

*(Convenience Translation of Unconsolidated Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish, See Note I in Section Three)*

## **Odea Bank Anonim Şirketi**

**Unconsolidated Financial Statements, Related Disclosures and  
Independent Auditors' Report Thereon  
as of and for the year-ended  
31 December 2022**

3 February 2023

*This report includes "Auditors' Report" comprising 4 pages and;  
"Unconsolidated Financial Statements and Related Disclosures  
and Footnotes" comprising 113 pages.*

## Convenience Translation of the Independent Auditors' Report Originally Prepared and Issued in Turkish to English (See Note I in Section Three)

To the General Assembly of Odea Bank Anonim Şirketi

### A) Report on the Audit of the Unconsolidated Financial Statements

#### *Qualified Opinion*

We have audited the accompanying unconsolidated financial statements of Odea Bank Anonim Şirketi ("the Bank") which comprise the unconsolidated statement of financial position as at 31 December 2022 and the unconsolidated statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity, cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effect of the matter described in the *Basis For Qualified Opinion* section of our report, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of Odea Bank Anonim Şirketi as at 31 December 2022, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the "Banking Regulation and Supervision Board Accounting and Reporting Legislation" which includes the "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 Banking Regulation and Supervision Agency ("BRSA") and requirements of Turkish Financial Reporting Standards ("TFRS") for the matters not regulated by the aforementioned legislations.

#### *Basis for Qualified Opinion*

As stated in Note 2.9. of Section Five, the accompanying unconsolidated financial statements as at 31 December 2022 include a general provision of total of TRL 650.000 thousands which TRL 520.000 thousands was recognized as expense in the current period and TRL 130.000 thousands had been recognized as expense in the prior periods; with a deferred tax asset on this general provision amounting to TRL 162.500 thousands of which TRL 130.000 thousands was recognized in the current period and TRL 32.500 thousands had been recognized in prior periods which does not meet the requirements of BRSA Accounting and Reporting Legislation. This general provision is provided by the Bank management for the possible effects of the negative circumstances which may arise in economy or market conditions.

We conducted our audit in accordance with the "Regulation on Independent Audit of the Banks" ("BRSA Audit Regulation") published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Independent Standards on Auditing which is a component of the Turkish Auditing Standards ("TSA"s) published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the POA's Code of Ethics for Independent Auditors (including Independence Standards) ("Code of Ethics") together with the ethical requirements that are relevant to our audit of the financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

#### *Impairment of loans measured at amortized cost*

Refer to Section III, No: VII to the unconsolidated financial statements relating to the details of accounting policies and significant judgments of for impairment of loans measured at amortized cost.

<b>Key audit matter</b>	<b>How the matter is addressed in our audit</b>
<p>As of 31 December 2022, loans measured at amortized cost comprise 47% of the Bank's total assets.</p> <p>The Bank recognizes its loans in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the "Regulation") published on the Official Gazette No. 29750 dated 22 June 2016 and TFRS 9 Financial Instruments standard ("Standard").</p> <p>The Bank applies the "expected credit loss model" in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Bank management annually.</p> <p>The significant assumptions and estimates of the Bank's management are as follows:</p> <ul style="list-style-type: none"> <li>• significant increase in credit risk</li> <li>• incorporating the forward-looking macroeconomic information in calculation of credit risk</li> <li>• design and implementation of expected credit loss model</li> </ul> <p>The determination of the impairment of loans measured at amortized cost depends on the credit default status, the model based on the change in the credit risk at the first recognition date and the classification of the loans measured at amortized cost according to the model. Establishing an accurate classification is a significant process as the calculation of expected credit loss varies to the staging of the financial assets.</p> <p>The Bank calculates expected credit losses on both an individual and a collective basis. Individual provisions consider the estimated future performance of the business and the market value of the collateral provided for credit transactions.</p> <p>The collective basis expected credit loss calculation is based on complex processes which are modelled by using current and past data sets and expectations. The completeness and accuracy of data sets in the model are also considered and the forward-looking expectations are reflected by macroeconomic models.</p> <p>The impairment calculation for loans has been identified as a key audit matter, as it has a complex structure and includes significant estimations and assumptions made by the management.</p>	<p>Our procedures for auditing the expected credit losses on loans include below:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists.</li> <li>• We evaluated the adequacy of the subjective and objective criteria that is defined in the Bank's impairment accounting policy compared with the Regulation and Standard.</li> <li>• We evaluated the Banks's business model and methodology and the evaluation of the calculations carried out with the control testing and detail analysis by the involvement of specialist.</li> <li>• We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and evaluation of their classification. In this context, the current status of the loan customer has been evaluated by including forward looking information and macroeconomic expectations.</li> <li>• For the expected credit loss calculations for individually assessed loans, we evaluated the accuracy of the loss allowances by including prospective cash flow information, collateral values and macroeconomic expectations.</li> <li>• We tested the accuracy and completeness of the data in the calculation models for the loans which are assessed on collective basis. The expected credit loss calculation was tested through recalculation. The models used for the calculation of the risk parameters were examined and the risk parameters for the selected sample portfolios were recalculated.</li> <li>• We assessed the macroeconomic models and tested the effect of the risk parameters by recalculation method.</li> <li>• We evaluated the qualitative and quantitative assessments, which are used in determining the significant increase in credit risk.</li> <li>• We evaluated the adequacy of the disclosures in the unconsolidated financial statements related to impairment provisions.</li> </ul>

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

Management is responsible for the preparation and fair presentation of these unconsolidated financial statements in accordance with the “BRSA Accounting and 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.

## *Auditors’ Responsibilities for the Audit of the Unconsolidated Financial Statements*

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with BRSA Audit Regulation and TSAs will always detect a material misstatement when it exists. 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 on the basis of these unconsolidated financial statements.

As part of an audit in accordance with BRSA Audit Regulation and TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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.
- Obtain an understanding of 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’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ 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 auditors’ 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and if any, 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 auditors' 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) Report on Other Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code No. 6102 ("TCC"); no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January - 31 December 2022 are not in compliance with TCC and provisions of the Bank's articles of association in relation to financial reporting.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

Additional paragraph for convenience translation to English:

The accounting principles summarized in Note I Section Three, differ from the accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). Accordingly, the accompanying unconsolidated financial statements are not intended to present the unconsolidated financial position and results of operations in accordance with accounting principles generally accepted in such countries of users of the unconsolidated financial statements and IFRS.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Erdal Tıkmak, SMMM

Partner

3 February 2023

Istanbul, Turkey

**Translated into English from the original Turkish report and financial statements**

**ODEA BANK A.Ş.  
UNCONSOLIDATED FINANCIAL REPORT  
AS OF DECEMBER 31, 2022**

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The unconsolidated financial report as at and for the year-ended prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks” as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- DISCLOSURES AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITORS’ REPORT

The accompanying unconsolidated financial statements for the year-end and notes to these financial statements are prepared based on the financial records of the Bank and in accordance with the Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations of these, have been subject to independent audit and presented in **thousands of Turkish Lira** unless otherwise stated.

Imad ITANI	Mert ÖNCÜ	Mehmet Gökmen UÇAR	Öcal PERÇİN
Chair of the Board of Directors	Member of the Board of Directors and General Manager	Deputy General Manager and Assistant General Manager in charge of Finance, Financial Control and Strategy	Financial Reporting Director
Oya AYDINLIK	Mouayed MAKHLOUF	Farid LAHOUD	
Member of Board of Directors and Chair of the Audit Committee	Member of Board of Directors and Audit Committee Member	Member of Board of Directors and Audit Committee Member	

Contact information of the personnel in charge of addressing questions about this financial report:

Name-Surname / Title : Senem Sarohan / Financial Reporting Manager  
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**Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish,  
See Note I of Section Three**

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**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE BANK**

**I. Bank's Incorporation Date, Beginning Statue, Changes in the Existing Statue**

Odea Bank A.Ş. ("the Bank") was established as a deposit bank with USD 300 Million capital with the permission of BRSA numbered 4432 dated October 27, 2011, which was published in the Official Gazette on October 28, 2011, numbered 28098. The Bank started its operations in the "foreign deposit banks founded in Turkey" group, by taking operating permission from BRSA numbered 4963 on September 28, 2012, which was published in Official Gazette dated October 2, 2012 numbered 28429.

**II. Explanations Regarding Bank's Shareholding Structure, Shareholders Holding Directly or Indirectly, Collectively or Individually, the Managing and Controlling Power and Changes in Current Year, if any and Explanations on the Controlling Group of the Bank**

As of 31 December 2022 and 31 December 2021, the shareholders' structure and their ownerships are summarized as follows:

Name and Surname / Commercial Title	Current Period		Prior Period	
	Share Amount	Share Ratios	Share Amount	Share Ratios
Bank Audi sal	2.513.293	76,419%	2.513.293	76,419%
European Bank for Reconstruction and Development	263.394	8,009%	263.394	8,009%
International Finance Corporation	209.252	6,362%	209.252	6,362%
H.H Sheikh Dheyab Binzayed Binsultan Al-Nahyan	131.697	4,004%	131.697	4,004%
IFC FIG Investment Company S.a.r.l	112.674	3,426%	112.674	3,426%
Mr. Mohammad Hassan Zeidan	58.532	1,780%	58.532	1,780%
	<b>3.288.842</b>	<b>100,00%</b>	<b>3.288.842</b>	<b>100,00%</b>

**Bank Audi sal**

Bank Audi Group is a leading Lebanese based banking group with a universal banking profile. Based on a diversified universal service model, it operates principally in Lebanon in the Middle East, Europe and in Turkey. The Group offers universal financial products and services including Corporate, Commercial, Retail and Private Banking services in addition to capital market activities and factoring.

Bank Audi Group boasts one of the largest branch networks in Lebanon, covering the Greater Beirut area and other strategic regions in Lebanon. The Group has two principal subsidiaries in Europe and one in Turkey.

The Group ranks among the top banks in Lebanon in terms of asset size, shareholders' equity, customer deposits, loans and net income. Having one of the largest branch networks in Lebanon, the Group has 113 branches as of 31 December 2022.

The Bank Audi Group, established in 1830, has become a private joint stock company (Société Anonyme Libanaise), limited to 99 years in 1962. The Group's shareholder base has been expanding since 1983, with the first shareholders being the members of the Audi family along with Kuwaiti investors. Today, the Group's shareholder base covers 1.500 shares and/or Global Depository Receipt (GDR) holders representing the shares. The parent bank of the Group, Bank Audi's shares and its Global Depository Receipt (GDR) are quoted on the Beirut Stock Exchange.



**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**III. Explanations Regarding the Chair and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Their Shares and Areas of Responsibility in the Bank**

<u>Title</u>	<u>Name-Surname</u>	<u>Responsibility</u>	<u>Education</u>
<b>Chair of the Board of Directors</b>	Imad ITANI	Chair of the Board of Directors	Ph.D. Degree
<b>Vice Chair of the Board of Directors</b>	Tamer GHAZALEH	Vice Chair of the Board of Directors	Bachelor's Degree
<b>Members of the Board of Directors</b>	Khalil El DEBS	Member of the Board of Directors	Master's Degree
	Mouayed MAKHLOUF	Member of the Board of Directors and Member of the Audit Committee	Master's Degree
	Antoine NAJM	Member of the Board of Directors	Bachelor's Degree
	Ayşe Botan BERKER	Member of the Board of Directors	Ph.D. Degree
	Farid LAHOUD	Member of the Board of Directors and Member of the Audit Committee	Ph.D. Degree
	Chahdan JEBEYLI	Member of the Board of Directors	Master's Degree
	Oya AYDINLIK	Member of the Board of Directors and Chair of the Audit Committee	Bachelor's Degree
	Ebru OĞAN KNOTTNERUS	Member of the Board of Directors	Bachelor's Degree
	Hilmi GÜVENAL *	Member of the Board of Directors	Bachelor's Degree
<b>Member of the Board of Directors and General Manager</b>	Mert ÖNCÜ	Member of the Board of Directors and General Manager	Ph.D. Degree
<b>Deputy General Manager</b>	Yağın AVCI	Commercial Banking	Master's Degree
	Mehmet Gökmen UÇAR	Finance, Financial Control and Strategy	Bachelor's Degree
<b>Assistant General Managers</b>	Cem MURATOĞLU	Private Banking	Master's Degree
	Emir Kadir ALPAY	Treasury, Capital Markets and FI	Master's Degree
	Sinan Erdem ÖZER	Information Technologies and Operations	Master's Degree
	Hüseyin GÖNÜL	Risk Management and Internal Control	Bachelor's Degree
	Cenk DEMİRÖZ	Credit Allocation	Master's Degree
	Hüseyin Cem Taner **	Credit Monitoring and Remedial	Bachelor's Degree
	Ebru Vardar ***	Human Resources	Bachelor's Degree
	Gürcan Kırmızı ****	Retail Banking	Bachelor's Degree

(\*) The term of Mrs. Dragica Pilipovic-Chaffey as member of the Board of Directors has ended as of March 29, 2022. Mr. Hilmi Guvenal has been appointed as member of the Board in replacement of Mrs. Dragica Pilipovic Chaffey during the Ordinary General Assembly. Mr. Hilmi Guvenal took his oath on 7 April 2022 and officially started his duty.

(\*\*) Mr. Hüseyin Cem Taner has been appointed as Assistant General Manager in charge of Credit Monitoring and Remedial on February 22, 2022.

(\*\*\*) Ms. Ebru Vardar has been appointed as Assistant General Manager in charge of Human Resources on February 22, 2022.

(\*\*\*\*) Gürcan Kırmızı has been appointed as the Bank's Executive Vice President of Retail Banking as of November 21, 2022.

Individuals mentioned above do not own any shares of the Bank.

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**IV. Information About The Persons and Institutions That Have Qualified Shares**

Information about the persons and institutions that have qualified shares as of 31 December 2022:

Name and Surname / Commercial Title	Share Amount	Share Ratios	Paid up Shares	Unpaid Shares
Bank Audi sal	2.513.293	76,419%	2.513.293	-

**V. Summary on the Bank's Functions and Areas of Activity**

The headquarters of the Bank is located in Istanbul and as of 31 December 2022. The Bank has 48 domestic branches with 1.110 employees. The Bank is organized to operate in all operational aspects of commercial and retail banking under the scope of 4th Article of the Banking Law. The Bank has no subsidiaries in the financial sector (31 December 2021: 48 domestic branches, 1.111 employees).

**VI. Differences between the communiqué on preparation of consolidated financial statements of Banks and Turkish Accounting Standards and short explanation about the institutions subject to full consolidation method or proportional consolidation and institutions which are deducted from equity or not included in these three methods**

The Bank has no consolidated subsidiaries.

**VII. The existing or potential, actual or legal obstacles on the transfer of shareholder's equity between the Bank and its subsidiaries or reimbursement of liabilities**

None.

**Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I of Section Three**

## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS**

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off-Balance Sheet Items
- III. Statement of Profit or Loss
- IV. Statement of Profit or Loss and Other Comprehensive Income
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows
- VII. Statement of Profit Distribution

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS OF 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**I. BALANCE SHEET – ASSETS**

	Note Ref (Section Five)	Audited Current Period 31 December 2022			Audited Prior Period 31 December 2021		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>12.841.253</b>	<b>15.671.313</b>	<b>28.512.566</b>	<b>8.897.971</b>	<b>18.235.706</b>	<b>27.133.677</b>
<b>1.1 Cash and cash equivalents</b>		<b>6.064.098</b>	<b>10.222.327</b>	<b>16.286.425</b>	<b>698.155</b>	<b>12.591.571</b>	<b>13.289.726</b>
1.1.1 Cash and balances at Central Bank	I-1	1.149.956	6.911.848	8.061.804	698.223	8.744.186	9.442.409
1.1.2 Banks	I-3	1.126.014	3.314.028	4.440.042	186	3.849.928	3.850.114
1.1.3 Receivables from Money Markets		3.792.303	-	3.792.303	-	-	-
1.1.4 Allowance for expected credit losses (-)		4.175	3.549	7.724	254	2.543	2.797
<b>1.2 Financial assets at fair value through profit or loss</b>	<b>I-2</b>	<b>1.566</b>	<b>34.424</b>	<b>35.990</b>	<b>82.571</b>	<b>19.184</b>	<b>101.755</b>
1.2.1 Public debt securities		1.566	9.196	10.762	723	201	924
1.2.2 Equity instruments		-	25.228	25.228	-	18.983	18.983
1.2.3 Other financial assets		-	-	-	81.848	-	81.848
<b>1.3 Financial assets at fair value through other comprehensive income</b>	<b>I-4</b>	<b>6.144.836</b>	<b>4.802.398</b>	<b>10.947.234</b>	<b>6.015.351</b>	<b>4.024.089</b>	<b>10.039.440</b>
1.3.1 Public debt securities		5.663.225	4.801.931	10.465.156	3.839.372	3.477.533	7.316.905
1.3.2 Equity instruments		13.154	467	13.621	4.897	359	5.256
1.3.3 Other financial assets		468.457	-	468.457	2.171.082	546.197	2.717.279
<b>1.4 Derivative financial assets</b>	<b>I-2</b>	<b>630.753</b>	<b>612.164</b>	<b>1.242.917</b>	<b>2.101.894</b>	<b>1.600.862</b>	<b>3.702.756</b>
1.4.1 Derivative financial assets at fair value through profit or loss		607.102	612.164	1.219.266	2.009.458	1.600.862	3.610.320
1.4.2 Derivative financial assets at fair value through other comprehensive income	I-11	23.651	-	23.651	92.436	-	92.436
<b>II. FINANCIAL ASSET MEASURED AT AMORTISED COST (Net)</b>		<b>23.138.242</b>	<b>14.600.325</b>	<b>37.738.567</b>	<b>12.343.360</b>	<b>14.203.781</b>	<b>26.547.141</b>
<b>2.1 Loans</b>	<b>I-5</b>	<b>17.975.045</b>	<b>14.565.724</b>	<b>32.540.769</b>	<b>13.422.045</b>	<b>14.147.077</b>	<b>27.569.122</b>
<b>2.2 Receivables from leasing transactions</b>	<b>I-10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.3 Factoring receivables</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.4 Other financial assets measured at amortized cost</b>	<b>I-6</b>	<b>6.327.808</b>	<b>969.911</b>	<b>7.297.719</b>	<b>270.117</b>	<b>1.064.923</b>	<b>1.335.040</b>
2.4.1 Public debt securities		3.309.652	969.911	4.279.563	198.108	1.064.923	1.263.031
2.4.2 Other financial assets		3.018.156	-	3.018.156	72.009	-	72.009
<b>2.5 Allowance for expected credit losses (-)</b>		<b>1.164.611</b>	<b>935.310</b>	<b>2.099.921</b>	<b>1.348.802</b>	<b>1.008.219</b>	<b>2.357.021</b>
<b>III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS" (Net)</b>	<b>I-16</b>	<b>805.513</b>	<b>-</b>	<b>805.513</b>	<b>296.839</b>	<b>-</b>	<b>296.839</b>
3.1 Held for sale		805.513	-	805.513	296.839	-	296.839
3.2 Held from discontinued operations		-	-	-	-	-	-
<b>IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4.1 Investments in associates (Net)</b>	<b>I-7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1 Associates accounted by using equity method		-	-	-	-	-	-
4.1.2 Non-consolidated associates		-	-	-	-	-	-
<b>4.2 Investments in subsidiaries (Net)</b>	<b>I-8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.2.1 Non-consolidated financial subsidiaries		-	-	-	-	-	-
4.2.2 Non-consolidated non-financial subsidiaries		-	-	-	-	-	-
<b>4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)</b>	<b>I-9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Jointly controlled partnerships accounted by using equity method		-	-	-	-	-	-
4.3.2 Non-consolidated jointly controlled partnerships		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>	<b>I-12</b>	<b>302.149</b>	<b>-</b>	<b>302.149</b>	<b>181.790</b>	<b>-</b>	<b>181.790</b>
<b>VI. INTANGIBLE ASSETS AND GOODWILL (Net)</b>	<b>I-13</b>	<b>243.171</b>	<b>-</b>	<b>243.171</b>	<b>147.126</b>	<b>-</b>	<b>147.126</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		243.171	-	243.171	147.126	-	147.126
<b>VII. INVESTMENT PROPERTIES (Net)</b>	<b>I-14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSETS</b>		<b>911</b>	<b>-</b>	<b>911</b>	<b>4.739</b>	<b>-</b>	<b>4.739</b>
<b>IX. DEFERRED TAX ASSETS</b>	<b>I-15</b>	<b>593.629</b>	<b>-</b>	<b>593.629</b>	<b>256.329</b>	<b>-</b>	<b>256.329</b>
<b>X. OTHER ASSETS</b>	<b>I-17</b>	<b>791.435</b>	<b>8.908</b>	<b>800.343</b>	<b>710.991</b>	<b>187.373</b>	<b>898.364</b>
<b>TOTAL ASSETS</b>		<b>38.716.303</b>	<b>30.280.546</b>	<b>68.996.849</b>	<b>22.839.145</b>	<b>32.626.860</b>	<b>55.466.005</b>

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS OF 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**I. BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY**

