	2,318,250
Currency Differences in Monetary Assets	-	-
Purchases During the Year	-	-
Disposal through Sale and Redemption	(1,744,224)	(578,336)
Valuation Effect	-	4,310
Total of end of the period	**-**	**1,744,224**

8. **Information on lease receivables**

None.

9. Information on investments in associates

None.

10. Subsidiaries

	Title	Address (City/Country)	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.	Istanbul/Türkiye	91.90	8.10
3	Anadolu Faktoring A.Ş.	Istanbul/Türkiye	99.99	0.01

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	32,733,165	4,239,423	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 DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS(Continued)

I. Explanations on Related to Assets (Continued)

10. Subsidiaries (Continued)

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**	**837,023**
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 provisions	-	-
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.

11. Information on investments in joint ventures

None.

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to Assets (Continued)

12. Information on tangible fixed assets

	Real Estates	Tangible Fixed Assets Acquired through Financial Leasing	Vehicles	Right-of-use tangible asset	Other Tangible Assets	Total
Prior Period End						
Cost	698,555	-	234	218,383	131,778	1,048,950
Accumulated Depreciation and Impairment (-)	-	-	(234)	(101,670)	(70,710)	(172,614)
Net Book Value	698,555	-	-	116,713	61,068	876,336
Current period end						
Net Book Value at the Beginning	698,555	-	-	116,713	61,068	876,336
Additions	1,661	-	-	169,003	38,639	209,303
Disposals (Cost)	-	-	(42)	-	(8,771)	(8,813)
Disposals (Depreciation)	-	-	42	-	3,653	3,695
Depreciation (-)	(13)	-	-	(67,000)	(22,146)	(89,159)
Additional Works on Buildings	24,110	-	-	-	-	24,110
Revaluation	704,982	-	-	-	-	704,982
Revaluation Depreciation	-	-	-	-	-	-
Net Exchange Differences from Foreign Subsidiaries	-	-	-	143	-	143
Exchange Difference Depreciation	-	-	-	(47)	-	(47)
Cost at Period End	1,429,308	-	192	387,529	161,646	1,978,675
Accumulated Depreciation at Period End (-)	(13)	-	(192)	(168,717)	(89,203)	(258,125)
Closing net book value	**1,429,295**	**-**	**-**	**218,812**	**72,443**	**1,720,550**

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.

13. Explanations on Intangible Assets

Useful life 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.

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to Assets (Continued)

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 end of the period

	End of the period		Beginning of the period	
	Carrying value	Accumulated amortization	Carrying value	Accumulated amortization
Intangible assets	148,859	51,178	98,142	27,104

Movement table containing the following information between the beginning and end of the period:

	Current Period	Prior Period
Beginning of the Period	**71,038**	**26,742**
Internally Generated Amounts	-	-
Additions due to mergers, transfers and acquisitions	50,717	57,919
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(-)	24,074	13,623
Net Exchange Rate Differences from Foreign Subsidiaries	-	-
Other Changes in Book Value	-	-
Period-End	**97,681**	**71,038**

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

None.

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

None.

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

None.

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

None.

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to Assets (Continued)

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.

14. Explanations on investment properties

None.

15. 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	**731,972**	**147,578**
Provisions for bonus premium	-	10,500
Provisions for Severance pay and unused leave	41,744	33,145
TAS – TPL Depreciation differences	269,915	1,586
Stage 1 and 2 expected credit loss provisions	61,515	41,185
Financial Asset Valuation Differences	103,552	44,475
Other Provisions	8,285	2,812
Fixed Assets and CPI - Inflation Accounting	183,556	-
Discounting of Derivative Financial Instruments	-	-
Financial Loss	-	-
Other	63,405	13,875
Deferred tax liability	**937,993**	**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	-	-
Deferred tax asset/liability, net	**(206,021)**	**(55,906)**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations on Related to Assets (Continued)

16. 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
Loss of asset held for sale	-	(14,686)
Value Reduction	-	14,686
Cost	211,695	218,265
Impairment	-	-
Accumulated depreciation	(39)	(39)
Net book value	**211,656**	**218,226**

17. Information on Other Assets

Information on prepaid expenses, taxes and similar transactions

	Current Period	Prior Period
Prepaid Expenses	116,124	14,910
Prepaid taxes	23,171	5,505

Information on other assets

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

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS(Continued)