	Note Ref. (Section Five)	Audited Current Period 31 December 2022			Audited Prior Period 31 December 2021		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>II-1</b>	<b>31.005.197</b>	<b>18.233.262</b>	<b>49.238.459</b>	<b>11.162.411</b>	<b>27.254.677</b>	<b>38.417.088</b>
<b>II. LOANS RECEIVED</b>	<b>II-3</b>	<b>-</b>	<b>1.359.218</b>	<b>1.359.218</b>	<b>-</b>	<b>1.708.596</b>	<b>1.708.596</b>
<b>III. MONEY MARKET FUNDS</b>	<b>II-4</b>	<b>4.000.353</b>	<b>-</b>	<b>4.000.353</b>	<b>1.884.402</b>	<b>340.500</b>	<b>2.224.902</b>
<b>IV. MARKETABLE SECURITIES (Net)</b>	<b>II-5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1 Bills		-	-	-	-	-	-
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
<b>V. FUNDS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-2</b>	<b>265.550</b>	<b>661.839</b>	<b>927.389</b>	<b>1.155.844</b>	<b>1.572.905</b>	<b>2.728.749</b>
7.1 Derivative financial liabilities at fair value through profit or loss		231.556	661.839	893.395	1.155.844	1.572.905	2.728.749
7.2 Derivative financial liabilities at fair value through other comprehensive income	II-8	33.994	-	33.994	-	-	-
<b>VIII. FACTORING PAYABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. LEASE PAYABLES</b>	<b>II-7</b>	<b>163.074</b>	<b>-</b>	<b>163.074</b>	<b>120.180</b>	<b>-</b>	<b>120.180</b>
<b>X. PROVISIONS</b>	<b>II-9</b>	<b>998.579</b>	<b>242.547</b>	<b>1.241.126</b>	<b>288.862</b>	<b>62.439</b>	<b>351.301</b>
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		88.678	-	88.678	35.868	-	35.868
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		909.901	242.547	1.152.448	252.994	62.439	315.433
<b>XI. CURRENT TAX LIABILITIES</b>	<b>II-10</b>	<b>325.533</b>	<b>-</b>	<b>325.533</b>	<b>73.803</b>	<b>-</b>	<b>73.803</b>
<b>XII. DEFERRED TAX LIABILITIES</b>	<b>II-10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XIII. LIABILITIES RELATED TO ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)</b>	<b>II-11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Held for sale		-	-	-	-	-	-
13.2 Related to discontinued operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT</b>	<b>II-12</b>	<b>-</b>	<b>5.336.904</b>	<b>5.336.904</b>	<b>-</b>	<b>3.833.893</b>	<b>3.833.893</b>
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		-	5.336.904	5.336.904	-	3.833.893	3.833.893
<b>XV. OTHER LIABILITIES</b>	<b>II-6</b>	<b>690.385</b>	<b>673.457</b>	<b>1.363.842</b>	<b>564.536</b>	<b>1.876.007</b>	<b>2.440.543</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>		<b>5.249.741</b>	<b>(208.790)</b>	<b>5.040.951</b>	<b>3.725.750</b>	<b>(158.800)</b>	<b>3.566.950</b>
16.1 Paid-in capital	II-13	3.288.842	-	3.288.842	3.288.842	-	3.288.842
16.2 Capital reserves		(2.198)	-	(2.198)	(2.198)	-	(2.198)
16.2.1 Equity share premiums		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other capital reserves		(2.198)	-	(2.198)	(2.198)	-	(2.198)
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		(33.553)	-	(33.553)	(5.961)	-	(5.961)
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		792.115	(208.790)	583.325	91.338	(158.800)	(67.462)
16.5 Profit reserves		351.332	-	351.332	148.041	-	148.041
16.5.1 Legal reserves		46.700	-	46.700	36.415	-	36.415
16.5.2 Statutory reserves	II-13	-	-	-	-	-	-
16.5.3 Extraordinary reserves		304.632	-	304.632	111.626	-	111.626
16.5.4 Other profit reserves		-	-	-	-	-	-
16.6 Profit or loss		853.203	-	853.203	205.688	-	205.688
16.6.1 Prior periods profits or losses		-	-	-	-	-	-
16.6.2 Current period net profit or loss		853.203	-	853.203	205.688	-	205.688
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>42.698.412</b>	<b>26.298.437</b>	<b>68.996.849</b>	<b>18.975.788</b>	<b>36.490.217</b>	<b>55.466.005</b>

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS**  
**AS OF 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**II. STATEMENT OF OFF-BALANCE SHEET ITEMS**

		Audited Current Period 31 December 2022			Audited Prior Period 31 December 2021			
		TL	FC	Total	TL	FC	Total	
		Note Ref. (Section Five)						
<b>A.</b>	<b>OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>	<b>56.018.219</b>	<b>123.545.647</b>	<b>179.563.866</b>	<b>36.143.655</b>	<b>148.048.781</b>	<b>184.192.436</b>	
<b>I.</b>	<b>GUARANTEES</b>	<b>11.651.588</b>	<b>3.423.006</b>	<b>15.074.594</b>	<b>3.412.776</b>	<b>5.270.535</b>	<b>8.683.311</b>	
1.1	Letters of guarantee	6.876.842	1.197.845	8.074.687	3.061.521	1.333.953	4.395.474	
1.1.1	Guarantees subject to State Tender Law	-	-	-	-	-	-	
1.1.2	Guarantees given for foreign trade operations	-	-	-	-	-	-	
1.1.3	Other letters of guarantee	6.876.842	1.197.845	8.074.687	3.061.521	1.333.953	4.395.474	
1.2	Bank acceptances	-	-	-	-	4.976	4.976	
1.2.1	Import letter of acceptance	-	-	-	-	4.976	4.976	
1.2.2	Other bank acceptances	-	-	-	-	-	-	
1.3	Letters of credit	286.303	2.143.422	2.429.725	4.211	2.211.783	2.215.994	
1.3.1	Documentary letters of credit	286.303	2.143.422	2.429.725	4.211	2.211.783	2.215.994	
1.3.2	Other letters of credit	-	-	-	-	-	-	
1.4	Prefinancing given as guarantee	-	-	-	-	-	-	
1.5	Endorsements	-	-	-	-	-	-	
1.5.1	Endorsements to the Central Bank of Turkey	-	-	-	-	-	-	
1.5.2	Other endorsements	-	-	-	-	-	-	
1.6	Purchase guarantees for Securities issued	-	-	-	-	-	-	
1.7	Factoring guarantees	-	-	-	-	-	-	
1.8	Other guarantees	4.488.443	81.739	4.570.182	347.044	1.719.823	2.066.867	
1.9	Other collaterals	-	-	-	-	-	-	
<b>II.</b>	<b>COMMITMENTS</b>	<b>16.124.178</b>	<b>1.808.351</b>	<b>17.932.529</b>	<b>13.618.283</b>	<b>2.521.407</b>	<b>16.139.690</b>	
2.1	Irrevocable commitments	2.413.373	1.808.351	4.221.724	1.680.493	2.521.407	4.201.900	
2.1.1	Forward asset purchase and sales commitments	805.888	1.775.395	2.581.283	595.909	2.497.633	3.093.542	
2.1.2	Forward deposit purchase and sales commitments	-	-	-	-	-	-	
2.1.3	Share capital commitment to associates and subsidiaries	-	-	-	-	-	-	
2.1.4	Loan granting commitments	1.021.137	-	1.021.137	620.130	-	620.130	
2.1.5	Securities underwriting commitments	-	-	-	-	-	-	
2.1.6	Commitments for reserve deposit requirements	-	-	-	-	-	-	
2.1.7	Payment commitment for checks	77.145	-	77.145	62.333	-	62.333	
2.1.8	Tax and fund liabilities from export commitments	-	-	-	-	-	-	
2.1.9	Commitments for credit card expenditure limits	504.112	-	504.112	396.015	-	396.015	
2.1.10	Commitments for promotions related with credit cards and banking activities	1.398	-	1.398	2.413	-	2.413	
2.1.11	Receivables from short sale commitments	-	-	-	-	-	-	
2.1.12	Payables for short sale commitments	-	-	-	-	-	-	
2.1.13	Other irrevocable commitments	3.693	32.956	36.649	3.693	23.774	27.467	
2.2	Revocable commitments	13.710.805	-	13.710.805	11.937.790	-	11.937.790	
2.2.1	Revocable loan granting commitments	13.710.805	-	13.710.805	11.937.790	-	11.937.790	
2.2.2	Other revocable commitments	-	-	-	-	-	-	
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>28.242.453</b>	<b>118.314.290</b>	<b>146.556.743</b>	<b>19.112.596</b>	<b>140.256.839</b>	<b>159.369.435</b>	
3.1	Derivative financial instruments for hedging purposes	1.750.000	-	1.750.000	2.250.000	-	2.250.000	
3.1.1	Fair value hedge	-	-	-	-	-	-	
3.1.2	Cash flow hedge	1.750.000	-	1.750.000	2.250.000	-	2.250.000	
3.1.3	Hedge of net investment in foreign operations	-	-	-	-	-	-	
3.2	Trading derivatives	26.492.453	118.314.290	144.806.743	16.862.596	140.256.839	157.119.435	
3.2.1	Forward foreign currency buy/sell transactions	294.483	6.336.939	6.631.422	2.078.511	7.235.331	9.313.842	
3.2.1.1	Forward foreign currency transactions-buy	261.179	3.058.356	3.319.535	1.693.029	2.925.800	4.618.829	
3.2.1.2	Forward foreign currency transactions-sell	33.304	3.278.583	3.311.887	385.482	4.309.531	4.695.013	
3.2.2	Swap transactions related to foreign currency. and interest rates	4.947.732	85.635.636	90.583.368	10.142.298	93.932.934	104.075.232	
3.2.2.1	Foreign currency swaps-buy	440.108	19.847.088	20.287.196	789.765	17.710.189	18.499.954	
3.2.2.2	Foreign currency swaps-sell	2.107.624	18.008.386	20.116.010	4.552.533	13.292.433	17.844.966	
3.2.2.3	Interest rate swaps-buy	1.200.000	23.890.081	25.090.081	2.400.000	31.465.156	33.865.156	
3.2.2.4	Interest rate swaps-sell	1.200.000	23.890.081	25.090.081	2.400.000	31.465.156	33.865.156	
3.2.3	Foreign currency, interest rate and securities options	21.250.238	26.341.715	47.591.953	4.641.787	39.088.574	43.730.361	
3.2.3.1	Foreign currency options-buy	14.884.996	9.017.401	23.902.397	3.320.031	4.963.669	8.283.700	
3.2.3.2	Foreign currency options-sell	6.365.242	17.324.314	23.689.556	1.321.756	7.144.617	8.466.373	
3.2.3.3	Interest rate options-buy	-	-	-	-	13.490.144	13.490.144	
3.2.3.4	Interest rate options-sell	-	-	-	-	13.490.144	13.490.144	
3.2.3.5	Securities options-buy	-	-	-	-	-	-	
3.2.3.6	Securities options-sell	-	-	-	-	-	-	
3.2.4	Foreign currency futures	-	-	-	-	-	-	
3.2.4.1	Foreign currency futures-buy	-	-	-	-	-	-	
3.2.4.2	Foreign currency futures-sell	-	-	-	-	-	-	
3.2.5	Interest rate futures	-	-	-	-	-	-	
3.2.5.1	Interest rate futures-buy	-	-	-	-	-	-	
3.2.5.2	Interest rate futures-sell	-	-	-	-	-	-	
3.2.6	Other	-	-	-	-	-	-	
<b>B.</b>	<b>CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>	<b>72.235.430</b>	<b>152.178.139</b>	<b>224.413.569</b>	<b>74.646.303</b>	<b>113.840.341</b>	<b>188.486.644</b>	
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>	<b>7.155.224</b>	<b>8.243.339</b>	<b>15.398.563</b>	<b>5.471.688</b>	<b>3.692.871</b>	<b>9.164.559</b>	
4.1	Assets under management	-	-	-	5.426.545	1.142.809	6.569.354	
4.2	Investment securities held in custody	7.005.437	7.098.630	14.104.067	5.989	1.363.782	1.369.771	
4.3	Checks received for collection	139.321	1.144.709	1.284.030	4.244	1.185.098	1.189.342	
4.4	Commercial notes received for collection	6.300	-	6.300	11.401	1.182	12.583	
4.5	Other assets received for collection	-	-	-	-	-	-	
4.6	Assets received for public offering	-	-	-	-	-	-	
4.7	Other items under custody	4.166	-	4.166	23.509	-	23.509	
4.8	Custodians	-	-	-	-	-	-	
<b>V.</b>	<b>PLEDGED ITEMS</b>	<b>65.065.245</b>	<b>143.821.008</b>	<b>208.886.253</b>	<b>69.144.605</b>	<b>110.065.382</b>	<b>179.209.987</b>	
5.1	Marketable securities	1.875.981	3.351.583	5.227.564	2.123.355	3.062.952	5.186.307	
5.2	Guarantee notes	32.218.084	18.877.965	51.096.049	29.307.079	14.140.699	43.447.778	
5.3	Commodities	3.048.390	2.718.903	5.767.293	10.522.916	5.677.350	16.200.266	
5.4	Warrants	-	-	-	-	-	-	
5.5	Properties	18.995.975	79.470.914	98.466.889	17.054.937	55.367.793	72.422.730	
5.6	Other pledged items	8.926.815	39.401.643	48.328.458	10.136.318	31.816.588	41.952.906	
5.7	Pledged items-depository	-	-	-	-	-	-	
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>	<b>14.961</b>	<b>113.792</b>	<b>128.753</b>	<b>30.010</b>	<b>82.088</b>	<b>112.098</b>	
<b>TOTAL OFF - BALANCE SHEET ITEMS (A+B)</b>		<b>128.253.649</b>	<b>275.723.786</b>	<b>403.977.435</b>	<b>110.789.958</b>	<b>261.889.122</b>	<b>372.679.080</b>	

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**III. INCOME AND EXPENSE ITEMS**

INCOME AND EXPENSE ITEMS		Note (Section Five)	Audited Current Period 1 January- 31 December 2022	Audited Prior Period 1 January- 31 December 2021
<b>I.</b>	<b>INTEREST INCOME</b>	<b>IV-1</b>	<b>7.387.219</b>	<b>3.967.219</b>
1.1	Interest on loans		3.884.250	2.656.174
1.2	Interest received from reserve deposits		15.469	45.685
1.3	Interest received from banks		66.205	17.877
1.4	Interest received from money market transactions		16.751	7.438
1.5	Interest received from marketable securities portfolio		3.395.666	1.218.541
1.5.1	Financial assets at fair value through profit or loss		49.568	21.618
1.5.2	Financial assets at fair value through other comprehensive income		2.450.526	1.123.171
1.5.3	Financial assets measured at amortized cost		895.572	73.752
1.6	Finance lease income		-	-
1.7	Other interest income		9.039	21.504
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>	<b>IV-2</b>	<b>4.447.184</b>	<b>2.781.774</b>
2.1	Interest on deposits		3.527.054	1.988.938
2.2	Interest on funds borrowed		42.153	45.227
2.3	Interest on money market transactions		318.685	432.557
2.4	Interest on securities issued		407.555	285.678
2.5	Finance lease interest expenses		28.652	23.497
2.6	Other interest expenses		123.085	5.877
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>2.940.196</b>	<b>1.185.445</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>187.514</b>	<b>102.646</b>
4.1	Fees and commissions received		217.219	129.359
4.1.1	Non-cash loans		94.764	65.470
4.1.2	Other		122.455	63.889
4.2	Fees and commissions paid (-)		29.705	26.713
4.2.1	Non-cash loans		-	2
4.2.2	Other		29.705	26.711
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>IV-3</b>	<b>-</b>	<b>-</b>
<b>VI.</b>	<b>TRADING PROFIT/LOSS (Net)</b>	<b>IV-4</b>	<b>40.843</b>	<b>7.221</b>
6.1	Profit/losses from capital market transactions		446.303	35.028
6.2	Profit/losses from derivative financial transactions		123.167	956.184
6.3	Foreign exchange profit/losses		(528.627)	(983.991)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>IV-5</b>	<b>1.198.783</b>	<b>851.911</b>
<b>VIII.</b>	<b>GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)</b>		<b>4.367.336</b>	<b>2.147.223</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSSES (-)</b>	<b>IV-6</b>	<b>1.441.713</b>	<b>964.560</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	<b>IV-6</b>	<b>495.143</b>	<b>173.748</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>654.428</b>	<b>354.445</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>IV-7</b>	<b>678.830</b>	<b>415.885</b>
<b>XIII.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>1.097.222</b>	<b>238.585</b>
<b>XIV.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES</b>		<b>-</b>	<b>-</b>
<b>XVI.</b>	<b>NET MONETARY POSITION GAIN/LOSS</b>		<b>-</b>	<b>-</b>
<b>XVII.</b>	<b>PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)</b>	<b>IV-9</b>	<b>1.097.222</b>	<b>238.585</b>
<b>XVIII.</b>	<b>PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>IV-10</b>	<b>(244.019)</b>	<b>(32.897)</b>
18.1	Current tax provision		(785.109)	(37.749)
18.2	Expense effect of deferred tax (+)		(527.941)	(535.702)
18.3	Income effect of deferred tax (-)		1.069.031	540.554
<b>XIX.</b>	<b>NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)</b>	<b>IV-11</b>	<b>853.203</b>	<b>205.688</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
20.1	Income from assets held for sale		-	-
20.2	Profit from sale of associates, subsidiaries and joint ventures		-	-
20.3	Other income from discontinued operations		-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
21.1	Expenses on assets held for sale		-	-
21.2	Losses from sale of associates, subsidiaries and joint ventures		-	-
21.3	Other expenses from discontinued operations		-	-
<b>XXII.</b>	<b>PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XX-XXI)</b>		<b>-</b>	<b>-</b>
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>
23.1	Current tax provision		-	-
23.2	Expense effect of deferred tax (+)		-	-
23.3	Income effect of deferred tax (-)		-	-
<b>XXIV.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>853.203</b>	<b>205.688</b>
<b>XXV.</b>	<b>NET PROFIT/LOSSES (XIX+XXIV)</b>	<b>IV-12</b>	<b>853.203</b>	<b>205.688</b>
	Profit / Loss per Share (*)		0,259	0,063

(\*) Presented in Full TL.

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2022**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Audited Current Period 1 January- 31 December 2022	Audited Prior Period 1 January- 31 December 2021
<b>I. CURRENT PERIOD PROFIT / (LOSS)</b>	<b>853.203</b>	<b>205.688</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>620.798</b>	<b>(94.568)</b>
<b>2.1 Other comprehensive income that will not be reclassified to profit or loss</b>	<b>(29.989)</b>	<b>(5.696)</b>
2.1.1 Gains (losses) on revaluation of property, plant and equipment	-	-
2.1.2 Gains (losses) on revaluation of intangible assets	-	-
2.1.3 Gains (losses) on remeasurements of defined benefit plans	(41.059)	(7.120)
2.1.4 Other Components of other comprehensive income that will not be reclassified to profit or loss	-	-
2.1.5 Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	11.070	1.424
<b>2.2 Other comprehensive income that will be reclassified to profit or loss</b>	<b>650.787</b>	<b>(88.872)</b>
2.2.1 Exchange differences on translation	-	-
2.2.2 Valuation and/or reclassification profit or loss from financial assets at fair value through other comprehensive income	908.058	(134.538)
2.2.3 Income (loss) related with cash flow hedges	(42.411)	22.976
2.2.4 Income (loss) related with hedges of net investments in foreign operations	-	-
2.2.5 Other components of other comprehensive income that will be reclassified to other profit or loss	-	-
2.2.6 Taxes relating to components of other comprehensive income that will be reclassified to profit or loss	(214.860)	22.690
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>1.474.001</b>	<b>111.120</b>

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



**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

						Other Comprehensive Income/Expense Items Not To Be Recycled To Profit and Loss			Other Comprehensive Income/Expense Items To Be Recycled To Profit and Loss							
		Note (Section Five)	Paid- In Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Tangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans	Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Recycled to Profit or Loss) (*)	Translation Differences	Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income	Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss) (**)	Profit Reserves	Prior Period Income and Losses	Current Year Income and Losses	Total Shareholders' Equity
Current Period 31/12/2022																
I.	Balance at the beginning of the period		3.288.842	-	-	(2.198)	-	(12.878)	6.917	-	(43.524)	(23.938)	148.041	-	205.688	3.566.950
II.	Adjustment in accordance with TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I-II)		3.288.842	-	-	(2.198)	-	(12.878)	6.917	-	(43.524)	(23.938)	148.041	-	205.688	3.566.950
IV.	Total comprehensive income (loss)		-	-	-	-	(29.989)	-	-	-	683.733	(32.946)	-	-	853.203	1.474.001
V.	Capital increase in cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase through internal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	2.397	-	-	-	203.291	-	(205.688)	-
11.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to reserves (**)		-	-	-	-	-	-	-	-	-	-	205.688	-	(205.688)	-
11.3	Others		-	-	-	-	-	-	2.397	-	-	-	(2.397)	-	-	-
	<b>End Balance (III+IV+.....+X+XI)</b>		<b>3.288.842</b>	<b>-</b>	<b>-</b>	<b>(2.198)</b>	<b>-</b>	<b>(42.867)</b>	<b>9.314</b>	<b>-</b>	<b>640.209</b>	<b>(56.884)</b>	<b>351.332</b>	<b>-</b>	<b>853.203</b>	<b>5.040.951</b>

(\*) TL 2.397 presented under extraordinary reserves includes the real estate sales gain benefited from corporate tax exemption and presented under "Others" account.

(\*\*) At the Ordinary General Assembly meeting dated March 29, 2022, TL 10.284, which is 5% of the Bank's net profit for the year 2021, TL 205.688, was reserved as 1st Arrangement Legal Reserve in accordance with Article 519 of the Turkish Commercial Code numbered 6102 and the remaining amount of TL 195.404 has been decided to reserve as extraordinary Reserves.

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

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

						Other Comprehensive Income/Expense Items Not To Be Recycled To Profit and Loss			Other Comprehensive Income/Expense Items To Be Recycled To Profit and Loss						
		Paid-In Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Tangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans	Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Recycled to Profit or Loss)	Translation Differences	Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income	Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)	Profit Reserves	Prior Period Income and Losses	Current Year Income and Losses	Total Shareholders' Equity
Note (Section Five)															
	Prior Period 31/12/2021														
I.	Balance at the beginning of the period	3.288.842	-	-	(2.198)	-	(7.182)	3.251	-	64.066	(42.656)	17.498	-	134.209	3.455.830
II.	Adjustment in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I-II)	3.288.842	-	-	(2.198)	-	(7.182)	3.251	-	64.066	(42.656)	17.498	-	134.209	3.455.830
IV.	Total comprehensive income (loss)	-	-	-	-	-	(5.696)	-	-	(107.590)	18.718	-	-	205.688	111.120
V.	Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution	-	-	-	-	-	-	3.666	-	-	-	130.543	-	(134.209)	-
11.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to reserves (*)	-	-	-	-	-	-	-	-	-	134.209	-	-	(134.209)	-
11.3	Others	-	-	-	-	-	-	3.666	-	-	(3.666)	-	-	-	-
	End Balance (III+IV+.....+X+XI)	3.288.842	-	-	(2.198)	-	(12.878)	6.917	-	(43.524)	(23.938)	148.041	-	205.688	3.566.950

(\*) At the Ordinary General Assembly meeting dated March 24, 2021, TL 6.710, which is 5% of the Bank's net profit for the year 2020, TL 134.209, was reserved as 1st Arrangement Legal Reserve in accordance with Article 519 of the Turkish Commercial Code numbered 6102 and the remaining amount of TL 127. 499 has been decided to reserve as extraordinary Reserves.