II. Explanations on Related to Liabilities

1. Information on maturity structure of the 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	**248,352**	**-**	**1,849,036**	**8,693,891**	**3,223,986**	**380,869**	**1,652,355**	**-**	**16,048,489**
Foreign Currency Deposits	**3,760,672**	**-**	**2,243,559**	**6,912,912**	**220,525**	**78,079**	**48,280**	**-**	**13,264,027**
Residents in Türkiye	3,690,290	-	2,238,115	6,848,004	213,758	70,269	19,860	-	13,080,296
Residents Abroad	70,382	-	5,444	64,908	6,767	7,810	28,420	-	183,731
Public Sector Deposits	**30,703**	**-**	**6**	**18,724**	**-**	**-**	**-**	**-**	**49,433**
Commercial Deposits	**1,078,885**	**-**	**2,203,135**	**5,423,202**	**336,891**	**700,383**	**389,266**		**10,131,762**
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 Deposits	**7,999**	**-**	**847,958**	**-**	**-**	**1,050,132**	**254,138**	**-**	**2,160,227**
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	7,998	-	847,958	-	-	1,050,132	254,138	-	2,160,226
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	**5,740,931**	**-**	**7,218,489**	**21,602,117**	**3,848,454**	**2,218,721**	**2,345,157**	**-**	**42,973,869**

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	**186,366**	**-**	**1,730,543**	**4,817,621**	**5,018,395**	**422,676**	**893,247**	**-**	**13,068,848**
Foreign Currency Deposits	**2,044,779**	**-**	**1,356,957**	**6,100,927**	**169,577**	**49,145**	**47,312**	**-**	**9,768,697**
Residents in Türkiye	1,998,175	-	1,349,730	5,871,265	162,861	43,956	28,851	-	9,454,838
Residents Abroad	46,604	-	7,227	229,662	6,716	5,189	18,461	-	313,859
Public Sector Deposits	**19,713**	**-**	**6**	**55,210**	**-**	**-**	**-**	**-**	**74,929**
Commercial Deposits	**1,400,977**	**-**	**1,186,400**	**1,045,905**	**1,059,408**	**707,551**	**1,131,557**		**6,531,798**
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 Deposits	**4,077**	**-**	**-**	**40,863**	**-**	**-**	**-**	**-**	**44,940**
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	4,076	-	-	40,863	-	-	-	-	44,939
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
TOTAL	**3,929,817**	**-**	**4,319,259**	**12,495,406**	**6,324,880**	**1,224,686**	**2,094,991**	**-**	**30,389,039**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations on Related to Liabilities (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 DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations on Related to Liabilities (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	115,019	17,287	91,899	14,705
Foreign Banks and Institutions and Funds	-	54,407	-	-
Total	**115,019**	**71,694**	**91,899**	**14,705**

Information on the maturity structure of funds borrowed

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term [(1)]	115,019	14,459	87,974	11,314
Medium and Long-term [(1)]	-	57,235	3,925	3,391
Total	**115,019**	**71,694**	**91,899**	**14,705**

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

3. Information on trading derivative financial liabilities

Table of negative differences for trading derivative financial liabilities:

Trading derivative financial liabilities	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	86,303	946	2,301	-
Swap Transactions	44,407	111,257	5,963	23,081
Future Transactions	-	-	-	-
Options	86	12,248	459	134,006
Other	-	-	-	-
Total	**130,796**	**124,451**	**8,723**	**157,087**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations on Related to Liabilities (Continued)

4. Information on Financial Leasing Agreements

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 Bank's liabilities from lease transactions as of December 31, 2023 are as follows:

31 December 2023	Gross	Net
Less than 1 year	53,237	46,576
Between 1- 4 years	78,875	59,560
More than 4 years	227,858	129,559
Total	**359,970**	**235,695**

31 December 2022	Gross	Net
Less than 1 year	29,390	27,527
Between 1- 4 years	34,805	27,367
More than 4 years	140,194	73,880
Total	**204,389**	**128,774**

5. Information 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
Provision for non-cash loans	14,436	10,187
Provision for lawsuits	23,566	8,929
Provision for credit card promotion expense	617	1,086
Other provision	-	-
Total	**38,619**	**20,202**

Reserve for Employee Benefits

As of December 31, 2023, the Group presented the provision for severance pay of TRY 88,177 (31 December 2022: TRY 93,791), the vacation liability of TRY 50,969 (31 December 2022: TRY 38,791), and the as of December 31, 2023, no provision has been set aside for bonus payments.
(31 December 2022: TRY 42,000) under the 'Provision for Employee Benefits' item in the financial statements.

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations on Related to Liabilities (Continued)

Information on severance pay provisions

	Current Period	Prior Period
Balance at the beginning of the period	93,791	39,070
Changes during period	31,004	14,324
Actuarial loss/(gain) transferred to equity	53,079	51,869
Paid current period	(89,697)	(11,472)
Total	**88,177**	**93,791**

6. Explanation on tax liability

Information on current tax liability

Information on tax provision

As of December 31, 2023, the Bank has no outstanding corporate tax liability after deducting provisional taxes paid during the period. (31 December 2022: TRY 138,451). 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	-	138,451
Taxation on marketable securities	24,092	7,607
Banking Insurance Transaction Tax	54,572	22,834
Capital gains tax on property	1,249	737
Corporate tax payable	3,410	2,443
Other	22,790	12,219
Total	**106,113**	**184,291**

Information on premium payables:

	Current Period	Prior Period
Social Security Premiums – Employee	8,399	4,874
Social Security Premiums – Employer	11,781	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	497	331
Unemployment Insurance – Employer	995	662
Other	-	-
Total	**21,672**	**11,764**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations on related to liabilities (Continued)

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 15 (V-I-15).

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.

11. Information on Shareholder's Equity

Presentation of paid-in capital:

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

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

The Bank is not subject to registered share capital system.

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

None.

Information on share capital increases from revaluation funds

None.

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

None.

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

None.

Information on privileges given to shares representing the capital

None.

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations on Related to Liabilities (Continued)

12. Common stock issue premiums, shares and equity instruments

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

13. Information on the securities value increase fund

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From Associates and Subsidiaries (*)	3,315,042	12,055	1,750,609	7,032
Securities Measured at FV Through Other Comprehensive Income	(97,546)	(88,720)	88,502	(129,154)
From the Securities Subject to Structural Position	-	-	-	-
Total	**3,217,496**	**(76,665)**	**1,839,111**	**(122,122)**

(*) Refers to the valuation differences within the scope of accounting of financial affiliates using the equity method.

III. Explanations Related to 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
Forward Asset Purchase Commitments	3,839,557	2,560,985
Credit Cards Limit Commitments	323,994	212,182
Liabilities From Guarantee Letters Issued in Our Favor	68,083	60,859
Commitments for Promotions Related with Credit Cards and Banking Activities	617	1,085
Tax and Fund Liabilities from Export Commitments	12	-
Total	**7,366,173**	**4,471,543**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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	4,302,261	1,398,703
Total	**12,381,970**	**6,824,076**

1. Total amount of non-cash loans

	Current Period	Prior Period
Non- Cash Loans Given for Cash Loan Risks Non- Cash Loans	4,376,455	1,441,505
With Original Maturity of One Year or Less	372,235	261,197
With Original Maturity of More Than One Year	4,004,220	1,180,308
Other Non-Cash Loans	12,081,248	7,933,402
Total	**16,457,703**	**9,374,907**

2. 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**	**0.19**	**117,348**	**1.64**	**10,964**	**0.49**
Farming and Raising Livestock	74,364	0.60	7,772	0.19	93,833	1.32	10,964	0.49
Forestry	11,825	0.10	0	0.00	17,371	0.24	-	-
Fishing	6,628	0.05	0	0.00	6,144	0.09	-	-
Manufacturing	**4,555,293**	**36.93**	**1,896,099**	**45.99**	**2,923,306**	**40.98**	**1,124,857**	**50.19**
Mining and Quarrying	132,009	1.07	1,792	0.04	131,059	1.84	7,012	0.31
Production	4,196,452	34.02	1,751,596	42.49	2,656,858	37.24	1,107,537	49.42
Electric, Gas and Water	226,832	1.84	142,711	3.46	135,389	1.90	10,308	0.46
Construction	**1,852,306**	**15.02**	**596,815**	**14.48**	**1,369,208**	**19.19**	**191,331**	**8.54**
Services	**5,479,341**	**44.42**	**1,530,979**	**37.14**	**2,451,651**	**34.37**	**860,331**	**38.39**
Wholesale and Retail Trade	2,990,343	24.24	701,901	17.03	1,554,894	21.80	496,810	22.17
Hotel, Food and Beverage Services	43,147	0.35	0	0.00	42,047	0.59	-	-
Transportation and Telecommunication	178,053	1.44	94,952	2.30	145,166	2.03	65,590	2.93
Financial Institutions	2,009,340	16.29	606,915	14.72	562,016	7.88	246,844	11.01
Real Estate and Leasing Services	7,494	0.06	1,401	0.03	14,313	0.20	890	0.04
Self-employment Services	135,650	1.10	90,682	2.20	80,935	1.13	49,075	2.19
Education Services	13,974	0.11	0	0.00	8,539	0.12	-	-
Health and Social Services	101,340	0.82	35,128	0.85	43,741	0.61	1,122	0.05
Other	**355,368**	**2.88**	**90,913**	**2.21**	**272,236**	**3.82**	**53,675**	**2.39**
Total	**12,335,125**	**100.00**	**4,122,578**	**100.00**	**7,133,749**	**100.00**	**2,241,158**	**100.00**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