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**VI. STATEMENT OF CASH FLOWS**

	Footnotes (Section Five)	Audited Current Period 1 January- 31 December 2022	Audited Prior Period 1 January- 31 December 2021
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit / (loss) before changes in operating assets and liabilities</b>		<b>2.712.490</b>	<b>317.027</b>
1.1.1 Interest received		6.469.783	3.478.628
1.1.2 Interest paid		(4.232.408)	(2.455.754)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		217.219	129.359
1.1.5 Other income/(expense)		616.414	102.319
1.1.6 Collections from previously written off loans		539.338	518.325
1.1.7 Payments to personnel and service suppliers		(993.435)	(579.746)
1.1.8 Taxes paid		(640.640)	(82.125)
1.1.9 Others	VI-1	736.219	(793.979)
<b>1.2 Changes in operating assets and liabilities</b>		<b>479.378</b>	<b>665.587</b>
1.2.1 Net (increase) decrease in financial assets held for trading		65.541	91.193
1.2.2 Net (increase) decrease in due from banks and other financial institutions		1.158.557	(2.333.989)
1.2.3 Net (increase) decrease in loans		(2.198.843)	(6.434.186)
1.2.4 Net (increase) decrease in other assets	VI-1	(360.602)	37.608
1.2.5 Net increase (decrease) in bank deposits		(352.793)	(465.503)
1.2.6 Net increase (decrease) in other deposits		3.662.367	12.999.250
1.2.7 Net (increase) decrease in financial liability at fair value through profit or loss		(1.165.146)	(3.605.485)
1.2.8 Net increase (decrease) in funds borrowed		964.336	(1.025.265)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	VI-1	(1.294.039)	1.401.964
<b>I. Net cash used in from banking operations</b>		<b>3.191.868</b>	<b>982.614</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities</b>		<b>(1.241.851)</b>	<b>(279.393)</b>
2.1 Cash paid for purchase of jointly controlled entities, associates and subsidiaries		-	-
2.2 Cash obtained from sale of jointly controlled entities, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(367.479)	(112.443)
2.4 Fixed assets sales		759.463	378.251
2.5 Cash paid for purchase of financial assets available for sale		(1.501.269)	(3.757.908)
2.6 Cash obtained from sale of financial assets available for sale		4.328.590	2.963.813
2.7 Cash paid for purchase of investment securities		(6.700.308)	(71.232)
2.8 Cash obtained from sale of investment securities		2.239.152	320.126
2.9 Others		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash flows from financing activities</b>		<b>(49.538)</b>	<b>(786.009)</b>
3.1 Cash obtained from funds borrowed and securities issued		256.325	1.528.052
3.2 Cash used for repayment of funds borrowed and securities issued		(256.325)	(2.280.702)
3.3 Issued equity instrument		-	-
3.4 Dividends paid		-	-
3.5 Payments for leases		(49.538)	(33.359)
3.6 Other		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>		<b>2.245.611</b>	<b>3.038.506</b>
<b>V. Net increase in cash and cash equivalents</b>		<b>4.146.090</b>	<b>2.955.718</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	VI-2	<b>6.969.577</b>	<b>4.013.859</b>
<b>VII. Cash and cash equivalents at end of the period</b>	VI-2	<b>11.115.667</b>	<b>6.969.577</b>

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**VII. STATEMENT OF PROFIT DISTRIBUTION**

	Audited Current Period 31.12.2022 (*)	Audited Prior Period 31.12.2021 (**)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME/(LOSS)</b>		
1.1 CURRENT YEAR INCOME	1.097.222	238.585
1.2 TAXES AND DUTIES PAYABLE (-)	244.019	32.897
1.2.1 Corporate tax (Income tax)	785.109	37.749
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(541.090)	(4.852)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>853.203</b>	<b>205.688</b>
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	10.285
1.5 OTHER STATUTORY RESERVES (-)	-	2.397
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>853.203</b>	<b>193.006</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	193.006
1.12 EXTRAORDINARY RESERVES	-	-
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
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 (-)	-	-
<b>III. EARNINGS PER SHARE (***)</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0,259	0,063
3.2 TO OWNERS OF ORDINARY SHARES ( % )	25,9%	6,3%
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES ( % )	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES ( % )	-	-

(\*) The decision regarding the 2022 Profit Distribution will be taken at the General Assembly meeting.

(\*\*) At the Ordinary General Assembly meeting dated March 29, 2022, TL 10.285, which is 5% of the Bank's net profit for the year 2021, TL 205.688, was reserved as 1st Arrangement Legal Reserve in accordance with Article 519 of the Turkish Commercial Code numbered 6102 and the remaining amount of TL 195.403 has been decided to reserve as extraordinary Reserves. TL 2.397, included in the Extraordinary Reserve Fund, is the real estate sales income benefiting from the Corporate Tax exemption and has been transferred to the Tangible and Intangible Fixed Assets Revaluation Differences account.

(\*\*\*) Presented in Full TL.

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

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**SECTION THREE**  
**ACCOUNTING PRINCIPLES**

**I. Basis of Presentation**

**a. The preparation of the unconsolidated financial statements and related notes and explanations in accordance with the Turkish Financial Reporting Standards and regulation on the Regulation on Accounting Applications for Banks and Safeguarding of Documents**

The unconsolidated financial statements have been prepared in accordance with the “Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks” published in the Official Gazette no.26333 dated 1 November 2006 with regard to Banking Law No. 5411, and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by those, by those, “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”) (all “Banking Regulation and Supervision Agency (“BRSA”) Accounting and Reporting Legislation).

The unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value. The accompanying unconsolidated financial statements and notes to these financial statements are expressed in thousands of Turkish Lira (TL), unless otherwise stated.

In preparing the unconsolidated financial statements in accordance with “BRSA Accounting and Financial Reporting Legislation”, the Bank management has to make assumptions and estimates about the assets and liabilities in the balance sheet. These estimates and assumptions include fair value calculation of financial instruments and impairment of financial assets are being reviewed regularly and, when necessary, adjustments are made and the effects of these adjustments are reflected to the statement of profit or loss. The assumptions and estimates used are explained in the related notes.

**b. Information on accounting policies and changes in financial statements**

Accounting policies and valuation principles used in the preparation of the unconsolidated financial statements are determined in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency and in case where a specific regulation is not made by BRSA, TFRS.

Pursuant to the announcement made by the Public Oversight Accounting on January 20, 2022, it has been stated that businesses applying TFRS will not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting Standard in High Inflation Economies. As of 31 December 2022, Public Oversight Accounting and Auditing Standards Authority has not made a new announcement within the scope TAS 29. Therefore, no inflation adjustment has been applied on the financial statements dated 31 December 2022 in accordance with TAS 29.

The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements are explained in section three notes II to XXIII.

**c. Changes in accounting policies and disclosures**

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 2022 have no material effect on the financial statements, financial performance and on the Bank’s accounting policies. New and revised Turkish Accounting Standards issued but not yet effective as of the finalization date of the financial statements have no material effect on the financial statements, financial performance and on the Bank’s accounting policies.

The Indicator Interest Rate Reform - 2nd Phase, which brings changes in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from the beginning of 2021, was published in December 2020 and early implementation of the changes is allowed. With the modifications made, certain exceptions are provided for the basis used in the determination of contractual cash flows and hedge accounting implementations. The effects of the changes on the Bank’s financials are being assessed.

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**I. Basis of Presentation (continued)**

**Explanation for convenience translation into English**

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions**

The Bank’s main activities comprise retail, commercial and corporate banking, money market and securities market operations.

The Bank uses financial assets intensely by its nature. The Bank’s basic strategy regarding the use of financial assets is intended for ensuring the balance between the profits from and risk levels of assets.

The most important funding source of the Bank is the deposits accepted for various time periods and apart from deposits, the most important funding sources are equity, securities issued, money market transactions and borrowings obtained from foreign financial institutions, generally medium and long term. In order to use these sources in high-yield and high-quality financial assets, the Bank follows an effective asset-liability management strategy. The Bank manages interest rate risk, liquidity risk, exchange rate risk and credit risk carried on in and off balance sheet assets and liabilities within the framework of internal and legal limits.

The Bank’s asset-liability management is executed by the Asset-Liability Management Committee, within the risk limits determined by the Board of Directors, in order to keep the liquidity risk, interest rate risk, currency risk and credit risk within certain limits depending on the equity adequacy and to maximize profitability.

Translation gains and losses arising from foreign currency transactions are accounted for within the period in which the transaction occurs. Foreign currency denominated assets and liabilities are translated into TL with the prevailing buying rate of exchange of the Bank on reporting date and gains and losses arising from such transactions are recognized in the statement of profit or loss under the account of foreign exchange gains or losses.

**III. Explanations on Futures and Options Contracts and Derivative Instruments**

The derivative transactions mainly consist of options, foreign currency swaps, interest rate swaps, and foreign currency forward contracts. Derivative instruments are measured at fair value on initial recognition and subsequently remeasured at their fair values. The changes in their fair values are recorded on balance sheet under “the portion of derivative financial assets measured at fair value through profit and loss” or “the portion of derivative financial liabilities measured at fair value through profit and loss”, respectively depending on the fair values being positive or negative. Fair value changes for derivatives are recorded in the account of “income / losses” from derivative transactions under income statement.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts as their contractual values. Embedded derivatives are separated from the host contract and accounted as derivative instruments according to “TFRS – 9 Financial Instruments” in case the related embedded derivative’s economic features and risks are not closely related to the host contract, another instrument that has the same contract conditions with the embedded derivative satisfies the definition of a derivative instrument and the hybrid instrument is not carried at fair value through profit or loss. If the underlying contract is closely related to the embedded derivative, the embedded derivative is accounted for in accordance with the standard which the underlying contract is based on without any separation from the contract.

Within the scope of TFRS 13 Fair Value Measurement standard; if there is a significant decrease in the volume or level of activity for that asset or liability in relation to normal market activity for the asset or liability (or similar assets or liabilities); when the transaction or quoted price does not represent fair value; and / or when a price for a similar asset requires significant adjustment to make it comparable to the asset being measured, or when the price is stale, the Bank makes an adjustment to the transactions or quoted prices and reflects this adjustment to the fair value measurement. In this context, the Bank determines the point within the range that is most representative of fair value under current market conditions.

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**III. Explanations on Futures and Options Contracts and Derivative Instruments (continued)**

*Derivative financial instruments held for hedging purpose*

The Bank may apply cash flow hedge accounting to mitigate interest rate changes on TL deposit through interest rate swaps.

The Bank utilizes derivative instruments effectively in the process of asset and liability management. TFRS 9 permits to defer application of TFRS 9 hedge accounting and continue to apply hedge accounting in accordance with TAS 39 as a policy choice. Accordingly, the Bank continues to apply hedge accounting in accordance with TAS 39 in this context.

Within the scope of cash flow hedge accounting, effective part of the fair value changes of the hedging instrument are accounted in equity under "Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss" whereas ineffective part is accounted in the income statement.

The Bank hedges its cash flow risk arising from Turkish Lira floating interest rate liabilities by using interest rate swaps. Within the scope of cash flow hedge accounting the fair values being positive or negative and effective portions in the equity under "Other Comprehensive Income Items to be recycled to profit and loss" and ineffective portions in the income statement under "profit / loss from derivative financial transaction".

In the periods in which the cash flows (interest expenses) of the hedged item affects the income statement, the profit/ loss of the hedging instrument is recycled to the income statement from equity.

Effectiveness tests are performed at the beginning of the hedge accounting period and at each reporting period. The effectiveness tests are carried out using the Dollar off-set model and the hedge accounting is applied as long as the test results are between the range of 80%-125% of effectiveness.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective.

When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortized to income statement under trading account income/loss caption over the maturity of the hedged item from that date of the hedge accounting is discontinued. While expiring, sale, discontinuing cash flow hedge accounting or when no longer effective the cumulative gains/losses recognised in shareholders' equity and presented under "accumulated other comprehensive income or expense to be reclassified to profit or loss" are continued to be kept in this account. When the cash flows of hedged item incur, the gain/losses accounted for under shareholders' equity are recognised in income statement considering the original maturity.

**IV. Explanations on Interest Income and Expenses**

Interest income and expenses are recognized in the statement of income by using the "Effective interest method". Starting from January 1, 2018, Bank has started accruing interest income on non-performing loans.

**V. Explanations on Fees and Commission Income and Expenses**

Fees and commissions those that are not an integral part of the effective interest rate of the financial instruments measured at amortized cost are accounted for in accordance with "TFRS 15 - Revenue from Customer Contracts". Fees and commission income/expenses are primarily recognized on an accrual basis or "Effective interest method (Internal rate of return)" according to the nature of the fee and commission. Income earned in return for services rendered contractually or due to operations like sale or purchase of assets on behalf of a third party real person or corporate body are recognized when realized.

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**VI. Explanations on Financial Assets**

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Financial instruments affect liquidity, market, and credit risks on the Bank's balance sheet in all respects.

Basically, financial instruments create the majority of the commercial activities and operations of the Bank. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

All regular way purchases and sales of financial assets are recognized on the settlement date. The settlement date is the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the institution and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

The Bank categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority.

The methods and assumptions used in the recognition and measurement of financial instruments are mentioned below.

*Cash, Banks, and Other Financial Institutions:*

Cash and cash equivalents comprise cash on hand, demand placements, and highly liquid short-term investments with maturity of 3 months or less following the purchase date, not bearing risk of significant value change, and that are readily convertible to a known amount of cash and are carried at amortized cost. The book values of these assets are at their fair values.

*Financial Assets at Fair Value Through Profit and Loss:*

"Financial assets at fair value through profit/loss" are financial assets that are either managed by a model other than the ones that are managed with a business model of hold to collect contractual cash flows or with a business model of hold to collect contractual cash flows or to sell financial assets, or being subject to mentioned business models, of which cash flows does not meet the "solely for the payments of principal and interest" criteria.

Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. Transaction costs related to such assets are recorded as expense at the time of occurrence.



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**VI. Explanations on Financial Assets (continued)**

*Financial Assets at Fair Value Through Other Comprehensive Income:*

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows which are solely payments of principal and interest are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the receipt of consideration against that asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted for under the “other comprehensive income or expense items to be recycled to profit or loss” under shareholders’ equity.

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

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

*Financial Assets Measured at Amortized Cost:*

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

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

“Fair value through other comprehensive income” and “measured at amortized cost” securities portfolio of the Bank contains Consumer Price Indexed (CPI) bonds. These securities are valued and accounted for using the effective interest method based on the CPI of two months before the reporting date together with the real coupon rates and the reference index at the issuance date, with the index coefficient generated on the inflation rate is estimated by the Bank. The inflation rate estimated by the inflation expectations of Central Bank and the Bank, is updated when necessary during the year. Securities are valued at the end of the year with reference index announced by the Ministry of Treasury and Finance.

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**VI. Explanations on Financial Assets (continued)**

*Loans and Receivables:*

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market.

Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate (internal rate of return) Method".

Foreign currency indexed loans are converted into TL from the foreign currency rate as of the opening date and followed in TL accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected to the statement of income.

Foreign exchange gains and losses on the foreign currency indexed loans are presented under foreign exchange gains and losses in the statement of income.

*Derecognition of a financial asset:*

Before evaluating whether, and to what extent, derecognition is appropriate, the Bank determines whether those criteria should be applied to a part of a financial asset (or a part of a group of similar financial assets) or a financial asset (or a group of similar financial assets) in its entirety. Criteria is applied to a part of financial asset (or a part of a group of similar financial assets) if, and only if, the part being considered for derecognition meets one of the following three conditions: (i) The part comprises only specifically identified cash flows from a financial asset (or a group of similar financial assets) (ii) The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset (or a group of similar financial assets) (iii) The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

A financial asset (or, a part of a financial asset or a part of group of financial assets, where appropriate) is derecognized when, and only when,

- The contractual rights to the cash flows from the financial asset expire; or
- The contractual rights to the cash flows from the financial asset are transferred; or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in the arrangement without material delay and:
- If the entity transfers substantially all the risks and rewards of ownership of the financial asset or,
- If the entity neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, whether it has retained control of the financial asset.

If the Bank transfers the contractual rights to the cash flows from the financial asset, or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in the arrangement without material delay and if the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the entity shall determine whether it has retained control of the financial asset and it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset. In this case, the entity also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

The Bank has evaluated the non-performing loan portfolio of which contractual rights are transferred to the asset management companies, in the context of above statements and derecognizes the loans that are subject to agreements in which all risks and rewards are transferred to the buyer.

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**VII. Explanations on Expected Credit Losses**

As of 1 January 2018, a loss allowance for expected credit losses is provided by Bank for all financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income, all financial assets which are not measured at fair value through profit or loss, commitments and financial guarantee contracts in accordance with TFRS 9 International Financial Reporting Standard and "Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside" published in the Official Gazette No. 29750 dated 22 June 2016. Equity instruments are not subject to impairment assessment as they are measured at fair value.

The Bank has started its credit calculation method with the expected credit loss models in accordance with IFRS 9 rules as of 1 January 2018. Expected credit losses include a probability-weighted amount that is determined by evaluating a range of possible outcomes; reasonable and supportable information that are current conditions and forecasts of future economic conditions and the time value of money. The financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1:

They are financial assets that do not have a significant increase in credit risk at initial recognition or since initial recognition. Loss allowance for impairment of credit risk for these assets is recorded in the amount of 12-month expected credit loss.

Stage 2:

In the case of a significant increase in credit risk since initial recognition the financial asset is transferred to Stage 2. Loss allowance for impairment of credit risk is determined on the basis of the instrument's lifetime expected credit losses.

Stage 3 (Default):

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. In the calculation of expected credit losses, probability of default is considered as 100%. In determining the impairment, the Bank considers the following criteria:

- Delinquency in interest and/or principal payments by more than 90 days. On the other hand, based on the BRSA's decision numbered 8948 dated 27 March 2020 and numbered 9312 and dated 8 December 2020 and numbered 9624 and dated 17 June 2021, the default definition is that the debt is delayed more than 180 days instead of 90 days is terminated with the decision numbered 9795 and dated 16 September 2021. Again, based on the same date and numbered decision, as of 1 October 2021, it was decided to continue the application of the aforementioned default definition for loans with a delay period of more than 91 days and not exceeding 180 days. In this context, in prior year, the Bank measured the expected credit loss according to risk models, while considering the temporariness of the process and the liquidity shortage experienced by the borrower in calculating the expected credit loss within the scope of IFRS 9 for loans delayed between 91-180 days.
- Having the opinion that collection of principal and /or interest will be past due more than 90 days from its maturity or due date due to reasons such as having problems in the financing operating capital or creating additional liquidity due to unfavourable developments in macroeconomic conditions or in the sectors the debtor operates or, independent from all, due to adverse developments peculiar to the debtor.

The collections made based on provision provided for loans in the current period are deducted from "Expected Credit Losses" account in income statement, and the principal collections made in respect of loans that have been provision set aside in the previous periods or write-off exposures under off-balance sheet are recognized under "Other Operating Income" account.

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**VII. Explanations on Expected Credit Losses (continued)**

*Significant Increase in Credit Risk*

The Bank performs qualitative and quantitative assessments for the determination of financial assets that will be classified as Stage 2 due to the significant increase in credit risk.

To make the quantitative assessment, the Bank compares the rating information of the financial asset at the reporting date with the rating information at the date of initial recognition. The change above the defined threshold is considered as significant increase in credit risk, meaning that the credit is classified under Stage 2 loans.

Within the scope of qualitative assessments, if any of the following criteria occurs; the related financial asset would be taken into account as Stage 2:

- Delinquency in principal and/or interest payments, which is between 30 days and 90 days. In accordance with the BRSA Decision numbered 8970 dated 27 March 2020 and numbered 9312 dated 8 December 2020 and numbered 9624 and dated 17 June 2021 loans with an overdue more than 90 days instead of 30 days are taken into consideration was terminated with the decision numbered 9795 and dated 16 September 2021. Again, based on the same date and numbered decision, as of 1 October 2021, it was decided to continue the aforementioned stage 2 limit for loans with a delay period of more than 31 days and not exceeding 90 days. In accordance with the related decisions, borrowers with a DPD between 30 and 90 days were classified as Stage 1, however lifetime ECL (S2 ECL) was calculated for them.
- Watchlist exposures,
- Forborne exposures,
- The other retail exposures which belong to an obligor who has a retail exposure that is classified as non-performing loans.

*Measurement of Expected Credit Losses*

ECL is estimated according to several macroeconomic scenarios and final ECL is an average of each scenario’s ECL weighted by scenario probabilities. The parameters subject to the expected credit loss measurement are as follows:

Exposure at Default (EAD): The EAD represents the incurred amortized cost for cash obligations as of reporting date. It refers to the value calculated through credit conversion factors for non-cash loans and commitments.

Credit Conversion Factor (CCF): As of the reporting date, CCF corresponds to the rate used to convert non-cash loans and commitments to loan equivalents. Conversion rates are determined based on Circular 2016/1 published by local regulatory (BRSA) under the Basel 1 Framework.

Lost Given Default (LGD): It represents the economic loss incurred on the loan, if a loan defaults. It is represented as a percentage. The recovery rate summarizes all cash flows from the customer after default, including collections through cash, prior lien mortgages and vehicle pledges. In this context, different LGD values are calculated for the segments in the retail and non-retail portfolios using historical data.

Probability of Default (PD): PD represent the likelihood of default over a specified time period. Based on TFRS 9, the Bank uses two different PDs in order to calculate expected credit losses:

- 12-month PD: as the estimated probability of default occurring within the next 12 months following the reporting date.
- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument.

The Bank uses two separate internal rating systems for non-retail portfolio in the Corporate and SME segment. The both internal rating models include the borrower’s financial information and the answers to the qualitative question set. PD’s used in ECL calculation consider both current conditions and historical data. For retail portfolio, the cumulative multiplication of the 12-month averages of the roll rates for each delinquency cluster on the basis of products that are sharing common characteristics is considered as PD.