	Group I		Group II	
Current Period	**TRY**	**FC**	**TRY**	**FC**
Letters of Guarantee	9,927,398	2,388,898	62,477	3,197
Bank Acceptances	-	74,195	-	-
Letters of Credit	-	1,607,427	-	-
Endorsements	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	2,345,250	48,861	-	-
Non-cash loans	**12,272,648**	**4,119,381**	**62,477**	**3,197**

	Group I		Group II	
Prior Period	**TRY**	**FC**	**TRY**	**FC**
Letters of Guarantee	5,448,432	1,332,813	42,632	199
Bank Acceptances	-	42,802	-	-
Letters of Credit	1,824	669,708	-	-
Endorsements	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	1,640,861	195,636	-	-
Non-cash loans	**7,091,117**	**2,240,959**	**42,632**	**199**

4. 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	**8,188**	**2,000**	**-**	**10,188**
Additional provision during the period	26,373	4,862	-	31,235
Exits during the Period	(21,306)	(5,682)	-	(26,988)
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	**12,846**	**1,589**	**-**	**14,435**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

5. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	64,895,457	43,909,133
Forward transactions	*16,589,794*	*6,130,049*
Swap transactions	*33,688,450*	*16,185,894*
Futures transactions	-	-
Option transactions	*14,617,213*	*21,593,190*
Interest Related Derivative Transactions (II)	9,542,000	2,820,000
Forward rate transactions	-	-
Interest rate swap transactions	*9,542,000*	*2,820,000*
Interest option transactions	-	-
Futures interest transactions	-	-
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	**74,437,457**	**46,729,133**
Types of hedging transactions	-	-
Fair Value hedge	-	-
Cash flow hedges	-	-
Net investment hedges	-	-
B. Total Hedging Related Derivatives	-	-
Total of derivative financial instruments(A+B)	**74,437,457**	**46,729,133**

6. Explanations on Credit Derivatives and Risk Exposures on Credit

None.

7. Explanations on Contingent Liabilities and Assets

None.

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

The 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.

IV. Explanations Related to 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	4,953,995	476,072	3,417,157	243,019
Medium and Long-Term Loans	428,979	38,542	559,437	27,608
Interest on Loans Under Follow-Up	75,321	-	75,297	-
Total	**5,458,295**	**514,614**	**4,051,891**	**270,627**

(1) Includes fee and commission income related to cash loans.

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

1. Interest Expense

Information on interest expense on borrowings

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Domestic Banks	223,177	7,527	7,863	11,773
Foreign Banks	-	15,322	-	42,479
Total	**223,177**	**22,849**	**7,863**	**54,252**

Information on interest income on marketable securities

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Financial Assets Measured at Fair Value Through Profit or Loss	223	6,563	7,874	3,047
Financial Assets Measured at Fair Value Through Other Comprehensive Income	263,181	18,916	33,368	24,520
Financial Assets Measured at Amortized Cost	78,774	-	242,647	-
Total	**342,178**	**25,479**	**283,889**	**27,567**

Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Income received from affiliates and subsidiaries	1,006	710

2. Interest Expense

Information on interest expense on borrowings

	Current Period		Prior Period	
	TRY	**FC**	**TRY**	**FC**
Banks	**16,951**	**9,383**	**17,706**	**739**
CBRT	-	-	-	-
Domestic Banks	16,951	373	17,706	739
Foreign Banks	-	9,010	-	-
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	**16,951**	**9,383**	**17,706**	**739**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

2. Interest Expense (Continued)

Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Expenses paid to associates and subsidiaries	24,698	910

Information on maturity structure of interest expenses on deposits

Current Period	Time deposit							
Account Name	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 year	Accumulated deposit account	Total
Turkish Lira								
Interbank deposits	-	97,031	-	-	-	-	-	97,031
Saving deposits	-	481,311	2,233,138	832,930	175,028	378,747	-	4,101,154
Public sector deposits	-	4	6,148	-	-	-	-	6,152
Commercial deposits	-	312,432	1,244,557	87,585	77,673	113,073	-	1,835,320
Other deposits	-	529	26,920	539	600	13	-	28,601
7 days call accounts	-	-	-	-	-	-	-	-
Total	**-**	**891,307**	**3,510,763**	**921,054**	**253,301**	**491,833**	**-**	**6,068,258**
Foreign Currency								
Foreign currency deposits	-	20,563	327,381	46,518	15,234	6,270	-	415,966
Interbank deposits	-	14,798	-	-	-	-	-	14,798
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	324	4,874	879	11	57	-	6,145
Total	**-**	**35,685**	**332,255**	**47,397**	**15,245**	**6,327**	**-**	**436,909**
Grand total	**-**	**926,992**	**3,843,018**	**968,451**	**268,546**	**498,160**	**-**	**6,505,167**

Prior Period	Time deposit							
Account Name	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year	Accumulated deposit account	Total
Turkish Lira								
Interbank deposits	-	13,512	-	-	-	-	-	13,512
Saving deposits	-	271,620	393,166	803,149	123,664	101,382	-	1,692,981
Public sector deposits	-	-	3,294	-	-	-	-	3,294
Commercial deposits	-	201,255	330,259	93,620	197,679	102,235	-	925,048
Other deposits	-	1,048	21,346	187	17,326	28	-	39,935
7 days call accounts	-	-	-	-	-	-	-	-
Total	**-**	**487,435**	**748,065**	**896,956**	**338,669**	**203,645**	**-**	**2,674,770**
Foreign Currency								
Foreign currency deposits	-	13,216	189,961	7,936	1,042	468	-	212,623
Interbank deposits	-	2,096	-	-	-	-	-	2,096
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	210	963	8	110	1,496	-	2,787
Total	**-**	**15,522**	**190,924**	**7,944**	**1,152**	**1,964**	**-**	**217,506**
Grand Total	**-**	**502,957**	**938,989**	**904,900**	**339,821**	**205,609**	**-**	**2,892,276**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

3. Information on dividend income

	Current Period	Prior Period
Financial Assets Measured at Fair Value through Profit/Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	40
Other	2,735	23
Total	**2,735**	**63**

4. Information on trading income/loss

	Current Period	Prior Period
Profit	**12,193,476**	**8,116,323**
Capital Market Transactions Income	297,956	64,341
Gain on Derivative Financial Transactions	5,450,222	4,596,692
Foreign Exchange Gains	6,445,298	3,455,290
Loss (-)	**8,553,157**	**7,168,765**
Capital Market Transactions Loss	9,043	8,378
Loss on Derivative Financial Transactions	4,785,219	2,426,485
Foreign Exchange Loss	3,758,895	4,733,902
Net trading gain/loss	**3,640,319**	**947,558**

5. Information on other operating income

	Current Period	Prior Period
Released Provisions	213,527	352,678
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	734	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	112,674	3,499
Total	**421,179**	**585,469**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

6. Provision for losses and other provision expenses

	Current Period	Prior Period
Expected Credit Losses	**233,168**	**198,157**
12 Months Expected Credit Loss (Stage 1)	121,564	82,801
Significant Increase in Credit Risk (Stage 2)	24,342	48,190
Lifetime ECL Impaired Credits (Stage 3)	87,262	67,166
Other Provision Expenses	**26,991**	**1,822**
Securities Impairment Provision	12,220	30
Financial Assets Measured at Fair Value Through Profit/Loss	-	-
Financial Assets Measured at Other Comprehensive Income	*12,220*	*30*
Provisions for Impairment of Associates, Subsidiaries and Joint Ventures	-	-
Investment in Associates	-	-
Subsidiaries	-	-
Other	14,771	1,792
Total	**260,159**	**199,979**