When expected credit losses are estimated, it is considered that three different macroeconomic scenarios as “Base”, “Upside” and “Downside”. Macroeconomic scenarios should be reviewed and if necessary, updated at least on an annual basis or earlier in case of a major event necessitating a review. Each scenario has its own probability to occur.

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**VII. Explanations on Expected Credit Losses (continued)**

*Significant Increase in Credit Risk (continued)*

The expected credit loss amount corresponding to each scenario is discounted to the net present value by using the exposure's contractual rate of interest.

If the loan classified under Stage 1, expected credit losses is calculated by considering 12-month PDs. The Bank calculates expected 12-month credit loss on the basis of a 12-month anticipation of default following the reporting date. The marginal PDs calculated as the difference between the cumulative PDs in two consecutive periods multiplied by the total loss in default calculated on EAD amounts for each horizon. This calculation is performed for each of the three scenarios as described above, each scenario is discounted to the net present value by using the exposure's effective interest rate of interest from related date and final ECL is derived from average of each scenario ECL weighted by scenario probabilities. If the loan classified under Stage 2, expected credit losses is calculated by considering lifetime. The expected credit loss measurement, including the use of forward-looking macroeconomic scenarios is similar to that described above however the probability of default is estimate lifetime of the financial instrument.

In accordance with IFRS 9, the Bank set aside provision for non-retail loans classified as Stage 3 in the calculation of expected credit losses in accordance with internal policies. The Bank makes this calculation by discounting the collection expectations for the financial instrument to its present value with the internal rate of return.

In addition, the Bank assesses a certain portion of Stage 2 non-retail loans individually in the calculation of the expected credit losses based on TFRS 9. As of December 31, 2022, the Bank reviewed its cash flow expectations, collection forecasts and scenario weights for its individual assessed loans, and reflected the related effects to the expected loss provisions with the best estimation approach.

For retail products sharing similar credit risk characteristics, a collective approach is used for ECL measurement. In making this calculation, the Bank takes into consideration the transition rates between the clusters in the thirty-day intervals past due of the financial assets sharing the similar credit risk characteristics as of the end of the month. The probability of loss for related cluster is calculated by multiplying the average of the 12-month transition rates corresponding to each cluster with the average of the 12-month transition rates of afterthought clusters. The outstanding balance per cluster is multiplied by the probability of loss, LGD and weighted average remaining maturity. Finally, expected credit loss is computed by applying the respective impact from the forward looking model which accounts 3 probability weighted scenarios considering the stage and the remaining maturity of the retail product.

The Bank updates TFRS 9 models at least once a year in accordance with its internal policies. The model update for the probability of default and future expectations was made in the 4th quarter of 2022, and the Bank calculated the expected loss provision with the model updated at the end of 2022.

*Approaches to Determine Forward Looking Economic Scenario*

As mentioned above, by using scenarios related to macroeconomic factors, the effect of future expectations is included in the calculation of ECL. The macro indicators that make up these macroeconomic forecasting models are Gross Domestic Product (GDP) and unemployment rate. That macroeconomic model contains more than one scenario that are considered along with their respective probability of occurrence and the weighted average of the results of these scenarios are taken into account in ECL calculations.

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**VII. Explanations on Expected Credit Losses (continued)**

*Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)*

As of 1 January 2018, The Bank applied the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income in accordance with TFRS 9 principles. However, the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

When the related financial asset is de-recognised from the financial statement, the loss allowance for expected credit losses previously reflected to the other comprehensive income is classified under the profit-loss statement.

**VIII. Explanations on Offsetting of Financial Instruments**

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

**IX. Explanations on Sales and Repurchase Agreements and Lending of Securities**

The sales and purchase of government securities under repurchase agreements made with the customers are being recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets measured at amortized cost depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities.

Funds given against securities purchased under agreements to resell (“reverse repo”) are accounted under “Receivables from reverse repurchase agreements” on the balance sheet. The difference between the purchase and determined re-sell price is accrued over the life of repurchase agreements.

The income and expenses from these transactions are reflected to the “Interest Income on Marketable Securities” and “Interest Expense on Money Market Borrowings” accounts in the income statement.

**X. Explanations on Assets Held for Sale and Discontinued Operations**

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing receivables and are accounted in the unconsolidated financial statements in accordance with the regulations of “Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations (TFRS 5)”.

The Bank, in some portion of the foreclosed assets, provides repurchase right to the debtor.

A discontinued operation is a division of a bank that is either disposed or held for sale.

Results of discontinued operations are included in the income statement separately. As of 31 December 2022 and 31 December 2021 the Bank does not have any discontinued operations.

**XI. Explanations on Goodwill and Other Intangible Assets**

There is no goodwill regarding the investments in associates and subsidiaries.

Other intangible assets are accounted for at cost less accumulated amortization. Other intangible assets are amortized with straight-line method based on their economic lives. There have been no changes in the amortization calculation method during the current period.

As of the balance sheet date, all software are purchased and there are no completed or continuing software development projects by the Bank.

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**XII. Explanations on Tangible Fixed Assets**

Tangible fixed assets are accounted for at acquisition cost less accumulated depreciation.

Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. Depreciation method is not changed in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	%
Buildings	2
Safety box	2
ATM	10
Furniture, fixtures and others	6-20
Office equipment's	10-33

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Normal maintenance and repair cost of the properties are expensed.

There is no pledge, mortgage, or any other lien on tangible fixed assets.

Branches, service buildings and vehicles subject to operational lease are accounted in accordance with TFRS 16 as of 1 January 2019.

At the commencement date, the Bank measures the right-of-use asset in accordance with TFRS 16. The depreciation requirements in TAS 16 Property, Plant and Equipment is applied in depreciating real assets considered as right-of-use asset. Amortization calculation considers the length of contract as useful lifetime.

The amortization expenses related to operational leases subject to TFRS 16 are recorded in profit/loss table under amortization expenses of tangible asset.

**XIII. Explanations on Leasing Transactions**

Tangible assets acquired through financial leasing are recognized as assets and the related liabilities as lease payables in assets and liabilities, respectively. Financial costs on leasing agreements are distributed throughout the lease periods at fixed interest rates. Interest expenses and foreign exchange losses related with financial leasing are accounted in income statement. Depreciation for assets acquired through financial leases is calculated consistently with the same principle as for the tangible assets.

As of the balance sheet date, the Bank does not have authorization for any financial leasing transactions as lessor.

**a. Disclosures of TFRS 16**

**Bank- lessee:**

The Bank assesses whether the contract has the quality of a lease or whether the lease includes the transaction at the beginning of a contract. In case the contract is transferred for a certain period of time to control the use of the asset defined for a price, it is either leased or includes a lease. The Bank reflects the existence of a right of use and a lease liability to the financial statements at the effective date of the lease.

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**XIII. Explanations on Leasing Transactions (continued)**

**Right of use assets:**

The right to use asset is first recognized by cost method and includes:

- a) The initial measurement amount of the lease obligation,
- b) The amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease;
- c) All initial direct costs incurred by the Bank and

When Bank applying the cost method, the existence of the right to use:

- a) Accumulated depreciation and accumulated impairment losses are deducted and
- b) Measures the restatement of the lease obligation at the restated cost.

TAS 16 Impairment of Assets is applied to determine whether the real estates considered as right-of-use assets are impaired and to account for any impairment loss identified.

**The Lease Obligations:**

At the effective date of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Bank's average borrowing interest rates.

The lease payments included in the measurement of the lease liability consist of the payments to be made for the right of use during the lease term of the underlying asset and the unpaid payments at the effective date of the lease.

After the effective date of the lease, the Bank measures the leasing liability as follows:

- a) Increase the book value to reflect the interest on the lease obligation
- b) Reduces the book value to reflect the lease payments made and
- c) The book value is measured to reflect reassessments and restructuring or reflect to fixed lease payments as of revised nature.

The interest on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability.



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**XIV. Explanations on Provisions and Contingent Liabilities**

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by using the Bank’s best expectation of expenses in fulfilling the obligation and discounted to present value if material.

**XV. Explanations on Liabilities Regarding Employee Benefits**

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

The Bank has calculated provision for employee severance benefits in the accompanying financial statements in accordance with TAS 19 “Employee Benefits” by using the “Projection Method” based on their past experiences in the issues of completion of personnel service period and severance pay eligibility and discounted the total provision by using the current market yield at the balance sheet date.

The Bank has no retirement fund or foundation that the employees are the member of.

*Defined Contribution Plans:*

The Bank pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

*Short-term Employee Benefits:*

In accordance with TAS 19 “Turkish Accounting Standard on Employee Benefits”; defined liabilities that arise from unused leave payments are accrued in the related period and are not discounted.

**XVI. Explanations on Taxation**

*Corporate Tax:*

While corporate tax which is applied to corporate earnings at the rate of 20% in Turkey, in accordance with the regulation introduced by the Law No. 7316 on the “Procedure for Collection of Public Receivables and the Law Amending Some Laws”, has been determined to be applied as 25% for the corporate earnings for the taxation periods of 2021 and as 23% for the corporate earnings for the taxation periods of 2022, in accordance with the regulation introduced by the Law No. 7394 on the “Law on Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law” and as per added first sentence to the temporary Article 13 of the Law No. 5520 on the “Corporate Tax Law”, this rate has been determined to be applied as 25% for the corporate earnings for the taxation periods of 2022 for the banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

In accordance with tax legislation, temporary tax is paid at the rate in force in the relevant period on earnings generated as of quarterly periods, and the amounts paid are deducted from the calculated tax on annual earnings.

Tax returns are required to be filed between the first and twenty-fifth day of the fourth month following the balance sheet date and paid in one installment until the end of the related month.

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

The Bank makes necessary provisions over results of current period operations related with Income Tax and Corporate Tax liabilities.

The balance resulting from netting off prepaid taxes and the corporate tax provision is shown in the current tax asset or liability as being positive or negative, respectively.

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**XVI. Explanations on Taxation (continued)**

As of 31 December 2022, 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. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting period including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the 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 provisional tax periods, and the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

*Deferred Tax Liability / Asset:*

The Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

In accordance with TAS 12 "Turkish Accounting Standard on Income Taxes" the Bank calculates deferred tax asset on carry forward tax losses and all deductible temporary differences, if sufficient taxable profit within five-year period to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences.

The book value of the deferred tax asset is reviewed at the end of each reporting period. The book value of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient financial profit will be available to allow the benefit of part or all of the deferred tax asset to be obtained.

If the deferred tax transactions and other issues are recognized (accounted) in profit and loss, related tax effects are recognized in profit and loss. On the other hand, if the deferred tax transactions and other issues are recognized (accounted) in equity accounts, related tax effects are also recognized (accounted) in equity accounts.

Deferred tax assets and liabilities are reflected in the accompanying financial statements on a net basis.

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet.

In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

**XVII. Additional Explanations on Borrowings**

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

The Bank has not issued convertible bonds.

**XVIII. Explanations on Issued Share Certificates**

Direct transaction costs related to issuance of stock certificates are recognized as discount from equity.

**XIX. Explanations on Avalized Drafts and Acceptances**

Avalized draft and acceptances are realized simultaneously with the payment dates of the customers and they are presented as probable commitments in off-balance sheet accounts.

**XX. Explanations on Government Incentives**

There are no government incentives utilized by the Bank.

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

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**XXI. Explanations on Segment Reporting**

Reporting according to the operational segment is presented in Note XII of Section Four.

**XXII. Explanations on Reclassifications**

None.

**XXIII. Explanations on Other Disclosures**

None.

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**SECTION FOUR**

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK**

**I. Explanations on Equity**

As of 31 December 2022, Bank's total capital has been calculated as TL 9.580.283 and capital adequacy ratio is 20,31%. As of 31 December 2021, Bank's total capital amounted to TL 7.936.802 and capital adequacy ratio was 25,67%. These ratios are above the minimum ratio required by the legislation.

**a. Information about Total Capital:**

	<b>Current Period 31 December 2022</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>	
Paid-up Capital following all debts in terms of claim in liquidation of the Bank	3.288.842
Share issue premiums	-
Reserves (*)	351.332
Gains recognized in equity as per TAS	867.754
Profit	853.203
Current Period Profit	853.203
Prior Period Profit	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>5.361.131</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	-
Improvement costs for operating leasing	37.220
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	243.171
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	91.243
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	56.884
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-
Gains arising from securitization transactions	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined-benefit pension fund net assets	-
Direct and indirect investments of the Bank in its own Common Equity	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-
Excess amount arising from mortgage servicing rights	-
Excess amount arising from deferred tax assets based on temporary differences	-
Other items to be defined by the BRSA	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>428.518</b>
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	-
<b>Total Common Equity Tier 1 Capital</b>	<b>4.932.613</b>

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**I. Explanations on Equity (continued)**

	Current Period 31 December 2022
<b>ADDITIONAL TIER 1 CAPITAL</b>	
Preferred Stock not Included in Common Equity and the Related Share Premiums	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-
<b>Additional Tier I Capital before Deductions</b>	-
<b>Deductions from Additional Tier I Capital</b>	
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
<b>Transition from the Core Capital to Continue to deduce Components</b>	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<b>Total Deductions From Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	-
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>4.932.613</b>
<b>TIER II CAPITAL</b>	
Debt instruments and share issue premiums deemed suitable by the BRSA (**)	4.579.876
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	526.610
<b>Tier II Capital Before Deductions</b>	<b>5.106.486</b>
<b>Deductions From Tier II Capital</b>	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	458.816
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 when 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 (-)	-
<b>Total Deductions from Tier II Capital</b>	<b>458.816</b>
<b>Total Tier II Capital</b>	<b>4.647.670</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>9.580.283</b>
<b>Deductions from Total Capital</b>	
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	-
Other items to be defined by the BRSA (-)	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	
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 (-)	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)</b>	-

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**I. Explanations on Equity (continued)**

	<b>Current Period 31 December 2022</b>
<b>TOTAL CAPITAL</b>	
Total Capital (TIER I Capital and TIER II Capital)	9.580.283
Total risk weighted amounts	47.163.442
<b>CAPITAL ADEQUACY RATIOS</b>	
Core Capital Adequacy Ratio	10,46
Tier I Capital Adequacy Ratio	10,46
Capital Adequacy Ratio	20,31
<b>BUFFERS</b>	
Total buffer requirement	2,506
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,006
Systemic important bank buffer ratio	
The ratio of Additional Common Equity Tier I 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	5,96
<b>Amounts Lower Than Excesses as per Deduction Rules</b>	
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 deferred tax assets based on temporary differences	-
Limits related to provisions considered in Tier II calculation	-
<b>Limits related to provisions considered in Tier II calculation</b>	
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	-
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	1.715.654
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	526.610
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	
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	-

(\*) At the Ordinary General Assembly meeting dated March 29, 2022, TL 10,284, which is 5% of the Bank's net profit for the year 2021, amounting to TL 205.688, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining 195,404. It has been decided to set aside TL as Extraordinary Reserves

(\*\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24,535 thousands of Tier II sub-loan as of 31 December 2022, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.

As of 31 December 2022, the Bank has calculated the amount subject to credit risk in the capital adequacy calculations based on the Banking Regulation and Supervision Agency's decision numbered 10188 and dated 28 April 2022, taking into account the Central Bank's foreign exchange buying rates as of 31 December 2021. In addition, as of December 21, 2021, negative net valuation differences of securities in the "Securities at Fair Value through Other Comprehensive Income" portfolio are not taken into account in the equity calculation. Had the said regulations not been implemented, the Bank's equity amount would have been calculated as TL 9.337.381 and the capital adequacy standard ratio would have been calculated as 18,34% as of 31 December 2022.

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**I. Explanations on Equity (continued)**

	<b>Prior Period 31 December 2021</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>	
Paid-up Capital following all debts in terms of claim in liquidation of the Bank	3.288.842
Share issue premiums	-
Reserves (*)	148.041
Gains recognized in equity as per TAS	300.954
Profit	205.688
Current Period Profit	205.688
Prior Period Profit	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>3.943.525</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	-
Improvement costs for operating leasing	32.393
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	147.126
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	23.938
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-
Gains arising from securitization transactions	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined-benefit pension fund net assets	-
Direct and indirect investments of the Bank in its own Common Equity	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-
Excess amount arising from mortgage servicing rights	-
Excess amount arising from deferred tax assets based on temporary differences	-
Other items to be defined by the BRSA	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>203.457</b>
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	139.398
<b>Total Common Equity Tier 1 Capital</b>	<b>3.879.466</b>

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**I. Explanations on Equity (continued)**

	Prior Period 31 December 2021
<b>ADDITIONAL TIER 1 CAPITAL</b>	
Preferred Stock not Included in Common Equity and the Related Share Premiums	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-
<b>Additional Tier I Capital before Deductions</b>	
<b>Deductions from Additional Tier I Capital</b>	
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
<b>Transition from the Core Capital to Continue to deduce Components</b>	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<b>Total Deductions From Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	-
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>3.879.466</b>
<b>TIER II CAPITAL</b>	
Debt instruments and share issue premiums deemed suitable by the BRSA(**)	4.047.043
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	341.274
<b>Tier II Capital Before Deductions</b>	<b>4.388.317</b>
<b>Deductions From Tier II Capital</b>	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	330.981
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 (-)	-
<b>Total Deductions from Tier II Capital</b>	<b>330.981</b>
<b>Total Tier II Capital</b>	<b>4.057.336</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>7.936.802</b>
<b>Deductions from Total Capital</b>	
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	-
Other items to be defined by the BRSA (-)	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	
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 (-)	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)</b>	<b>7.936.802</b>



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**I. Explanations on Equity (continued)**

	<b>Prior Period 31 December 2021</b>
<b>TOTAL CAPITAL</b>	
Total Capital (TIER I Capital and TIER II Capital)	7.936.802
Total risk weighted amounts	30.920.469
<b>CAPITAL ADEQUACY RATIOS</b>	
Core Capital Adequacy Ratio	12,55
Tier I Capital Adequacy Ratio	12,55
Capital Adequacy Ratio	25,67
<b>BUFFERS</b>	
Total buffer requirement	2,515
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,015
Systemic important bank buffer ratio	-
The ratio of Additional Common Equity Tier I 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	8,05
<b>Amounts Lower Than Excesses as per Deduction Rules</b>	
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 deferred tax assets based on temporary differences	-
Limits related to provisions considered in Tier II calculation	-
<b>Limits related to provisions considered in Tier II calculation</b>	
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1.514.119
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	341.274
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	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	
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	-

(\*) At the Ordinary General Assembly meeting dated March 24, 2021, TL 6,710, which is 5% of the Bank's net profit for the year 2020, TL 134.209, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining 127.499 It has been decided to set aside TL as Extraordinary Reserves.

(\*\*) On 1 August 2017, the Bank issued Basel III compliant bonds with a maturity of 10 years, a semi-annual coupon payment, an annual interest rate of 7.625%, amounting to USD 300 million, to be sold to real and legal persons residing abroad. According to the BRSA's letter of 17 July 2017, the bond has been classified as supplementary capital in accordance with the Regulation on Banks' Equity. Pursuant to the approval of the BRSA with the letter dated September 26, 2018, the Bank repurchased US\$ 24.535 thousand subordinated bonds as of December 31, 2021 and made a deduction from the contribution capital amount in the equity calculation. The shares have not been canceled by the Bank, and their re-circulation is at the disposal of the Bank.

As of December 31, 2021 in accordance with BRSA's decision dated December 8, 2020 and numbered 9312 and dated September 16 2021 and numbered 9795, the amount subject to credit risk in capital adequacy calculations calculated by taking into account the simple arithmetic average of the Central Bank foreign exchange buying rates for the last 252 business days before the calculation date. Additionally, negative revaluation differences of the securities classified under "Financial Assets Measured at Fair Value through Other Comprehensive Income" which acquired before 21 December 2021 has not been included in capital calculation. Had the Bank not applied these regulations, the equity amount as of 31 December 2021 would be calculated as TL 7.663.009 and the capital adequacy standard ratio would be calculated as 20,58%.

**Information on the reconciliation of Total Capital and Shareholders' Equity:**

The difference between Total Capital and Shareholders' Equity in the unconsolidated balance sheet mainly arises from expected credit loss provisions (for stage I and stage II loans) and subordinated loans. In the calculation of Total Capital, up to 1,25% of expected credit loss from stage I and stage II over total credit risk amount is added to Total Capital. Also, subordinated loans' nominal amount, by reducing 20% each year if the remaining maturity is less than 5 year, is considered as Tier II Capital. In addition; leasehold improvement costs (presented under the Tangible Assets item in the balance sheet) and Intangible Fixed Assets are deducted from Total Capital in the calculation of capital adequacy. Lastly, within the scope of the BRSA's Board Decision dated December 21, 2021, in case the net valuation differences of the securities in the portfolio of "Securities at Fair Value through Other Comprehensive Income" as of December 21, 2021 are negative, these differences are not taken into account in the calculated equity amount.

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**I. Explanations on Equity (continued)**

**Details on Subordinated Liabilities:**

Lender	Odea Bank A.Ş
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS1655085485/ US67576MAA27
Governing law(s) of the instrument	It is subject to English law additionally certain articles are subject to Turkish law. It has been issued under the "Communiqué on Borrowing Instruments" of the CMB and the "Regulation on Equities of Banks" of the BRSA.
Regulatory treatment	Tier II Capital
Subject to 10% deduction as of 1/1/2015	No
Eligible at stand-alone / consolidated (*)	Stand Alone
Instrument type (types to be specified by each jurisdiction)	Subordinated Loan
Amount recognised in regulatory capital (Currency in thousand, as of most recent reporting date) (**)	4.121.060
Per value of instrument ( Thousand USD ) (***)	275.465
Accounting classification	Liability-Subordinated Loans
Original date of issuance	01/08/2017
Perpetual or dated	10 Years Dated
Original maturity date	-
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount (****)	None.
Subsequent call dates, if applicable	-
Coupons / dividends	-
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	8,606%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	None
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, specify instrument type convertible into	None
If convertible, specify issuer of instrument it converts into	None
Write-down feature	Yes
If write-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (1) its operating license is to be revoked and the Bank is liquidated or (2) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (3) it is probable that the Issuer will become non-viable; then the bonds can be written-down
If write-down, full or partial	Fully or partially
If write-down, permanent or temporary	Permanent
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	In priority of receivables, it comes after the debt instruments which are nonsubordinated loans.
Whether the sub-loan agreement contains all the items stated within the article number 7 and 8 of "Own fund regulation" or not	The instrument is in compliance with article number 8.
Details of above mentioned items within article number 7 and 8 of "Own fund regulation"	The instrument is not in compliant with article numbered 7.