7. Information on other operating expenses:

	Current Period (**)	Prior Period
Reserve for Employee Termination Benefits	-	3,109
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Property and Equipment	-	-
Depreciation Expenses of Property and Equipment	33,085	22,616
Impairment Expenses of Intangible Assets	-	-
Amortization Expenses of Intangible Assets	24,074	13,623
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	747,830	171,058
Operating Lease Expenses (*)	*2,693*	*1,218*
Repair and Maintenance Expenses	*39,565*	*19,520*
Advertisement expenses	*51,910*	*31,938*
Other expenses (****)	*653,662*	*118,382*
Loss on Sales of Assets	543	96
Other (***)	225,754	398,983
Total	**1,100,605**	**648,973**

(*) Includes rental expenses that are considered outside the scope of TFRS 16.
(**) The Provision for Severance Pay is not included in the Personnel Expenses line of the Profit or Loss Statement.
(***) Includes provisions for bonus premiums, SDIF, and financial activity fees.
(****) Includes a litigation provision expense amounting to TRY 441,544.

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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	6,857	2,647
Fees for Tax Advisory Services	-	-
Fee for Other Assurance Services	-	-
Fee for Services Other than Independent Audit	174	41
Total(*)(**)	**7,031**	**2,688**

(*) Amounts are given excluding VAT.
(**) Amounts do not include subsidiaries.

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

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

10. Explanation on tax provision for continuing and discontinued operations

The Bank has no tax provision for discontinued operations for the accounting period ended 31 December 2023. Explanations and tables regarding the net profit/loss of the Bank's operations in the accounting period ending on December 31, 2023 are shown in detail in notes 1-7 and 9-10 in this section.

The Bank has no tax provision for discontinued operations for the accounting period ended 31 December 2023. Explanations and tables regarding the net profit/loss of the Bank's operations in the accounting period ending on December 31, 2023 are shown in detail in notes 1-7 and 9-10 in this section.

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

For the accounting period ended 31 December 2023, the Bank's current tax expense is TRY 159,464 (31 December 2022: TRY 323,217).

For the accounting period ended 31 December 2023, the Bank has a net deferred tax expense of TRY 765,737 (31 December 2022: deferred tax expense of TRY 261,832). Deferred tax expense of TRY 1,035,695 (31 December 2022: TRY 322,808 deferred tax expense) and deferred tax income of TRY 269,958 (31 December 2022: TRY60,976 deferred tax income) comprise the relevant total figure.

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.

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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 profit or loss and other comprehensive income exceeding 10% of the total, or items that comprise at least 20% of the statement of profit or loss and other comprehensive income.

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

V. Explanations Related to Statement of 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 1,552,716 (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	**1,985,063**	**552,304**

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations Related to Statement of Changes in Shareholders' Equity (Continued)

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.

VI. Explanations Related to Statement of Cash Flows

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

The 'Other' item amounting to TRY (1,670,836) (December 31, 2022: TRY (1,498,634) 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 of TRY (1,177,449) (31 December 2022: TRY (1,704,818)) included in the "Change in assets and liabilities subject to banking activities" consists of changes in debts to money markets, other liabilities, taxes, duties, fees and premiums to be paid.

The "Net increase/decrease in other assets" item of TRY (2,310,521) (31 December 2022: TRY 137,916) included in the "Change in assets and liabilities subject to banking activities" consists of changes in other asset items.

As of 31 December 2023, the effect of the change in the exchange rate on cash and cash equivalents was calculated as TRY 553,546 (31 December 2022: TRY 459,364).

1. ***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	**6,029,464**	**6,086,277**
Cash and cash equivalents	625,629	710,784
Central Bank of the Republic of Türkiye, required reserves and other [(1)]	5,403,835	5,375,493
Cash and cash equivalents	**3,702,075**	**2,669,050**
Banks and Other Financial Institutions	3,251,819	2,669,050
Interbank Money Market Placements	450,256	-
Cash Equivalents and Banks	**(3,640,351)**	**(2,968,542)**
Restricted Cash and Cash Equivalents	(1,375,053)	(107,614)
Required Reserves	(2,263,965)	(2,843,939)
Banks and Money Markets Discount	(1,333)	(16,989)
Total cash and cash equivalents	**6,091,188**	**5,786,785**

(1) The 'Other' item includes funds in transit

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations Related to Statement of Cash Flows (Continued)

3. *Information regarding the balances of cash and cash equivalents at the beginning of the period (Continued)*