(\*) As of most recent reporting date, the bank does not have participation or subsidiary company.

(\*\*) Does not include accrued interests.

(\*\*\*) On 1 August 2017, the Bank issued Basel III compliant bonds with a maturity of 10 years, amounting to USD 300 million, to be sold to real and legal persons residing abroad. According to the BRSA's letter of 17 July 2017, the bond has been classified as supplementary capital in accordance with the Regulation on Banks' Equity. Pursuant to the approval of the BRSA with the letter dated September 26, 2018, the Bank repurchased US\$ 24.535 thousand subordinated bonds as of December 31, 2022 and made a deduction from the contribution capital amount in the equity calculation. The shares have not been canceled by the Bank, and their re-circulation is at the disposal of the Bank.

(\*\*\*\*) On August 1, 2022, the early pay option of the subordinated bond has not been exercised.

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**I. Explanations on Equity (continued)**

**Basic information in the TFRS 9 transition process:** The Bank implemented Provisional Article 5 of the “Regulation on Equity of Banks” published in the Official Gazette dated September 5, 2015 and numbered 29756. Therefore, in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside, eighty percent for the first year, sixty percent for the second year, forty percent for the third year, and twenty percent for the fourth year of the positive difference between the total expected loan loss provision calculated as of the date when the expected loan loss provisions are started to be recognized under TFRS 9 and the total provision amount calculated before starting the application of TFRS 9, has been added to the core capital amount after the tax deduction. As of 31 December 2021, Provisional Article 5 of the “Regulation on Equity of Banks” is finalized.

	2018	2019	2020	2021
<b>EQUITY COMPONENTS</b>				
Core Capital	3.672.542	3.601.419	3.602.694	3.879.466
Transition Process Unapplied Core Capital	3.114.950	3.183.222	3.323.898	3.740.068
Tier I Capital	3.672.542	3.601.419	3.602.694	3.879.466
Transition Process Unapplied Main Capital	3.114.950	3.183.222	3.323.898	3.740.068
Equity	5.535.732	5.558.945	5.976.985	7.936.802
Transition Process Unapplied Equity	4.978.141	5.140.747	5.698.189	7.797.404
<b>TOTAL RISK WEIGHTED AMOUNTS</b>				
Total Risk Weighted Amounts	25.873.673	25.575.654	30.153.312	30.920.469
<b>CAPITAL ADEQUACY RATIO</b>				
Core Capital Adequacy Ratio (%)	% 14,19	% 14,08	% 11,95	% 12,55
Transition Process Unapplied Core Capital Adequacy Ratio (%)	% 12,04	% 12,45	% 11,02	% 12,10
Main Capital Adequacy Ratio (%)	% 14,19	% 14,08	% 11,95	% 12,55
Transition Period Unapplied Main Capital Adequacy Ratio (%)	% 12,04	% 12,45	% 11,02	% 12,10
Capital Adequacy Ratio (%)	% 21,40	% 21,74	% 19,82	% 25,67
Transition Process Unapplied Capital Adequacy Ratio (%)	% 19,24	% 20,10	% 18,90	% 25,22
<b>LEVERAGE RATIO</b>				
Total Leverage Ratio Risk Exposure	44.358.365	41.192.104	53.410.064	70.612.134
Leverage Ratio	8,53	8,70	6,62	5,55
Transition Process Unapplied Leverage Ratio	7,76	7,61	6,45	5,49

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**I. Explanations on Equity (continued)**

**Explanations on Internal Capital Management**

To define Bank’s internal capital requirement assessment process; “Internal capital requirements assessment process” and “risk strategy” were prepared and approved by the Board of Directors in August 2012 and are being reviewed regularly since then. In the related process and strategy; criterias are defined which provides maintaining of continuity of capital adequacy in compliance with risk profile and appetite. The assessment methodology of internal capital requirements is a developing process, accordingly the future improvement areas are determined and the working plans are set.

Capital adequacy ratio is calculated by Risk Management Group on a monthly basis, when requested by Senior Management capital requirement according to strategic plans is explained and studies on internal capital management is conducted. Capital requirement internal assessment process is designed and conducted by Risk Management Group. Risk Management Group informs Senior Management and Board of Directors about these issues directly or through Risk Committee.

**II. Explanations on Credit Risk**

Credit risk is the risk that the Bank is a party in a contract whereby the counterparty fails to meet its obligation and cause to incur a financial loss.

The credit allocation is performed on a debtor and a debtor’s group basis within the limits and updated on a defined frequency based on market developments. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank’s loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

Risks and limits related to treasury activities and customer based commercial activities are monitored daily. Moreover, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

The credit worthiness of the debtors of the loans and other receivables is monitored regularly as prescribed in the Communiqué on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”. Most of the statement of accounts for the loans has been tried to derive from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies when the companies are audited. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

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**II. Explanations on Credit Risk (continued)**

	Current Period Risk Amount (*)	Average Net Loan Amount After Provisions
<b>Risk Types</b>		
Contingent and Non-Contingent Receivables from central governments or central banks	19.882.363	17.717.580
Contingent and Non-Contingent Receivables from regional or local governments	119.207	138.871
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	720.461	1.028.648
Contingent and Non-Contingent Receivables from International Organizations	-	-
Contingent and Non-Contingent Receivables from banks and brokerage houses	14.987.156	12.293.964
Contingent and Non-Contingent Corporates	35.387.979	31.718.233
Contingent and Non-Contingent Retail Receivables	1.488.069	854.411
Contingent and Non-Contingent Receivables Secured by Mortgages	4.982.040	4.559.678
Past Due Receivables	366.932	461.274
Receivables defined in high risk category by Regulator	347	790
Secured by mortgages	-	-
Securitization positions	-	-
Short-Term Receivables from Banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Other Receivables	2.924.824	2.363.462
<b>Total</b>	<b>80.859.378</b>	<b>71.136.911</b>

(\*) The figures represent total risk amounts before credit risk mitigation and before credit conversion factor.

	Prior Period Risk Amount (*)	Average Net Loan Amount After Provisions
<b>Risk Types</b>		
Contingent and Non-Contingent Receivables from central governments or central banks	14.308.586	12.398.381
Contingent and Non-Contingent Receivables from regional or local governments	165.054	128.863
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	925.470	917.888
Contingent and Non-Contingent Receivables from International Organizations	-	3
Contingent and Non-Contingent Receivables from banks and brokerage houses	7.960.592	9.592.306
Contingent and Non-Contingent Corporates	24.160.870	21.435.680
Contingent and Non-Contingent Retail Receivables	804.329	810.422
Contingent and Non-Contingent Receivables Secured by Mortgages	3.525.274	4.011.995
Past Due Receivables	605.993	787.445
Receivables defined in high risk category by Regulator	1.913	2.351
Secured by mortgages	-	-
Securitization positions	-	-
Short-Term Receivables from Banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Other Receivables	1.943.811	1.569.537
<b>Total</b>	<b>54.401.892</b>	<b>51.654.871</b>

(\*) The figures represent total risk amounts before credit risk mitigation and before credit conversion factor.

For the forward transactions and other similar positions of the Bank, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and acquirements related to forward transactions is normally realized at maturity. However, in order to minimize the risk, counter positions of existing risks are entered into in the market.

Indemnified non-cash loans are included in the same risk group as overdue cash loans which are not collected upon maturity.

The proportion of the Bank's top 100 and 200 cash loan customers' in total cash loans is 79% and 90% respectively. (31 December 2021: 80% and 88%)

The proportion of the Bank's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 54% and 72%. (31 December 2021: 63% and 82%)

The proportion of the Bank's top 100 and 200 customers' cash and non-cash loan balances in total balance sheet assets and non-cash loans is 34% and 42% respectively. (31 December 2021: 38% and 45%)

The Bank provided a collective loan loss provision for cash loans (stage 1 and stage 2) amounting to TL 1.321.581 (31 December 2021: TL 1.416.555).

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**II. Explanations on Credit Risk (continued)**

**Information on loan types and provisions: (\*)**

<b>31 December 2022</b>	<b>Commercial</b>	<b>Retail</b>	<b>Total</b>
Standard Loans	23.513.763	222.608	<b>23.736.371</b>
Watchlist	7.281.665	18.857	<b>7.300.522</b>
Significant Increase in Credit Risk	12.403	--	<b>12.403</b>
Non-performing Loans	1.430.444	61.029	<b>1.491.473</b>
Specific Provision (-)	(703.879)	(39.330)	<b>(743.209)</b>
<b>Total</b>	<b>31.534.396</b>	<b>263.164</b>	<b>31.797.560</b>

<b>31 December 2021</b>	<b>Commercial</b>	<b>Retail</b>	<b>Total</b>
Standard Loans	16.447.515	292.273	<b>16.739.788</b>
Watchlist	8.350.732	43.754	<b>8.394.486</b>
Significant Increase in Credit Risk	445.720	-	<b>445.720</b>
Non-performing Loans	1.867.157	121.971	<b>1.989.128</b>
Specific Provision (-)	(869.302)	(65.008)	<b>(934.310)</b>
<b>Total</b>	<b>26.241.822</b>	<b>392.990</b>	<b>26.634.812</b>

(\*) According to the internal segmentation of the bank

**Information on past due loan and other receivables (\*):**

<b>31 December 2022</b>	<b>Corporate and Commercial</b>	<b>SME</b>	<b>Consumer Loans</b>	<b>Total</b>
Not past due and 30 days past due	28.673.682	1.476.748	226.671	<b>30.377.101</b>
30-90 days past due	3.066	116.398	14.416	<b>133.880</b>
Other (**)	537.937	-	378	<b>538.315</b>
<b>Total</b>	<b>29.214.685</b>	<b>1.593.146</b>	<b>241.465</b>	<b>31.049.296</b>

<b>31 December 2021</b>	<b>Corporate and Commercial</b>	<b>SME</b>	<b>Consumer Loans</b>	<b>Total</b>
Not past due and 30 days past due	23.568.930	992.144	299.295	<b>24.860.369</b>
30-90 days past due	133.575	136.157	36.367	<b>306.099</b>
Other (**)	358.992	54.169	365	<b>413.526</b>
<b>Total</b>	<b>24.061.497</b>	<b>1.182.470</b>	<b>336.027</b>	<b>25.579.994</b>

(\*) According to the internal segmentation of the bank

(\*\*) Refers to loans and receivables over 90 days.

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**II. Explanations on Credit Risk (continued)**

**Significant Risks that are significant on the profile of the regions**

**Risk Classifications (\*)**

**31 December 2022**

	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Securitization Positions	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	Total
Domestic	19.882.360	116.945	-	64.767	-	9.186.089	30.501.144	315.294	4.970.362	320.777	347	-	-	-	-	2.924.824	68.282.909
European Union Countries	-	-	-	655.694	-	908.216	32.087	15	-	-	-	-	-	-	-	-	1.596.012
OECD Countries**	-	-	-	-	-	599.160	-	11	-	-	-	-	-	-	-	-	599.171
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	2.659.971	-	-	-	-	-	-	-	-	-	-	2.659.971
Other Countries	-	-	-	-	-	363.210	43.077	60	-	46.155	-	-	-	-	-	-	452.502
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>19.882.360</b>	<b>116.945</b>	<b>-</b>	<b>720.461</b>	<b>-</b>	<b>13.716.646</b>	<b>30.576.308</b>	<b>315.380</b>	<b>4.970.362</b>	<b>366.932</b>	<b>347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.924.824</b>	<b>73.590.565</b>

**31 December 2021**

	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Securitization Positions	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	Total
Domestic	14.308.584	165.054	-	839.456	-	1.827.605	20.613.997	365.178	3.515.472	605.993	1.913	-	-	-	-	1.943.811	44.187.063
European Union Countries	-	-	-	86.014	-	1.996.604	7.622	25	-	-	-	-	-	-	-	-	2.090.265
OECD Countries**	-	-	-	-	-	344.878	-	2	-	-	-	-	-	-	-	-	344.880
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	1.556.418	-	-	-	-	-	-	-	-	-	-	1.556.418
Other Countries	-	-	-	-	-	743.621	141.805	328	-	-	-	-	-	-	-	-	885.754
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14.308.584</b>	<b>165.054</b>	<b>-</b>	<b>925.470</b>	<b>-</b>	<b>6.469.126</b>	<b>20.763.424</b>	<b>365.533</b>	<b>3.515.472</b>	<b>605.993</b>	<b>1.913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.943.811</b>	<b>49.064.380</b>

(\*) Stands for the risk categories listed in "Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks."

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

(\*\*\*) Assets and liabilities that are not distributed according to a consistent principle

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**II. Explanations on Credit Risk (continued)**

**Risk Classifications (\*)**

**Sector concentrations for cash loans:**

**31 December 2022**

Sectors/Counterparties (**)	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Securitization Positions	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	TL	FC	Total	
<b>1 Agriculture</b>	-	-	-	-	-	-	<b>519.613</b>	<b>178</b>	<b>60</b>	<b>699</b>	-	-	-	-	-	-	<b>468.121</b>	<b>52.429</b>	<b>520.550</b>	
1.1 Farming and Raising Livestock	-	-	-	-	-	-	436.384	176	60	641	-	-	-	-	-	-	437.261	-	437.261	
1.2 Fores TL, Wood and Paper	-	-	-	-	-	-	48	-	-	58	-	-	-	-	-	-	106	-	106	
1.3 Fishery	-	-	-	-	-	-	83.181	2	-	-	-	-	-	-	-	-	30.754	52.429	83.183	
<b>2 Manufacturing</b>	-	-	-	-	-	-	<b>14.964.559</b>	<b>3.469</b>	<b>835.602</b>	<b>74.582</b>	-	-	-	-	-	-	<b>11.612.492</b>	<b>4.265.720</b>	<b>15.878.212</b>	
2.1 Mining and Quarry	-	-	-	-	-	-	275.046	201	6.527	419	-	-	-	-	-	-	191.534	90.659	282.193	
2.2 Production	-	-	-	-	-	-	12.757.358	3.266	294.925	70.987	-	-	-	-	-	-	10.282.199	2.844.337	13.126.536	
2.3 Electricity, Gas and Water	-	-	-	-	-	-	1.932.155	2	534.150	3.176	-	-	-	-	-	-	1.138.759	1.330.724	2.469.483	
<b>3 Construction</b>	-	-	-	-	-	-	<b>639.018</b>	<b>518</b>	<b>-1</b>	<b>77</b>	-	-	-	-	-	-	<b>632.931</b>	<b>6.681</b>	<b>639.612</b>	
<b>4 Services</b>	<b>499.806</b>	-	-	<b>665.712</b>	-	<b>7.447.509</b>	<b>9.382.667</b>	<b>5.695</b>	<b>1.104.937</b>	<b>214.714</b>	<b>6</b>	-	-	-	-	-	<b>12.226.031</b>	<b>7.095.015</b>	<b>19.321.046</b>	
4.1 Wholesale and Retail Trade	-	-	-	-	-	-	4.125.607	4.386	68.944	23.288	6	-	-	-	-	-	3.647.773	574.458	4.222.231	
4.2 Hotel, Tourism, Food and Beverage Services	-	-	-	-	-	-	2.531.815	135	888.291	162.179	-	-	-	-	-	-	131.754	3.450.666	3.582.420	
4.3 Transportation and Communication	-	-	-	-	-	-	622.826	705	7.156	5.191	-	-	-	-	-	-	609.422	26.456	635.878	
4.4 Financial Institutions	499.806	-	-	665.712	-	7.447.509	1.302.797	230	54.994	4.398	-	-	-	-	-	-	7.165.592	2.809.854	9.975.446	
4.5 Real Estate and Renting Services.	-	-	-	-	-	-	297.625	56	230	172	-	-	-	-	-	-	150.863	147.220	298.083	
4.6 Self-Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.7 Education Services	-	-	-	-	-	-	20.056	63	11.172	11	-	-	-	-	-	-	31.302	-	31.302	
4.8 Health and Social Services	-	-	-	-	-	-	481.941	120	74.150	19.475	-	-	-	-	-	-	489.325	86.361	575.686	
<b>5 Other</b>	<b>19.382.554</b>	<b>116.945</b>	-	<b>54.749</b>	-	<b>6.269.137</b>	<b>5.070.451</b>	<b>305.520</b>	<b>3.029.764</b>	<b>76.860</b>	<b>341</b>	-	-	-	-	-	<b>2.924.824</b>	<b>24.760.068</b>	<b>12.471.077</b>	<b>37.231.145</b>
<b>Total</b>	<b>19.882.360</b>	<b>116.945</b>	-	<b>720.461</b>	-	<b>13.716.646</b>	<b>30.576.308</b>	<b>315.380</b>	<b>4.970.362</b>	<b>366.932</b>	<b>347</b>	-	-	-	-	-	<b>2.924.824</b>	<b>49.699.643</b>	<b>23.890.922</b>	<b>73.590.565</b>

(\*) The risk classes in the regulation is taken into consideration to measure and assess the capital adequacy of banks.

(\*\*) Before credit risk mitigation and after credit conversion rate, refers to the amount of total risk



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**II. Explanations on Credit Risk (continued)**

**Risk Classifications (\*)**

**Sector concentrations for cash loans:**

**31 December 2021**

Sectors/Counterparties (**)	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Securitization Positions	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	TL	FC	Total
<b>1 Agriculture</b>	-	-	-	-	-	-	<b>248.171</b>	<b>221</b>	<b>440</b>	<b>1.270</b>	-	-	-	-	-	-	<b>185.245</b>	<b>64.857</b>	<b>250.102</b>
1.1 Farming and Raising Livestock	-	-	-	-	-	-	193.753	219	440	1.270	-	-	-	-	-	-	143.686	51.996	195.682
1.2 Fores TL, Wood and Paper	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Fishery	-	-	-	-	-	-	54.418	2	-	-	-	-	-	-	-	-	41.559	12.861	54.420
<b>2 Manufacturing</b>	-	-	-	-	-	-	<b>8.425.524</b>	<b>6.343</b>	<b>394.390</b>	<b>153.046</b>	<b>8</b>	-	-	-	-	-	<b>4.610.633</b>	<b>4.368.678</b>	<b>8.979.311</b>
2.1 Mining and Quarry	-	-	-	-	-	-	435.584	342	29.513	5.470	-	-	-	-	-	-	449.265	21.644	470.909
2.2 Production	-	-	-	-	-	-	6.441.343	6.000	280.958	141.239	8	-	-	-	-	-	3.561.430	3.308.118	6.869.548
2.3 Electricity, Gas and Water	-	-	-	-	-	-	1.548.597	1	83.919	6.337	-	-	-	-	-	-	599.938	1.038.916	1.638.854
<b>3 Construction</b>	-	-	-	-	-	-	<b>4.937.232</b>	<b>2.949</b>	<b>1.223.465</b>	<b>203.050</b>	<b>30</b>	-	-	-	-	-	<b>3.089.677</b>	<b>3.277.049</b>	<b>6.366.726</b>
<b>4 Services</b>	<b>916.809</b>	-	-	<b>86.014</b>	-	<b>4.570.515</b>	<b>6.134.663</b>	<b>10.000</b>	<b>1.107.732</b>	<b>225.034</b>	<b>65</b>	-	-	-	-	-	<b>6.180.895</b>	<b>6.869.937</b>	<b>13.050.832</b>
4.1 Wholesale and Retail Trade	-	-	-	-	-	-	2.072.918	6.174	126.316	80.489	38	-	-	-	-	-	1.800.189	485.746	2.285.935
4.2 Hotel, Tourism, Food and Beverage Services	-	-	-	-	-	-	1.950.309	401	783.035	95.047	-	-	-	-	-	-	342.105	2.486.687	2.828.792
4.3 Transportation and Communication	-	-	-	-	-	-	727.733	1.831	28.702	9.196	27	-	-	-	-	-	477.776	289.713	767.489
4.4 Financial Institutions	916.809	-	-	86.014	-	4.570.515	491.484	1.171	30.077	9.392	-	-	-	-	-	-	2.699.009	3.406.453	6.105.462
4.5 Real Estate and Renting Services.	-	-	-	-	-	-	209.094	150	4.089	3.005	-	-	-	-	-	-	174.609	41.729	216.338
4.6 Self-Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.7 Education Services	-	-	-	-	-	-	24.088	195	72.455	4.464	-	-	-	-	-	-	101.202	-	101.202
4.8 Health and Social Services	-	-	-	-	-	-	659.037	78	63.058	23.441	-	-	-	-	-	-	586.005	159.609	745.614
<b>5 Other</b>	<b>13.391.775</b>	<b>165.054</b>	-	<b>839.456</b>	-	<b>1.898.611</b>	<b>1.017.834</b>	<b>346.020</b>	<b>789.445</b>	<b>23.593</b>	<b>1.810</b>	-	-	-	-	-	<b>1.943.811</b>	<b>9.713.673</b>	<b>10.703.736</b>
<b>Total</b>	<b>14.308.584</b>	<b>165.054</b>	-	<b>925.470</b>	-	<b>6.469.126</b>	<b>20.763.424</b>	<b>365.533</b>	<b>3.515.472</b>	<b>605.993</b>	<b>1.913</b>	-	-	-	-	-	<b>1.943.811</b>	<b>23.780.123</b>	<b>25.284.257</b>

(\*) The risk classes in the regulation is taken into consideration to measure and assess the capital adequacy of banks.

(\*\*) Before credit risk mitigation and after credit conversion rate, refers to the amount of total risk

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**II. Explanations on Credit Risk (continued)**

**Distribution of time exposures according to Remaining Maturities:**

**31 December 2022**

Risk Types	Time to Maturity						Over 1 Year	Total
	Demand	1 Month	1-3 Months	3-6 Months	6-12 Months			
Due from central governments or central banks	3.059.380	3.661.362	176.177	52.654	-	-	12.932.787	19.882.360
Regional or Local Government Receivables	-	-	-	-	-	-	116.945	116.945
Receivables on Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-
Receivables on Multilateral Development Banks	-	-	10.018	101.713	42.026	-	566.704	720.461
Receivables on International Organizations	-	-	-	-	-	-	-	-
Receivables on Banks and Brokerage Houses	3.592.132	5.932.511	1.132.812	697.530	595.229	-	1.766.432	13.716.646
Receivables from Corporates	1	3.816.466	6.093.603	3.031.022	7.151.961	-	10.483.255	30.576.308
Retail Receivables	113.466	25.838	7.896	6.108	14.157	-	147.915	315.380
Receivables Secured by Mortgages	447.594	170.618	366.272	331.538	375.706	-	3.278.634	4.970.362
Past Due Receivables	304.283	62.317	-	-	332	-	-	366.932
Receivables defined in high risk category by Regulators	347	-	-	-	-	-	-	347
Secured by mortgages	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporates	-	-	-	-	-	-	-	-
Investment similar to collective investment funds	-	-	-	-	-	-	-	-
Other Receivables	2.924.824	-	-	-	-	-	-	2.924.824
<b>Total</b>	<b>10.442.027</b>	<b>13.669.112</b>	<b>7.786.778</b>	<b>4.220.565</b>	<b>8.179.411</b>	<b>29.292.672</b>	<b>73.590.565</b>	

**31 December 2021**

Risk Types	Time to Maturity						Over 1 Year	Total
	Demand	1 Month	1-3 Months	3-6 Months	6-12 Months			
Due from central governments or central banks	3.095.357	4.121.480	-	-	-	-	7.091.747	14.308.584
Regional or Local Government Receivables	-	-	-	-	-	-	165.054	165.054
Receivables on Administrative Units and Non commercial Enterprises	-	-	-	-	-	-	-	-
Receivables on Multilateral Development Banks	42.985	-	-	186.131	107.198	-	589.156	925.470
Receivables on International Organizations	-	-	-	-	-	-	-	-
Receivables on Banks and Brokerage Houses	2.722.049	881.245	547.663	266.972	474.515	-	1.576.682	6.469.126
Receivables from Corporates	-	1.473.574	1.588.250	1.938.846	4.136.403	-	11.626.351	20.763.424
Retail Receivables	135.561	28.692	9.205	11.166	17.400	-	163.509	365.533
Receivables Secured by Mortgages	451.852	117.152	30.668	21.016	101.829	-	2.792.955	3.515.472
Past Due Receivables	605.598	75	-	-	-	-	320	605.993
Receivables defined in high risk category by Regulators	1.913	-	-	-	-	-	-	1.913
Secured by mortgages	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporates	-	-	-	-	-	-	-	-
Investment similar to collective investment funds	-	-	-	-	-	-	-	-
Other Receivables	1.943.811	-	-	-	-	-	-	1.943.811
<b>Total</b>	<b>8.999.126</b>	<b>6.622.218</b>	<b>2.175.786</b>	<b>2.424.131</b>	<b>4.837.345</b>	<b>24.005.774</b>	<b>49.064.380</b>	

**Risk by Risk Weights Balances:**

Risk Weights (*) Current Period												Deductions from the shareholders' equity	Total	
	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%			
1 Amount before the credit risk mitigation	21.567.594	-	8.829.871	-	4.962.021	322.836	34.981.816	784.523	2.141.904	-	-	-	-	73.590.565
2 Amount after the credit risk mitigation	21.709.764	-	8.829.871	14.092	7.910.907	300.295	31.461.639	206.459	2.172.741	-	-	-	-	72.605.768

(\*) Balances with financial collateral are shown as 0% risk weight.

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**II. Explanations on Credit Risk (continued)**

**Risk by Risk Weights Balances:**

Risk Weights (*) Prior Period	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Deductions from the shareholders' equity	Total
Amount before the credit													
1 risk mitigation	16.008.228	-	3.978.293	-	2.513.880	383.311	25.204.778	975.890	-	-	-	-	49.064.380
Amount after the credit													
2 risk mitigation	16.158.452	-	3.978.293	26.502	4.397.089	323.050	23.022.370	504.650	-	-	-	-	48.410.406

(\*) Balances with financial collateral are shown as 0% risk weight.

**Important sectors or type of information according to counterparty**

31 December 2022	Loans		Provisions
Current Period	Impaired		
	Significant Increase in Credit Risk (Stage 2)	Non-performing Loans (Stage 3)	Allowance for expected credit losses (IFRS 9)
<b>Sectors/Counterparties (*)</b>			
<b>Agricultural</b>	-	<b>6.819</b>	<b>6.261</b>
Farming and raising livestock	-	6.062	5.504
Forestry	-	757	757
Fishing	-	-	-
<b>Manufacturing</b>	<b>2.439.978</b>	<b>313.308</b>	<b>748.768</b>
Mining	-	27.987	24.401
Production	985.865	260.943	214.824
Electricity, Gas, Water	1.454.113	24.378	509.543
<b>Construction</b>	-	<b>424</b>	<b>403</b>
<b>Services</b>	<b>2.920.209</b>	<b>335.022</b>	<b>470.690</b>
Wholesale and retail trade	69.734	157.790	86.504
Hotel, Food, Beverage services	2.723.473	84.168	335.290
Transportation and Telecommunication	87.265	16.867	29.409
Financial Institutions	963	13.589	3.099
Real Estate and Lending Service	3.567	3.768	3.722
Self employment service	-	-	-
Education Service	22.930	48	1.248
Health and social services	12.277	58.792	11.418
<b>Other(**)</b>	<b>1.952.738</b>	<b>835.900</b>	<b>679.352</b>
<b>Total</b>	<b>7.312.925</b>	<b>1.491.473</b>	<b>1.905.474</b>

(\*) Sector classification is based on the type of principal activity of customers.

(\*\*) Includes retail credit cards, retail loans and other loans.

31 December 2021	Loans		Provisions
Prior Period	Impaired		
	Significant Increase in Credit Risk (Stage 2)	Non-performing Loans (Stage 3)	Allowance for expected credit losses (IFRS 9)
<b>Sectors/Counterparties (*)</b>			
<b>Agricultural</b>	<b>23.373</b>	<b>6.591</b>	<b>14.379</b>
Farming and raising livestock	-	6.591	5.744
Forestry	-	-	-
Fishing	23.373	-	8.635
<b>Manufacturing</b>	<b>2.115.406</b>	<b>416.917</b>	<b>516.673</b>
Mining	163.379	30.937	30.538
Production	891.454	361.695	302.458
Electricity, Gas, Water	1.060.573	24.285	183.677
<b>Construction</b>	<b>3.199.112</b>	<b>594.682</b>	<b>874.831</b>
<b>Services</b>	<b>2.582.763</b>	<b>547.627</b>	<b>526.375</b>
Wholesale and retail trade	300.889	190.934	77.712
Hotel, Food, Beverage services	2.069.876	242.646	369.100
Transportation and Telecommunication	154.857	22.965	22.714
Financial Institutions	3.677	20.314	15.043
Real Estate and Lending Service	6.883	7.713	4.000
Self employment service	-	-	-
Education Service	30.134	6.747	4.273
Health and social services	16.447	56.308	33.533
<b>Other(**)</b>	<b>919.552</b>	<b>423.311</b>	<b>299.287</b>
<b>Total</b>	<b>8.840.206</b>	<b>1.989.128</b>	<b>2.231.545</b>

(\*) Sector classification is based on the type of principal activity of customers.

(\*\*) Includes retail credit cards, retail loans and other loans.

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**II. Explanations on Credit Risk (continued)**

**Information related to Impairment and Expected Credit Loss Provisions:**

<b>Current Period</b>	<b>Opening Balance 1 January 2022</b>	<b>The Amount of Provision in the period</b>	<b>Reversal of Provision</b>	<b>Other</b>	<b>Closing Balance</b>
Specific Provisions	934.310	224.084	364.551	(50.634)	743.209
Collective Provisions	1.416.555	1.376.673	670.173	(801.474)	1.321.581

<b>Prior Period</b>	<b>Opening Balance 1 January 2021</b>	<b>The Amount of Provision in the period</b>	<b>Reversal of Provision</b>	<b>Other</b>	<b>Closing Balance</b>
Specific Provisions	926.468	429.867	389.840	(32.185)	934.310
Collective Provisions	932.334	912.608	428.387	-	1.416.555

**Risk included in counter-cyclical capital buffer calculation:**

<b>31 December 2022</b>			
<b>Ultimate country of risk</b>	<b>Private sector credit exposures in banking book</b>	<b>Risk Weighted Equivalent trading book</b>	<b>Total</b>
Türkiye	35.285.634	177.262	<b>35.462.896</b>
Albania	76.775	-	<b>76.775</b>
Italy	32.084	-	<b>32.084</b>
Saudi Arabia	2.003	-	<b>2.003</b>
United Arab Emirates	10	-	<b>10</b>
Switzerland	8	-	<b>8</b>
Austria	4	-	<b>4</b>
Slovenia	3	-	<b>3</b>
Ireland	3	-	<b>3</b>
Germany	3	1	<b>4</b>
Azerbaijan	2	-	<b>2</b>
France	-	1	<b>1</b>
Other	2.226.705	12	<b>2.226.717</b>
<b>Total</b>	<b>37.623.234</b>	<b>177.276</b>	<b>37.800.510</b>

**Risk included in counter-cyclical capital buffer calculation:**

<b>31 December 2021</b>			
<b>Ultimate country of risk</b>	<b>Private sector credit exposures in banking book</b>	<b>Risk Weighted Equivalent trading book</b>	<b>Total</b>
Turkey	22.476.610	475.365	<b>22.951.975</b>
United Arab Emirates	35.705	-	<b>35.705</b>
Albania	78.424	-	<b>78.424</b>
Saudi Arabia	1.808	-	<b>1.808</b>
Switzerland	2	-	<b>2</b>
Azerbaijan	2	-	<b>2</b>
Netherlands	9	-	<b>9</b>
Lebanon	2	-	<b>2</b>
Germany	3	-	<b>3</b>
Austria	4	-	<b>4</b>
USA	-	-	<b>-</b>
Slovenia	-	-	<b>-</b>
Other	1.694.858	-	<b>1.694.858</b>
<b>Total</b>	<b>24.287.427</b>	<b>475.365</b>	<b>24.762.792</b>

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**II. Explanations on Credit Risk (continued)**

**Internal credit rating system**

Internal credit rating system is used by the Bank. Prior to March 2022, the rating mainly considers the ratings obtained by processing the financial data of the customers in the MRA - Moody's Risk Analyst program, and as of March 2022, the ratings processed in the ECA-Electronic Credit Application program, which considers the internal and sector behavioural data of the customers as well as the financial data of the customers was started to use.

The risks that are subject to rating models can be allocated as follows.

Rating	Risk	Description
	Grade	
(1) Excellent	1	Judged to be of the highest quality, with minimal credit risk. Superior asset quality and financial capacity; excellent and proven management; market leader.
(2) Strong	2+	Very good credit with very good asset quality, consistently strong liquidity and debt capacity; highly regarded in the industry with strong market share.
	2	
	2-	
(3) Good	3+	Good credit considered upper-medium grade, subject to low credit risk; good asset quality, strong liquidity and debt capacity. Company is above average size and holds a good position in the industry.
	3	
	3-	
(4) Satisfactory	4+	Acceptable credit subject to moderate credit risk, considered medium grade and as such may possess certain higher than average risk characteristics. Company has demonstrated adequate to good performance.
	4	
	4-	
(5) Adequate	5+	Average to low credit subject to moderate credit risk, considered medium grade and as such may possess certain higher risk characteristics. Company has demonstrated adequate performance. The companies that are being followed under monitoring status or Group II (Stage 2) can have a maximum of 5 (+).
	5	
	5-	
(6) Marginal	6+	Below average credit subject to high credit risk. Company is likely a lower tier competitor in its industry. Acceptable but requiring close monitoring and support of strong risk mitigants. A company that can take the lowest note in the normal state is 7.
	6	
	6-	
(7) Vulnerable	7+	Weak credit: Judged to be of poor standing and subject to very high credit risk. Constitutes undue and unwarranted credit risk. Currently in performing status not to the point of justifying a Substandard classification. A company that can take the lowest note in the normal state is 7.
	7	
	7-	
(8) Substandard	8	Substandard (Default): Unacceptable credit with normal repayment in jeopardy. As mentioned in the credit provisions III. Group (Stage 3) loans are monitored with this note.
(9) Doubtful	9	Doubtful (Default): Full repayment questionable. Serious problems to the point where partial loss of principal is likely. As mentioned in the credit provisions IV. Group (Stage 3) loans are monitored with this note.
(10) Loss	10	Loss (Default): Expected loss. Such an asset may have recovery but not to the point of avoiding loss classification. As mentioned in the credit provisions V. Group (Stage 3) loans are monitored with this note.

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**II. Explanations on Credit Risk (continued)**

Below table shows the portion of the performing cash loans as per BRSA's scale that is equivalent to the MRA ratings:

<b>Debtors financial Position</b>	<b>Degree</b>	<b>31 December 2022 Portion in total</b>	<b>31 December 2021 Portion in total</b>
Debtor has a solid financial position	1	1%	0%
Debtor has a good financial position	2	13%	6%
Debtor's financial position is at risk within short and medium term	3	42%	41%
Debtor's financial position is at high risk within short term	4	39%	45%
Debtor has been defaulted	5	5%	7%
Debtor has not been rated	6	1%	2%

**Collateral Distribution(\*)**

<b>31 December 2022</b>	<b>Corporate and Commercial</b>	<b>SME</b>	<b>Retail</b>	<b>Total</b>
Deposit	1.408.133	235.293	7.120	1.650.546
Mortgage	11.035.809	1.623.138	78.516	12.737.463
Assignment of claim	22.700.238	970.193	-	23.670.431
Cheque	2.577.968	162.258	-	2.740.226
Pledge of vehicle	1.287.666	20.203	84	1.307.953
<b>TOTAL</b>	<b>39.009.814</b>	<b>3.011.085</b>	<b>85.720</b>	<b>42.106.619</b>

<b>31 December 2021</b>	<b>Corporate and Commercial</b>	<b>SME</b>	<b>Retail</b>	<b>Total</b>
Deposit	647.408	60.583	17.192	725.183
Mortgage	8.223.941	1.755.900	131.427	10.111.268
Assignment of claim	22.052.426	936.285	-	22.988.711
Cheque	1.928.585	168.512	-	2.097.097
Pledge of vehicle	1.085.353	41.831	921	1.128.105
<b>TOPLAM</b>	<b>33.937.713</b>	<b>2.963.111</b>	<b>149.540</b>	<b>37.050.364</b>

(\*) Represents the amounts weighted by taking into consideration the credit risks of the customers.

**III. Explanations on Currency Risk**

Foreign currency risk indicates the probability of loss that banks are subject to due to the exchange rate movements in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and value at risk is calculated by using the standard method.

The Board of Directors sets limits for the positions and stop losses which are followed up daily and weekly. Any possible changes in the foreign currency transactions in the Bank's positions are also monitored.

The announced foreign exchange buying rates of the Bank at 31 December 2022 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

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**III. Explanations on Currency Risk (continued)**

	23 December 2022	26 December 2022	27 December 2022	28 December 2022	29 December 2022	30 December 2022
<b>USD</b>	18,6741	18,6832	18,7121	18,7132	18,7156	18,7005
<b>CHF</b>	20,0454	20,0609	20,1005	20,1993	20,2598	20,2330
<b>GBP</b>	22,4857	22,4985	22,4955	22,6100	22,5466	22,5284
<b>100 JPY</b>	0,1405	0,1406	0,1402	0,1398	0,1404	0,1417
<b>EURO</b>	19,8038	19,8175	19,8818	19,9129	19,9367	19,9434

	24 December 2021	27 December 2021	28 December 2021	29 December 2021	30 December 2021	31 December 2021
<b>USD</b>	11,7985	11,3099	11,8267	12,6368	13,1524	13,4901
<b>CHF</b>	12,8422	12,3029	12,9065	13,7822	14,3558	14,8044
<b>GBP</b>	15,8168	15,1849	15,9183	17,0060	17,7423	18,2195
<b>100 JPY</b>	10,3160	9,8565	10,3087	10,9945	11,4204	11,7207
<b>EURO</b>	13,3573	12,7927	13,3932	14,3037	14,8711	15,3123

The simple arithmetic averages of foreign exchange buying rates of the Bank for major currencies the thirty days before 31 December 2022 are as follows:

	Monthly Average Foreign Exchange Rate
<b>USD</b>	18,6564
<b>CHF</b>	20,0128
<b>GBP</b>	22,7055
<b>100 JPY</b>	0,1383
<b>EURO</b>	19,7474

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**III. Explanations on Currency Risk (continued)**

<b>31 December 2022</b>	<b>EUR</b>	<b>USD</b>	<b>OTHER FC</b>	<b>TOTAL</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign tax Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	2.391.897	4.212.463	307.488	6.911.848
Banks	495.194	2.698.789	120.045	3.314.028
Financial Assets at Fair Value through Profit and Loss	4.648	29.776	-	34.424
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	1.014.237	3.788.161	-	4.802.398
Loans (*)	9.703.386	4.906.880	-	14.610.266
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Financial Assets measured at Amortized Cost	289.874	680.037	-	969.911
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	16	8.885	10	8.911
<b>Total Assets (**)</b>	<b>13.899.252</b>	<b>16.324.991</b>	<b>427.543</b>	<b>30.651.786</b>
<b>Liabilities</b>				
Bank Deposits	-	4.622	-	4.622
Other Deposits	3.818.891	10.564.116	3.845.633	18.228.640
Money Market Balances	-	-	-	-
Funds Provided From Other Financial Institutions (***)	288.823	6.407.299	-	6.696.122
Marketable securities issued	-	-	-	-
Miscellaneous payables	497.471	158.933	454	656.858
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	23.932	35.300	-	59.232
<b>Total Liabilities (**)</b>	<b>4.629.117</b>	<b>17.170.270</b>	<b>3.846.087</b>	<b>25.645.474</b>
<b>Net Balance Sheet Position</b>	<b>9.270.135</b>	<b>(845.279)</b>	<b>(3.418.544)</b>	<b>5.006.312</b>
<b>Net Off-Balance Sheet Position</b>	<b>(11.224.221)</b>	<b>2.125.971</b>	<b>2.478.035</b>	<b>(6.620.215)</b>
Derivative Financial Assets	5.735.331	21.773.555	5.335.768	32.844.654
Derivative Financial Liabilities	16.959.552	19.647.584	2.857.733	39.464.869
Non-Cash Loans (****)	1.033.777	2.377.305	11.924	3.423.006
<b>Prior Period</b>				
Total Assets	12.956.933	18.761.821	369.712	32.088.466
Total Liabilities	7.993.322	23.184.835	3.867.380	35.045.537
<b>Net Balance Sheet Position</b>	<b>4.963.611</b>	<b>(4.423.014)</b>	<b>(3.497.668)</b>	<b>(2.957.071)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(3.949.693)</b>	<b>1.973.525</b>	<b>3.953.282</b>	<b>1.977.114</b>
Financial Derivative Assets	4.585.116	47.164.596	7.125.937	58.875.649
Financial Derivative Liabilities	8.534.809	45.191.071	3.172.655	56.898.535
Non-Cash Loans (****)	2.041.392	3.217.423	11.720	5.270.535

(\*) Foreign currency indexed loans amounting to TL 44.542 are included in the loan portfolio. Expected loss provisions are not considered.

(\*\*) The foreign currency risk calculation is presented in accordance with the "Regulation on Foreign Currency Net General Position / Equity Standard Ratio Calculation and Implementation of Banks' on Consolidated and Non-Consolidated Basis" as published in the Official Gazette dated 1 November 2006 and numbered 26333 (FCNGP Regulation) and does not include all items in the financial statements.

(\*\*\*) Subordinated loans are included.

(\*\*\*\*) Does not affect net off-balance sheet position.



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**III. Explanations on Currency Risk (continued)**

**Foreign currency sensitivity:**

The Bank holds EUR (Euro) and USD (US Dollars) currencies as a result of foreign currency transactions and manages it by using miscellaneous financial instruments.

As of 31 December 2022, the Bank's net foreign exchange exposure as per internal calculation is presented below:

<b>31 December 2022</b>	<b>EURO</b>	<b>USD</b>	<b>OTHER FC</b>	<b>TOTAL</b>
Net currency position including on-balance sheet and off-balance sheet	(18.773)	1.424.612	14.922	1.420.761

<b>31 December 2021</b>	<b>EURO</b>	<b>USD</b>	<b>OTHER FC</b>	<b>TOTAL</b>
Net currency position including on-balance sheet and off-balance sheet	3.435	(57.497)	(124.889)	(178.951)

The internal currency risk calculation includes derivative financial assets / liabilities, securities valuation differences and similar positions which are not included in the FCNGP Regulation of the BRSA and options are taken into account with their delta equivalents for internal currency risk management purposes.

BRSA's decision numbered 32039 dated 10 December 2022, the FCNGP Regulation was changed in a way that converges to the Bank's internal currency risk calculation, and the said amendment entered into force as of 09 January 2023.

The maximum and minimum positions presented in Other FC column of internal foreign exchange exposure calculation are TL 12.747 and TL (2.560) respectively (31 December 2021: TL 72.770 and TL (198.361)).

The table below shows the sensitivity of the Bank to a 10% change in USD and EURO exchange rates. 10% is the sensitivity rate and represents possible change in foreign exchange rates. Positive/Negative number indicates a change in profit or loss and other equity where USD and EUR appreciate 10% against TL.

	Change in currency rate in %	Effect on profit or loss (*)		Effect on equity(*)	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
USD	10%	142.461	(5.750)	142.461	(5.750)
USD	-10%	(142.461)	5.750	(142.461)	5.750
EUR	10%	(1.877)	344	(1.877)	344
EUR	-10%	1.877	(344)	1.877	(344)

(\*) Represents before tax amounts

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**IV. Explanations on Interest Rate Risk**

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank's position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

Risk Management Group performs duration, maturity and sensitivity analysis to protect the effect of interest rate volatility and reported to the Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted economic indicators used in the budget of the Bank. The negative effects of the fluctuations in the market interest rates on the financial position and the cash flows are minimized by revising budgeted targets.

The Bank management follows the market interest rates daily and revises the interest rates of the Bank whenever necessary.