	Current Period 31 December 2023	Prior Period 31 December 2022
Cash	**8,822,348**	**6,029,464**
Cash and cash equivalents	769,343	625,629
Central Bank of the Republic of Türkiye, required reserves and other [(1)]	8,053,005	5,403,835
Cash Equivalents	**4,605,401**	**3,702,075**
Banks and Other Financial Institutions	1,795,358	3,251,819
Interbank Money Market Placements	2,810,043	450,256
Cash Equivalents and banks	**(3,644,507)**	**(3,640,351)**
Restricted Cash and Cash Equivalents	(167,449)	(1,375,053)
Reserve requirements	(3,466,944)	(2,263,965)
Banks and Money Market Rediscounts	(10,113)	(1,333)
Total cash and cash equivalents	**9,783,242**	**6,091,188**

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

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 167,449 (31 December 2022: TRY 66,172) includes the collateral held in return for interest rate swap transactions. As of December 31, 2023, collateral is held at the Central Bank of the Republic of Türkiye (CBRT) (As of 31 December 2022: TRY 1,309,190).

Additional information

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

None.

VII. Explanations Related to the Bank's Risk Group

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 Bank's Loans Risk Group

	Associates and Subsidiaries (Partnerships)		Bank's Direct and Indirect Shareholders		Other Individuals and Legal Entities in the Risk Group	
Bank's Risk Group-current period	**Cash**	**Non- Cash**	**Cash**	**Non- Cash**	**Cash**	**Non- Cash**
Loans and Other Receivables						
Balance at the Beginning of the Period	13	50,699	64,586	105,067	278	71
Balance at the End of the Period	51	101,901	428,761	67,754	1,881	83
Interest and Commission Income	1,086	525	22,724	18	242	-

	Associates and Subsidiaries (Partnerships)		Bank's Direct and Indirect Shareholders		Other Individuals and Legal Entities in the Risk Group	
Bank's Risk Group-prior period	**Cash**	**Non- Cash**	**Cash**	**Non- Cash**	**Cash**	**Non- Cash**
Loans and Other Receivables						
Balance at the Beginning of the Period	29	62,146	247,877	91,522	294	71
Balance at the End of the Period	13	50,699	64,586	105,067	278	71
Interest and Commission Income	740	207	7,261	17	6	-

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations Related to the Bank's Risk Group (Continued)

Explanations Related to the Bank's Deposit Risk Group

	Associates and Subsidiaries (Partnerships)		Bank's Direct and Indirect Shareholders		Other Individuals and Legal Entities in the Risk Group	
Bank's Risk Group	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Balance at the Beginning of the Period	13,998	6,594	3,414,883	5,469,784	32,766	22,976
Balance at the End of the Period	24,471	13,998	4,557,171	3,414,883	45,393	32,766
Deposit interest expense	24,698	910	404,243	73,260	4,267	1,745

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 Bank's risk group

	Associates and Subsidiaries (Partnerships)		Bank's Direct and Indirect Shareholders		Other Individuals and Legal Entities in the Risk Group	
Bank'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	(257)	-	(47,919)	162,168	-	-
Transactions for Hedging Purposes						
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

2. Information on transactions with the risk group that includes the 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 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 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).

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations Related to the Bank's Risk Group (Continued)

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

Current Period	Balance	According to the Magnitudes in the Financial Statements"%
Cash loan	430,693	1.47
Non-cash loan	169,738	1.03
Deposit	4,627,035	10.77

Prior Period	Balance	According to the Magnitudes in the Financial Statements"%
Cash loan	64,877	0.31
Non-cash loan	155,836	1.66
Deposit	3,460,579	11.39

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 December 31, 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 (December 31, 2022: TRY 4,764).

Information on benefits provided to the Bank's top management

For the accounting period ending on December 31, 2023, the amount of tangible benefits provided and to be provided to the Group's senior management is TRY 74,786 (December 31, 2022: TRY 29,479).

SECTION FIVE: EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

Information relating to the Bank's domestic and foreign branches and representatives

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

SECTION SIX: OTHER EXPLANATIONS

I. Other Explanations Related to the Bank's Operations

None.

II. Summary of Information Regarding the Ratings of the 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 Grade	b-

III. Unsettled Transactions After Balance Sheet Date and Related Effects On Financial Tables

By the decision of our Bank's Board of Directors dated January 15, 2024, and numbered 2024/06:
The Maltepe Branch, located at Bağlarbaşı Mah. Atatürk Cad. No:78/A, Maltepe/İstanbul, will be transferred to the Kartal Branch as of February 29, 2024.