Since the Bank monitors maturity mismatches very closely a significant interest rate risk exposure is not expected.

**Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):**

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
<b>31 December 2022</b>							
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.085.624	-	-	-	-	6.976.180	8.061.804
Banks (*)	1.331.775	-	-	-	-	3.100.543	4.432.318
Financial Assets at Fair Value Through Profit and Loss	25.625	88	563	5.882	3.832	-	35.990
Money Market Placements	2.775.233	1.017.070	-	-	-	-	3.792.303
Financial assets at fair value through other comprehensive income	191.174	559.354	2.366.114	6.688.380	1.128.591	13.621	10.947.234
Loans (*)	9.510.512	6.951.945	5.141.931	3.766.959	5.677.949	(573.317)	30.475.979
Financial assets measured at amortized cost (*)	-	301.474	2.274.586	2.030.386	2.691.273	(35.131)	7.262.588
Other Assets (**)	101.266	549.818	53.170	376.489	162.174	2.745.716	3.988.633
<b>Total Assets</b>	<b>15.021.209</b>	<b>9.379.749</b>	<b>9.836.364</b>	<b>12.868.096</b>	<b>9.663.819</b>	<b>12.227.612</b>	<b>68.996.849</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	6.313	6.313
Customer Deposits	17.790.166	20.936.917	1.105.237	65.152	-	9.334.674	49.232.146
Money Market Borrowings	4.000.353	-	-	-	-	-	4.000.353
Miscellaneous Payables	-	-	-	-	-	1.107.582	1.107.582
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	692.771	-	-	666.447	-	-	1.359.218
Subordinated Loans(***)	-	-	-	5.336.904	-	-	5.336.904
Other Liabilities (****)	270.205	500.518	72.901	83.765	-	7.026.944	7.954.333
<b>Total Liabilities</b>	<b>22.753.495</b>	<b>21.437.435</b>	<b>1.178.138</b>	<b>6.152.268</b>	<b>-</b>	<b>17.475.513</b>	<b>68.996.849</b>
Balance Sheet Long Position	-	-	8.658.226	6.715.828	9.663.819	-	25.037.873
Balance Sheet Short Position	(7.732.286)	(12.057.686)	-	-	-	(5.247.901)	(25.037.873)
Off-Balance Sheet Long Position	15.846.086	42.327.611	2.609.666	9.690.853	3.740.094	-	74.214.310
Off-Balance Sheet Short Position	(14.728.803)	(39.809.341)	(3.355.012)	(10.709.184)	(3.740.094)	-	(72.342.434)
<b>Total Position</b>	<b>(6.615.003)</b>	<b>(9.539.416)</b>	<b>7.912.880</b>	<b>5.697.497</b>	<b>9.663.819</b>	<b>(5.247.901)</b>	<b>1.871.876</b>

(\*) Expected Credit losses for related items are presented in non-interest bearing column.

(\*\*) Derivative financial assets are classified under other assets and expected loss provisions for other assets are netted off in other assets.

(\*\*\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2022, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.

(\*\*\*\*) Other obligations line; It includes shareholders' equity amounting to 5.040.951 TL, tax liability of 325.533 TL, provisions of 1.241.126 TL, liabilities from lease transactions of 163.074 TL and other liabilities of 256.260 TL and derivative financial liabilities amounting to 927.389 TL.

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**IV. Explanations on Interest Rate Risk (continued)**

**Prior period information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):**

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
<b>31 December 2021</b>							
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.232.412	-	-	-	-	8.209.997	9.442.409
Banks (*)	148.391	-	-	-	-	3.698.926	3.847.317
Financial Assets at Fair Value Through Profit and Loss	77.378	23.562	27	364	424	-	101.755
Money Market Placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	182.104	545.348	1.918.110	5.675.018	1.713.605	5.255	10.039.440
Loans (*)	6.684.346	3.427.243	4.341.269	5.910.594	5.216.542	(361.737)	25.218.257
Financial assets measured at amortized cost (*)	-	68.129	415.299	591.965	259.647	(6.156)	1.328.884
Other Assets (**)	779.871	506.809	831.303	154.385	1.430.388	1.785.187	5.487.943
<b>Total Assets</b>	<b>9.104.502</b>	<b>4.571.091</b>	<b>7.506.008</b>	<b>12.332.326</b>	<b>8.620.606</b>	<b>13.331.472</b>	<b>55.466.005</b>
<b>Liabilities</b>							
Bank Deposits	312.792	36.619	-	-	-	10.856	360.267
Customer Deposits	22.715.157	6.301.462	965.113	55.197	-	8.019.892	38.056.821
Money Market Borrowings	2.224.902	-	-	-	-	-	2.224.902
Miscellaneous Payables	-	-	-	-	-	1.968.952	1.968.952
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	-	-	283.732	1.424.864	-	-	1.708.596
Subordinated Loans(***)	-	-	-	-	3.833.893	-	3.833.893
Other Liabilities (****)	221.301	300.219	304.678	466.656	1.435.896	4.583.824	7.312.574
<b>Total Liabilities</b>	<b>25.474.152</b>	<b>6.638.300</b>	<b>1.553.523</b>	<b>1.946.717</b>	<b>5.269.789</b>	<b>14.583.524</b>	<b>55.466.005</b>
Balance Sheet Long Position	-	-	5.952.485	10.385.609	3.350.817	-	19.688.911
Balance Sheet Short Position	(16.369.650)	(2.067.209)	-	-	-	(1.252.052)	(19.688.911)
Off-Balance Sheet Long Position	21.706.513	36.155.554	7.412.368	503.327	13.490.144	-	79.267.906
Off-Balance Sheet Short Position	(18.735.344)	(6.364.690)	(10.989.296)	(2.867.262)	(41.144.937)	-	(80.101.529)
<b>Total Position</b>	<b>(13.398.481)</b>	<b>27.723.655</b>	<b>2.375.557</b>	<b>8.021.674</b>	<b>(24.303.976)</b>	<b>(1.252.052)</b>	<b>(833.623)</b>

(\*) Expected Credit losses for related items are presented in non-interest bearing column.

(\*\*) Derivative financial assets are classified under other assets and expected credit losses of other assets are netted in other assets.

(\*\*\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 March 2022, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion.

(\*\*\*\*) Other liabilities consist of shareholders' equity amounting to TL 3.566.950, tax liabilities amounting to TL 73.803, provisions amounting to TL 351.301, lease payables to TL 120.180 and other liabilities amounting to TL 471.591. In addition, other liabilities include derivative financial liabilities amounting to TL 2.728.749.

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**IV. Explanations on Interest Rate Risk (continued)**

**Current period interest rates applied to monetary financial instruments:**

	EURO	USD	JPY	TL
	%	%	%	%
<b>31 December 2022</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	0,40	-	8,97
Financial Assets at Fair Value Through Profit and Loss	6,58	8,90	-	12,96
Money Market Placements	-	-	-	14,25
Financial Assets at Fair Value Through Other Comprehensive Income	4,22	5,60	-	32,86
Loans	5,32	8,51	-	15,05
Financial Assets Measured at Amortized Cost	4,50	7,53	-	28,35
<b>Liabilities</b>				
Bank Deposits	1,09	4,27	-	-
Customer Deposits	0,91	1,47	-	14,87
Money Market Borrowings	-	-	-	9,16
Subordinated Loans	-	8,61	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	2,98	4,34	-	-

**Prior Period interest rates applied to monetary financial instruments:**

	EURO	USD	JPY	TL
	%	%	%	%
<b>31 December 2021</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	8,50
Banks	-	0,08	-	-
Financial Assets at Fair Value Through Profit and Loss	5,64	7,42	-	23,70
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4,23	4,49	-	24,16
Loans	4,45	6,21	-	17,80
Financial Assets Measured at Amortized Cost	4,50	6,62	-	14,16
<b>Liabilities</b>				
Bank Deposits	-	-	-	14,38
Customer Deposits	0,47	0,99	-	16,23
Money Market Borrowings	-	1,82	-	13,99
Subordinated Loans	-	7,63	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	1,60	4,52	-	-

**Nature of interest rate risk resulted from banking book:**

The interest rate risk for all on-balance sheet and off-balance sheet items, which are interest sensitive, and for banking accounts has been calculated. In calculation of interest rate risk, the bank has no any assumptions for early repayment of loans and demand deposits. Interest rate risk arising from banking accounts is calculated and is reported to BRSA monthly.

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**IV. Explanations on Interest Rate Risk (continued)**

**Economic value differences resulted from interest rate instabilities calculated according to Regulation on Measurement and Evolution of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method.**

Unit of Currency	Applicable Shock (+ / -) base point)*	Profit/ Loss	Profit / Equity Capital – Loss / Equity Capital
TL	500	(357.168)	%-3,73
	-400	360.716	%3,77
EUR	200	(431.671)	%-4,51
	-200	497.829	%5,20
USD	200	103.405	%1,08
	-200	(107.557)	%-1,12
<b>Total (For Positive Shock)</b>		<b>(685.434)</b>	<b>%-7,15</b>
<b>Total (For Negative Shock)</b>		<b>750.988</b>	<b>%7,84</b>

\* The intensity and direction of a currency different rows were entered separately for each shock.

The interest rate risk arising from banking book is calculated and reported according to "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" published in the Official Gazette no. 28034 on 23 August 2011. The positive and negative shocks do not show results in the opposite direction in EUR shocks since a floor applies to EUR shocks. The effects of positive and negative shocks result in an opposite direction in internal calculations where aforementioned effects are not included. The impact of interest rate shocks on equity is close to the data described above and within the internal limits.

**V. Explanations on Share Certificates Position Risk**

The Bank has no outstanding share certificate position.

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**VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio**

Liquidity risk is a risk that occurs as a result of, not having cash in hand or cash inflow at a level and nature to meet cash outflow as a consequence of imbalance in cash flow in time and completely. Liquidity risk consists of sum of two main risk types; funding liquidity risk and market liquidity risk.

Management of the Bank's liquidity risk is carried out in scope of responsibilities of Board of Directors, Risk Committee of the Board, Assets and Liabilities Management Committee (ALCO), Risk Management Department and other business units which are members of ALCO.

Board of Directors has the ultimate responsibility concerning the liquidity risk and its management. Board of Directors also has the responsibility to determine liquidity risk appetite as a part of holistic risk appetite, evaluate and approve proposed limits, approve liquidity risk management policy and confirm changes regarding limit and confinement.

Risk Committee evaluates and approves short, medium and long term liquidity risk management strategies. Risk Committee also provides general adaptability of the Bank to principals and management procedures included in the management of the risk. Risk Committee reviews and evaluates liquidity risk reports periodically.

Assets and Liabilities Management Committee (ALCO) establishes short, medium and long term liquidity management strategies and evaluates the liquidity risk profile of the Bank and impacts of recently developed trends on the liquidity of the Bank through periodical meetings. ALCO makes a decision regarding the qualification of liquidity buffer of the Bank in line with risk appetite and liquidity strategy of the Bank. Additionally, ALCO reviews liquidity reports and feedbacks of the Risk Management, considers Treasury's opinions and action plans and informs Risk Committee and Board of Directors about the possible adverse conditions regarding liquidity and its material impacts.

Risk Management establishes liquidity risk management policy, determines liquidity risk limits and submits these policies and limits to the approval of Board of Directors. It also provides to measure and manage liquidity risk in the framework of risk appetite and limits approved by the Board of Directors. Risk management performs reporting to ALCO, Risk Committee and members of Board of Directors regarding adherence to risk appetite and limit excess. Additionally, risk management is also responsible to form and implement liquidity stress tests and share the results with the related parties.

Liquidity risk analysis and early warning signals are reported to the senior management periodically. Furthermore, all the analysis including regulatory and internal rates with respect to liquidity risk are reported to ALCO and limit and warning levels approved by the Board of Directors are monitored periodically and reported to related parties.

Funding management of the Bank is carried out under the control of the Treasury and with the knowledge of ALCO. The Bank's funding strategy is intended to ensure sufficient liquidity and diversity of funding sources to meet actual and contingent liabilities through both normal and stress periods. A significant part of Bank's liquidity needs is met with deposits which represent the main funding source of the Bank. On the other hand, when it is deemed necessary, bond issuance and pre-financing products can be provided in addition to the aforementioned sources.

Almost all the liabilities of the Bank are denominated in TL, USD or EUR and the concentration risk in the funding sources is monitored closely. Concentration analysis related to deposits are performed and factors, which can deteriorate access to funding sources and trigger a sudden withdrawal of funds at a significant level, are analyzed.

Liquidity risk is closely monitored and managed in order to keep it at a level appropriate to risk appetite and liquidity risk management policies, by promoting diversification of funding sources, keeping high quality liquid assets and reduction or termination of activities causing limit excess.

In scope of the Liquidity Stress Test, the Bank monitors stress scenarios arising from internal and external factors and manages its high quality liquid assets, deposits, other balance sheet items generating cash outflows, loans and other cash inflows in that respect. There are designated risk limits for indicators. The compliance with the risk and the determined risk limits is shared with the Senior Management and the relevant business units and necessary actions are taken.

The Bank has established a Liquidity Emergency Action Plan to explain the actions that should be taken in possible liquidity tightness scenarios. In this context, normal market conditions and various stress levels are defined and action plans are created for each situation. In addition to the Emergency Action Plan, Basic Risk Indicators and Liquidity Early Warning Signals are defined within the scope of Liquidity Risk Management Policy and these indicators are regularly monitored.

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**VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (continued)**

The liquidity coverage ratios are calculated in accordance with the "Regulation on Liquidity Coverage Ratio Calculation of Banks" published in Official Gazette dated 21 March 2014 and numbered 28948. Liquidity coverage ratios should be at least 80% for foreign currency assets and liabilities and 100% for total assets and liabilities.

Information regarding weekly solo liquidity coverage ratios realized in the fourth quarter of 2022 is as follows:

		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
<b>Current Period- 31 December 2022</b>					
<b>HIGH QUALITY LIQUID ASSETS</b>					
1	High quality liquid assets	24.645.733	14.915.831	19.382.641	9.926.405
<b>CASH OUTFLOWS</b>					
2	<b>Retail and Small Business Customer Deposits</b>	<b>32.386.232</b>	<b>14.803.084</b>	<b>3.092.026</b>	<b>1.480.308</b>
3	Stable deposits	2.931.953	-	146.598	-
4	Less stable deposits	29.454.279	14.803.084	2.945.428	1.480.308
5	<b>Unsecured Funding other than Retail and Small Business Customer Deposits</b>	<b>8.309.866</b>	<b>4.906.604</b>	<b>4.242.177</b>	<b>2.524.264</b>
6	Operational deposits	16.458	3	4.114	1
7	Non-Operational Deposits	7.031.007	4.239.193	2.975.662	1.856.855
8	Other Unsecured Funding	1.262.401	667.408	1.262.401	667.408
9	Secured funding	-	-	-	-
10	<b>Other Cash Outflows</b>	<b>18.580.752</b>	<b>5.741.600</b>	<b>2.461.811</b>	<b>2.624.934</b>
11	Liquidity needs related to derivatives and market	2.415.334	2.091.816	741.097	2.091.816
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	16.165.418	3.649.784	1.720.714	533.118
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	-	-	-	-
16	<b>TOTAL CASH OUTFLOWS</b>	<b>-</b>	<b>-</b>	<b>9.796.014</b>	<b>6.629.506</b>
<b>CASH INFLOWS</b>					
17	Secured Lending Transactions	120.087	-	-	-
18	Unsecured Lending Transactions	8.039.845	4.240.957	6.040.042	3.879.345
19	Other contractual cash inflows	309.739	926.367	309.739	926.366
20	<b>TOTAL CASH INFLOWS</b>	<b>8.469.671</b>	<b>5.167.324</b>	<b>6.349.781</b>	<b>4.805.711</b>
				<b>Upper Limit Applied Amounts</b>	
21	<b>TOTAL HQLA</b>			<b>19.382.641</b>	<b>9.926.405</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>3.571.293</b>	<b>2.165.335</b>
23	<b>Liquidity Coverage Ratio (%)</b>			<b>581,87</b>	<b>503,41</b>

(\*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages.

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**VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (continued)**

Information regarding weekly unconsolidated liquidity coverage ratios realized in the fourth quarter of 2021 is as follows:

		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
<b>Prior Period- 31 December 2021</b>					
<b>HIGH QUALITY LIQUID ASSETS</b>				<b>13.768.175</b>	<b>9.687.303</b>
1	High quality liquid assets	17.946.203	13.472.916	13.768.175	9.687.303
<b>CASH OUTFLOWS</b>					
2	<b>Retail and Small Business Customer Deposits</b>	<b>21.516.301</b>	<b>12.656.948</b>	<b>2.032.533</b>	<b>1.265.695</b>
3	Stable deposits	2.381.942	-	119.097	-
4	Less stable deposits	19.134.359	12.656.948	1.913.436	1.265.695
5	<b>Unsecured Funding other than Retail and Small Business Customer Deposits</b>	<b>8.324.719</b>	<b>5.892.910</b>	<b>3.834.792</b>	<b>2.525.159</b>
6	Operational deposits	7.004	-	1.751	-
7	Non-Operational Deposits	7.651.391	5.675.764	3.166.717	2.308.013
8	Other Unsecured Funding	666.324	217.146	666.324	217.146
9	Secured funding	-	-	-	-
10	<b>Other Cash Outflows</b>	<b>11.618.706</b>	<b>6.906.861</b>	<b>2.830.846</b>	<b>2.640.066</b>
11	Liquidity needs related to derivatives and market	1.671.075	1.925.598	1.671.075	1.925.598
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	9.947.631	4.981.263	1.159.771	714.468
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	-	-	-	-
16	<b>TOTAL CASH OUTFLOWS</b>			<b>8.698.171</b>	<b>6.430.920</b>
<b>CASH INFLOWS</b>					
17	Secured Lending Transactions	18.967	-	-	-
18	Unsecured Lending Transactions	5.099.696	3.518.441	3.676.898	2.855.557
19	Other contractual cash inflows	513.564	1.068.240	513.564	1.068.240
20	<b>TOTAL CASH INFLOWS</b>	<b>5.632.227</b>	<b>4.586.681</b>	<b>4.190.462</b>	<b>3.923.797</b>
				<b>Upper Limit Applied Amounts</b>	
21	<b>TOTAL HQLA</b>			<b>13.768.175</b>	<b>9.687.303</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>4.507.708</b>	<b>2.509.061</b>
23	<b>Liquidity Coverage Ratio (%)</b>			<b>310,03</b>	<b>399,97</b>

(\*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages.

Liquidity coverage ratio is calculated by proportioning the high quality liquid assets owned by the bank to the net cash outflows in the one month maturity window. Important balance sheet items that determine the ratio can be listed as required reserves held at the CBRT, securities not subject to repo / collateral, deposits according to counterparty, securities taken as collateral with reverse repo, placements to banks and derivative transactions. Since these items have a high share in liquid assets and net cash outflows in terms of volume, their ratio of consideration is high and they may change over time, their effect on liquidity coverage ratio is higher than other items.

Although derivative transactions create a low amount of net cash flow in terms of total liquidity coverage ratio, fluctuations in foreign currency derivative transaction volumes may affect the foreign currency liquidity coverage ratio.



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**VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (continued)**

The weeks having the highest and lowest level of liquidity coverage ratios calculated for the last three months and their average values are given below:

	Current Period-31 December 2022		Prior Period-31 December 2021	
	TL+FC	FC	TL+FC	FC
Lowest Week	357,00	270,84	241,65	264,16
	04.11.2022	04.11.2022	03.12.2021	31.12.2021
Highest Week	825,01	714,55	392,84	631,82
	16.12.2022	25.11.2022	19.11.2021	24.12.2021
Average	581,87	503,41	310,03	399,97

**Presentation of assets and liabilities according to their remaining maturities:**

31 December 2022	Demand	Up to 1 Month	1-3 Month	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	2.431.262	5.630.542	-	-	-	-	-	8.061.804
Banks	3.108.267	1.331.775	-	-	-	-	(7.724)	4.432.318
Financial Assets at Fair Value Through Profit and Loss	-	25.625	88	563	5.882	3.832	-	35.990
Money Market Placements	-	2.775.233	1.017.070	-	-	-	-	3.792.303
Financial Assets at Fair Value Through Other Comprehensive Income	13.621	191.174	336.342	2.366.113	6.688.381	1.351.603	-	10.947.234
Loans	-	5.014.539	6.076.637	5.524.195	6.454.076	7.979.849	(573.317)	30.475.979
Financial Assets Measured at Amortized Cost	-	-	301.474	2.274.586	2.030.386	2.691.273	(35.131)	7.262.588
Other Assets (**)	-	101.266	549.818	53.170	376.489	162.174	2.745.716	3.988.633
<b>Total Assets</b>	<b>5.553.150</b>	<b>15.070.154</b>	<b>8.281.429</b>	<b>10.218.627</b>	<b>15.555.214</b>	<b>12.188.731</b>	<b>2.129.544</b>	<b>68.996.849</b>
<b>Liabilities</b>								
Bank Deposits	6.313	-	-	-	-	-	-	6.313
Customer Deposits	9.334.674	17.790.169	20.936.914	1.105.237	65.152	-	-	49.232.146
Money Market Borrowings	-	4.000.353	-	-	-	-	-	4.000.353
Miscellaneous Payables	-	-	-	-	-	-	1.107.582	1.107.582
Marketable Securities Issued	-	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	-	692.771	-	136.100	530.347	-	-	1.359.218
Subordinated Loans (***)	-	-	-	-	5.336.904	-	-	5.336.904
Other Liabilities (****)	-	270.205	41.040	65.864	397.343	152.936	7.026.945	7.954.333
<b>Total Liabilities</b>	<b>9.340.987</b>	<b>22.753.498</b>	<b>20.977.954</b>	<b>1.307.201</b>	<b>6.329.746</b>	<b>152.936</b>	<b>8.134.527</b>	<b>68.996.849</b>
<b>Liquidity (Gap)/ Surplus</b>	<b>(3.787.837)</b>	<b>(7.683.344)</b>	<b>(12.696.525)</b>	<b>8.911.426</b>	<b>9.225.468</b>	<b>12.035.795</b>	<b>(6.004.983)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>507.362</b>	<b>1.258.575</b>	<b>109.608</b>	<b>(3.669)</b>	<b>-</b>	<b>-</b>	<b>1.871.876</b>
Financial Derivative Assets	-	15.423.170	29.208.708	3.304.075	18.798.169	7.480.188	-	74.214.310
Financial Derivative Liabilities	-	(14.915.808)	(27.950.133)	(3.194.467)	(18.801.838)	(7.480.188)	-	(72.342.434)
<b>Non-Cash Loans</b>	<b>3.026.982</b>	<b>790.825</b>	<b>1.987.079</b>	<b>9.269.708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.074.594</b>
<b>Prior period</b>								
Total Assets	7.168.124	10.003.986	2.544.059	7.367.521	16.643.628	10.324.189	1.414.498	55.466.005
Total Liabilities	8.030.748	24.640.078	6.833.113	2.447.466	1.692.035	5.269.789	6.552.776	55.466.005
<b>Liquidity (Gap)/ Surplus</b>	<b>(862.624)</b>	<b>(14.636.092)</b>	<b>(4.289.054)</b>	<b>4.920.055</b>	<b>14.951.593</b>	<b>5.054.400</b>	<b>(5.138.278)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>1.082.462</b>	<b>(447.517)</b>	<b>(1.366.804)</b>	<b>(101.764)</b>	<b>-</b>	<b>-</b>	<b>(833.623)</b>
Financial Derivative Assets	-	19.075.848	5.782.272	9.892.295	3.372.554	41.144.937	-	79.267.906
Financial Derivative Liabilities	-	(17.993.386)	(6.229.789)	(11.259.099)	(3.474.318)	(41.144.937)	-	(80.101.529)
<b>Non-Cash Loans</b>	<b>1.650.633</b>	<b>1.245.544</b>	<b>1.475.023</b>	<b>4.312.111</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.683.311</b>

(\*) Assets such as fixed assets, other assets, securities representing shares in the capital, current tax assets and non-performing loans are recorded here.