The Sultanbeyli Branch, located at Dudullu OSB Mahallesi İmes-501 Sokak No:34/3, Sultanbeyli/İstanbul, will be transferred to the İmes Branch as of February 29, 2024.

The Tuzla/Orhanlı Branch, located at Orhanlı Mah. Demokrasi Cad. No:85, Aydınlı Tuzla/İstanbul, will be transferred to the Tuzla Organize Branch as of February 29, 2024.

The Dilovası/Kocaeli Branch, located at Cumhuriyet Mah. Yavuz Sultan Selim Cad. No: 51, Kocaeli/Dilovası, will be transferred to the Gebze Branch as of January 31, 2024.

By the decision of our Bank's Board of Directors dated January 15, 2024, and numbered 2024/07:

The Bergama/İzmir Branch, located at Ertuğrul Mah. Böblingen Cad. No:81A, Bergama/İzmir, will be transferred to the Menemen Branch as of February 19, 2024.

The Alaşehir/Manisa Branch, located at Yenice Mah. Osman Akça Cad. No:40, Alaşehir/Manisa, will be transferred to the Salihli Branch as of February 19, 2024.

The Turgutlu/Manisa Branch, located at Atatürk Bulvarı No:184/A, Turgutlu/Manisa, will be transferred to the Manisa Branch as of February 19, 2024.

The Tire/İzmir Branch, located at Yeni Mah. Enstitü Cad. No:18, Tire/İzmir, will be transferred to the Ödemiş Branch as of February 12, 2024.

The İncirliova/Aydın Branch, located at İstiklal Mah. Prof. Dr. Türkan Saylan Cad. No:61/B, İncirliova/Aydın, will be transferred to the Aydın Branch as of February 12, 2024.

The Nazilli/Aydın Branch, located at Yeni Mahalle Hürriyet Caddesi No:170E, Nazilli/Aydın, will be transferred to the Aydın Branch as of February 12, 2024.

SECTION SIX: OTHER EXPLANATIONS (Continued)

III. Unsettled Transactions After Balance Sheet Date and Related Effects On Financial Tables (Continued)

By the decision of our Bank's Board of Directors dated January 15, 2024, and numbered 2024/08:

The Lüleburgaz/Kırklareli Branch, located at Yeni Mah. Fatih Cad. No:20/A, Lüleburgaz/Kırklareli, will be transferred to the Çorlu Branch as of February 26, 2024.

The Tümsan Sanayi Branch, located at İkitelli Organize San. Böl. Tümsan 2 San. Sit. B Blok No:6, İkitelli Başakşehir/İstanbul, will be transferred to the İkitelli Branch as of February 26, 2024.

The Küçükköy/Istanbul Branch, located at Fevzi Çakmak Mah. Hekim Suyu Cad. No:14/C, Gaziosmanpaşa/İstanbul, will be transferred to the Topçular Branch as of February 26, 2024.

By the decision of our Bank's Board of Directors dated January 15, 2024, and numbered 2024/09:

The Edremit/Balıkesir Branch, located at Cennetayağı Mah. İstasyon Cad. Koza Cennet Evleri Sitesi B Blok No:39/A, Edremit/Balıkesir, will be transferred to the Balıkesir Branch as of February 19, 2024.

The Turgutreis/Muğla Branch, located at Turgutreis Mah. Mehmet Hilmi Cad. Topanoğlu İş Merkezi Sit. No:64 A/1, Muğla/Bodrum, will be transferred to the Bodrum Branch as of February 12, 2024.

The Yüreğir/Adana Branch, located at Cumhuriyet Mah. Karataş Blv. No:99/Z01, Adana/Yüreğir, will be transferred to the Toros Branch as of February 5, 2024.

The Karatay/Konya Branch, located at Fevzi Çakmak Mah. Adana Çevreyolu Cad. No:26/C, Konya/Karatay, will be transferred to the Konya Branch as of February 5, 2024.
The branch transfer and closure transactions will have no negative impact on the financial statements.

IV. Information on the effects of significant changes in foreign exchange rates after balance sheet date on the items denominated in foreign currency and financial statements and the Group's operations abroad that would affect decision making process of users and foreign operations of the Bank

None.

SECTION SEVEN: INDEPENDENT AUDITOR'S REPORT

I. Explanations on Independent Auditor's Report

The unconsolidated 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 unconsolidated financial statements.

II. Explanations and Notes Prepared by the Independent Auditor

None.

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