(\*\*) Other assets line includes assets other than those mentioned above.

(\*\*\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2022, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.

(\*\*\*\*) Other liabilities line; include shareholders' equity amounting to 5.040.951 TL, tax liability of 325.533 TL, provisions of 1.241.126 TL, liabilities from lease transactions of 163.074 TL and other liabilities of 256.260 TL and derivative financial liabilities amounting to 927.389 TL.

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**VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (continued)**

**Analysis of financial liabilities by remaining contractual maturities (\*):**

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
<b>As of December 31, 2022</b>								
Bank Deposits	6.313	-	-	-	-	-	-	6.313
Customer deposits	9.334.674	17.851.403	21.351.129	1.189.968	92.781	-	-	49.819.955
Subordinated Loans	-	-	-	-	-	8.548.131	-	8.548.131
Funds Provided From Other Financial Institutions	-	693.095	-	-	823.850	-	-	1.516.945
Funds From interbank money market	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9.340.987</b>	<b>18.544.498</b>	<b>21.351.129</b>	<b>1.189.968</b>	<b>916.631</b>	<b>8.548.131</b>	<b>-</b>	<b>59.891.344</b>

(\*). Includes total interest to be paid

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
<b>As of December 31, 2021</b>								
Bank Deposits	10.856	313.257	37.722	-	-	-	-	361.835
Customer deposits	8.019.892	21.781.683	6.570.173	1.859.684	81.060	-	-	38.312.492
Subordinated Loans	-	-	-	-	-	6.592.097	-	6.592.097
Funds Provided From Other Financial Institutions	-	296.694	-	1.705.153	-	2.001.847	-	4.003.694
Funds From interbank money market	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8.030.748</b>	<b>22.391.634</b>	<b>6.607.895</b>	<b>3.564.837</b>	<b>81.060</b>	<b>8.593.944</b>	<b>-</b>	<b>49.270.118</b>

(\*). Includes total interest to be paid

**Breakdown of derivative instruments due to their remaining contractual maturities:**

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
<b>As of December 31, 2022</b>						
Gross settled						
Foreign exchange forward contracts	2.139.861	948.127	2.706.470	836.964	-	6.631.422
Currency swaps	21.028.313	16.904.742	107.048	2.363.103	-	40.403.206
Interest rate swap agreement	400.000	200.000	1.969.846	34.399.940	14.960.376	51.930.162
Foreign currency sell and buy options	6.770.805	39.105.970	1.715.178	-	-	47.591.953
Interest rate sell and buy options	-	-	-	-	-	-
<b>Total</b>	<b>30.338.979</b>	<b>57.158.839</b>	<b>6.498.542</b>	<b>37.600.007</b>	<b>14.960.376</b>	<b>146.556.743</b>

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
<b>As of December 31, 2021</b>						
Gross settled						
Foreign exchange forward contracts	3.509.250	2.992.638	2.351.294	460.660	-	9.313.842
Currency swaps	30.530.880	3.745.447	1.755.733	312.860	-	36.344.920
Interest rate swap agreement	3.100.465	29.143.081	5.984.901	1.847.072	27.654.793	67.730.312
Foreign currency sell and buy options	3.301.259	5.139.078	8.309.736	-	-	16.750.073
Interest rate sell and buy options	-	-	-	-	26.980.288	26.980.288
<b>Total</b>	<b>40.441.854</b>	<b>41.020.244</b>	<b>18.401.664</b>	<b>2.620.592</b>	<b>54.635.081</b>	<b>157.119.435</b>

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**VII. Explanations on Leverage Ratio**

**Information on subjects that causes difference in leverage ratio between current and prior periods:**

“Regulation on the Measurement and Evaluation of Banks Leverage Levels” regulates the procedures and principles regarding to ensure adequate capital at the consolidated and non-consolidated basis for exposure of possible risk of Banks. Leverage ratio of the Bank calculated amounting to 5,92% (31 December 2021: 5,55%). According to Regulations, minimum leverage ratio is 3%.

**Disclosure of Leverage ratio template:**

	<b>Current Period</b>	<b>Prior Period</b>	
	<b>31 December</b>	<b>31 December</b>	
	<b>2022(*)</b>	<b>2021 (*)</b>	
<b>Balance sheet transactions</b>			
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	66.188.535	51.854.048
2	(Assets deducted from Core capital)	(270.516)	(161.512)
3	Total risk amount of balance sheet assets (sum of lines 1 and 2)	65.918.019	51.692.536
<b>Derivative financial assets and credit derivatives</b>			
4	Cost of replenishment for derivative financial assets and credit derivatives	722.275	1.938.507
5	Potential credit risk amount of derivative financial assets and credit derivatives	-	-
6	Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	722.275	1.938.507
<b>Financing transactions secured by marketable security or commodity</b>			
7	Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	-	-
8	Risk amount arising from intermediary transactions	-	-
9	Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	-	-
<b>Off-balance sheet transactions</b>			
10	Gross notional amount of off-balance sheet transactions	30.771.272	17.221.315
11	(Correction amount due to multiplication with credit conversion rates)	(10.566.789)	(5.010.168)
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11)	20.204.483	12.211.147
<b>Capital and total risk</b>			
13	Core Capital	5.132.427	3.620.357
14	Total risk amount(sum of lines 3, 6, 9 and 12)	86.844.777	65.842.190
<b>Leverage ratio</b>			
15	Leverage ratio	5,92	5,55

(\*) The arithmetic average of the last 3 months in the related periods.

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**VIII. Explanations on Presentation of Financial Assets and Liabilities at Fair Value**

The presentation of the Bank's financial assets and liabilities with their fair values is as follows;

	31 December 2022		31 December 2021	
	Book Value	Fair Value	Book Value	Fair Value
<b>Financial Assets</b>	<b>59.018.067</b>	<b>59.487.768</b>	<b>42.793.716</b>	<b>38.630.514</b>
Money Market Placements	3.792.303	3.792.303	-	-
Banks	4.440.042	4.440.042	3.850.114	3.850.114
Financial assets at fair value through other comprehensive income	10.947.234	10.947.234	10.039.440	10.039.440
Financial assets measured at amortized cost	7.297.719	7.700.006	1.335.040	1.274.136
Loans	32.540.769	32.608.183	27.569.122	23.466.823
<b>Financial Liabilities</b>	<b>61.298.776</b>	<b>60.439.393</b>	<b>48.625.022</b>	<b>48.175.623</b>
Bank Deposits	6.313	6.313	360.267	360.267
Other Deposits	49.232.146	49.249.533	38.056.821	38.059.987
Funds Borrowed From Other Financial Institutions	5.359.571	5.458.828	3.933.498	4.180.681
Subordinated Loans	5.336.904	4.360.877	3.833.893	3.134.145
Issued Bonds	-	-	-	-
Miscellaneous Payables	1.363.842	1.363.842	2.440.543	2.440.543

The following methods and assumptions were used to estimate the fair value of the financial instruments:

IFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

- Quoted market prices (non-adjusted) (1st level)
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level)
- Data not based on observable data regarding assets or liabilities (3rd level)

Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles is given in the table below:

December 31, 2022	Level 1	Level 2	Level 3(*)	Total
<b>Financial Assets</b>	<b>10.944.375</b>	<b>1.268.145</b>	<b>13.621</b>	<b>12.226.141</b>
Financial Assets at Fair Value through Profit and Loss	10.762	25.228	-	35.990
Financial Assets at Fair Value through Other Comprehensive Income	10.933.613	-	13.621	10.947.234
Derivative Financial Assets at Fair Value through Profit and Loss	-	1.242.917	-	1.242.917
Derivative Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	-
<b>Financial Liabilities</b>	<b>-</b>	<b>927.389</b>	<b>-</b>	<b>927.389</b>
Derivative Financial Liabilities at Fair Value Through Profit and Loss	-	927.389	-	927.389
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	-	-	-	-
December 31, 2022	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	<b>10.116.957</b>	<b>3.721.739</b>	<b>5.255</b>	<b>13.843.951</b>
<b>Financial Liabilities</b>	<b>-</b>	<b>2.728.749</b>	<b>-</b>	<b>2.728.749</b>

(\*) The Bank has 3rd level financial assets amounting to TL 13.621 (31 December 2021: TL 5.255). The exchange increase in current period is amounting to TL 108.

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**IX. Explanations Related to Transactions Carried Out on Behalf on Customers, Items Held in Trust**

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. Details of these transactions are provided in the off-balance sheet table. The Bank has no trust transactions.

**X. Explanations on Risk Management**

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 30 June 2016. According to Communiqué these notes have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables have not been presented as of 31 December 2022:

- RWA flow statements of credit risk exposures under IRB
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an IMA

**a. Overview of RWA**

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period	Prior Period	Current Period
		31 December 2022	31 December 2021	31 December 2022
1	Credit risk (excluding counterparty credit risk) (CCR)	41.755.738	26.176.414	3.340.459
2	Standardised approach (SA)	41.755.738	26.176.414	3.340.459
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	373.053	1.125.467	29.844
5	Standardised approach for counterparty credit risk (SA-CCR)	373.053	1.125.467	29.844
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	2.629.038	1.201.288	210.323
17	Standardised approach (SA)	2.629.038	1.201.288	210.323
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	2.405.613	2.417.300	192.449
20	Basic Indicator Approach	2.405.613	2.417.300	192.449
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>47.163.442</b>	<b>30.920.469</b>	<b>3.773.075</b>

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**X. Explanations on Risk Management (continued)**

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

<b>Current Period</b>	<b>Revalued amount in accordance with TAS as reported in published financial statements</b>	<b>Subject to credit risk</b>	<b>Subject to counter party credit risk</b>	<b>Securitization positions</b>	<b>Subject to market risk</b>	<b>Not subject to capital requirements or subject to deduction from capital</b>
<b>Assets</b>						
Cash and balances with Central Bank	8.061.804	8.061.804	-	-	-	-
Financial assets at fair value through profit and loss	35.990	-	-	-	35.990	-
Banks	4.440.042	4.003.613	76.301	-	-	-
Money market placements	3.792.303	3.692.221	-	-	-	-
Expected credit losses (-)	7.724	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	10.947.234	10.947.234	-	-	-	-
Derivative financial assets	1.242.917	-	736.935	-	587.531	-
Financial assets measured at amortised cost	7.297.719	7.297.719	-	-	-	-
Expected credit losses (-)	2.099.921	741.014	-	-	-	-
Loans	32.540.769	32.540.769	-	-	-	-
Lease receivables	-	-	-	-	-	-
Factoring receivables	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-
Joint ventures (net)	-	-	-	-	-	-
Associates (net)	-	-	-	-	-	-
Tangible assets (net)	302.149	302.149	-	-	-	37.220
Intangible assets (net)	243.171	243.171	-	-	-	243.171
Investment property (net)	-	-	-	-	-	-
Tax asset	594.540	594.540	-	-	-	91.243
Property and equipment held for sale and related to discontinued operations (net)	805.513	805.513	-	-	-	-
Other assets	800.343	806.463	-	-	-	-
<b>Total assets</b>	<b>68.996.849</b>	<b>68.554.182</b>	<b>813.236</b>	<b>-</b>	<b>623.521</b>	<b>371.634</b>
<b>Liabilities</b>						
Deposit	49.238.459	-	-	-	-	-
Derivative financial liabilities at fair value through profit or loss	893.395	-	-	-	267.534	-
Loans received	1.359.218	-	-	-	-	-
Money market funds	4.000.353	-	-	-	-	-
Securities Issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Factoring payables	-	-	-	-	-	-
Lease payables	163.074	-	-	-	-	-
Derivative financial liabilities at fair value through other comprehensive income	33.994	-	-	-	-	-
Provisions	1.241.126	-	-	-	-	-
Tax liability	325.533	-	-	-	-	-
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	5.336.904	-	-	-	-	-
Other liabilities	1.363.842	-	-	-	-	-
Shareholders' equity	5.040.951	-	-	-	-	-
<b>Total liabilities</b>	<b>68.996.849</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>267.534</b>	<b>-</b>

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**X. Explanations on Risk Management (continued)**

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

<b>Prior Period</b>	<b>Revalued amount in accordance with TAS as reported in published financial statements</b>	<b>Subject to credit risk</b>	<b>Subject to counter party credit risk</b>	<b>Securitization positions</b>	<b>Subject to market risk</b>	<b>Not subject to capital requirements or subject to deduction from capital</b>
<b>Assets</b>						
Cash and balances with Central Bank	9.442.409	9.442.409	-	-	-	-
Financial assets at fair value through profit and loss	101.755	-	-	-	101.755	-
Banks	3.850.114	3.850.114	122.650	-	-	-
Money market placements	-	-	-	-	-	-
Expected credit losses (-)	2.797	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	10.039.440	10.039.440	-	-	-	-
Derivative financial assets	3.702.756	-	1.983.950	-	1.467.433	-
Financial assets measured at amortised cost	1.335.040	1.335.040	-	-	-	-
Expected credit losses (-)	2.357.021	932.388	-	-	-	-
Loans	27.569.122	27.569.122	-	-	-	-
Lease receivables	-	-	-	-	-	-
Factoring receivables	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-
Joint ventures (net)	-	-	-	-	-	-
Associates (net)	-	-	-	-	-	-
Tangible assets (net)	181.790	181.790	-	-	-	32.393
Intangible assets (net)	147.126	147.126	-	-	-	147.126
Investment property (net)	-	-	-	-	-	-
Tax asset	261.068	261.068	-	-	-	-
Property and equipment held for sale and related to discontinued operations (net)	296.839	296.839	-	-	-	-
Other assets	898.364	872.344	-	-	-	-
<b>Total assets</b>	<b>55.466.005</b>	<b>53.062.904</b>	<b>2.106.600</b>	<b>-</b>	<b>1.569.188</b>	<b>179.519</b>
<b>Liabilities</b>						
Deposit	38.417.088	-	-	-	-	-
Derivative financial liabilities at fair value through profit or loss	2.728.749	-	-	-	1.255.727	-
Loans received	1.708.596	-	-	-	-	-
Money market funds	2.224.902	-	-	-	-	-
Securities Issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Factoring payables	-	-	-	-	-	-
Lease payables	120.180	-	-	-	-	-
Derivative financial liabilities at fair value through other comprehensive income	-	-	-	-	-	-
Provisions	351.301	-	-	-	-	-
Tax liability	73.803	-	-	-	-	-
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	3.833.893	-	-	-	-	-
Other liabilities	2.440.543	-	-	-	-	-
Shareholders' equity	3.566.950	-	-	-	-	-
<b>Total liabilities</b>	<b>55.466.005</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.255.727</b>	<b>-</b>

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**X. Explanations on Risk Management (continued)**

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

<b>Current Period</b>	<b>Total</b>	<b>Subject to credit risk</b>	<b>Securitization positions</b>	<b>Subject to counterparty credit risk</b>	<b>Subject to market risk (*)</b>
Assets carrying value in accordance with TAS	68.625.215	68.554.182	-	813.236	623.521
Liabilities carrying value in accordance with TAS under scope of regulatory consolidation	-	-	-	-	267.534
<b>Total net amount under scope of regulatory consolidation</b>	<b>68.625.215</b>	<b>68.554.182</b>	<b>-</b>	<b>813.236</b>	<b>355.987</b>
Off-balance sheet amount	19.006.659	19.006.659	-	-	31.258.627
Differences due to risk mitigation	-	(1.135.123)	-	-	-
Differences due to different netting rules	-	-	-	-	-
Differences due to consideration of provisions	-	-	-	-	-
Differences due to the applications of the Bank	-	-	-	-	-
<b>Exposure amounts</b>	<b>87.631.874</b>	<b>86.425.718</b>	<b>-</b>	<b>813.236</b>	<b>31.614.614</b>

<b>Prior Period</b>	<b>Total</b>	<b>Subject to credit risk</b>	<b>Securitization positions</b>	<b>Subject to counterparty credit risk</b>	<b>Subject to market risk (*)</b>
Assets carrying value in accordance with TAS	55.286.486	53.062.904	-	2.106.600	1.569.188
Liabilities carrying value in accordance with TAS under scope of regulatory consolidation	-	-	-	-	1.255.727
<b>Total net amount under scope of regulatory consolidation</b>	<b>55.286.486</b>	<b>53.062.904</b>	<b>-</b>	<b>2.106.600</b>	<b>313.461</b>
Off-balance sheet amount	11.702.429	11.702.429	-	-	45.772.306
Differences due to risk mitigation	-	(738.124)	-	-	-
Differences due to different netting rules	-	-	-	-	-
Differences due to consideration of provisions	-	-	-	-	-
Differences due to the applications of the Bank	-	-	-	-	-
<b>Exposure amounts</b>	<b>66.988.915</b>	<b>64.027.209</b>	<b>-</b>	<b>2.106.600</b>	<b>46.085.767</b>

**c. Credit risk explanation**

1. General qualitative information about credit risk:

Credit Risk Management Department operates under Internal Systems pillar directly subject to Board of Directors as it is mentioned in scope of "Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process". Reports, prepared in a wider perspective, are reported to Board of Directors and senior management through the Risk Committee as well as reports having given minimum standards in scope of aforementioned regulation. Risk Report include customer, group, collateral and sector concentrations, stress tests, risk profile, overdue receivables and specific provision development, close monitoring development and capital adequacy analysis as general scope and main content.

The Bank determines risk limits including all risks and covering all activities of the Bank and those limits are approved by Board of Directors. Limits of the Bank are determined in a way to reflect risk appetite, which is planned to be undertaken, and expectations in economy with our main partner. Credit policies are established in compliance with risk limits accordingly. Those limits are periodically monitored by Risk Management and Board of Directors is informed in scope of respective outputs.

Credit allocation processes are established in line with risk appetite and limits determined in scope of credit policies. In this scope, rating and decision support systems are used in evaluation of credits in order to reflect related risks. Access levels are determined by Board of Directors.



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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

Credit Risk is the possibility of loss to which the current or future return or capital of the bank shall be exposed since the debtor cannot fulfil its liability in due time through violating requirements of related contract. The Bank approaches risk management as a cycle. Credit allocation units, form the first level of line of defence for credit risk in scope of allocation decision. Board of Directors holds the control over credit process in scope of authorization levels. Credit Risk Management Department of the Bank carries out its operations under Internal Systems organization which is directly subject to Board of Directors as it is mentioned in scope of "Communique on Internal Systems and Internal Capital Adequacy Assessment Process of Banks". Risk Management executes measurement, monitoring and reporting activities of credit risk through using statistical methods and forms line of defence at second level. Internal Control and Supervisory Board Directorate forms line of defence at third level in this process.

Board of Directors is responsible for determination of taking risks and appetite level. Board of Directors manages risks through Risk Committee. Committee is responsible for determination of risk policies, measurement and monitoring of risks. Reports, which are issued in a wider perspective in addition to reports whose minimum standards are determined in scope of "Communique on Internal Systems and Internal Capital Adequacy Assessment Process of Banks", are reported to Board of Directors and senior management through the Risk Committee. The aforementioned reports include customer, group, collateral and sector concentrations; stress tests, risk profile, follow-up and special provision development, close monitoring development and analysis of capital adequacy.

2.Credit quality of assets:

<b>Gross carrying values of (according to TAS)</b>					
<b>31 December 2022</b>	<b>Defaulted exposures</b>	<b>Non-defaulted exposures</b>	<b>Allowances/ impairments</b>	<b>Net values</b>	
1	Loans	1.491.473	31.049.296	2.064.790	30.475.979
2	Debt Securities	-	18.231.332	35.131	18.196.201
3	Off-balance sheet exposures	79.247	32.927.876	281.122	32.726.001
<b>4</b>	<b>Total</b>	<b>1.570.720</b>	<b>82.208.504</b>	<b>2.381.043</b>	<b>81.398.181</b>

<b>Gross carrying values of (according to TAS)</b>					
<b>31 December 2021</b>	<b>Defaulted exposures</b>	<b>Non-defaulted exposures</b>	<b>Allowances/ impairments</b>	<b>Net values</b>	
1	Loans	1.989.128	25.579.994	2.350.865	25.218.257
2	Debt Securities	-	11.369.224	6.156	11.363.068
3	Off-balance sheet exposures	22.730	24.800.271	58.723	24.764.278
<b>4</b>	<b>Total</b>	<b>2.011.858</b>	<b>61.749.489</b>	<b>2.415.744</b>	<b>61.345.603</b>

3. Changes in stock of defaulted loans and debt securities:

		<b>31.12.2022</b>
<b>1</b>	<b>Defaulted loans and debt securities at end of the previous reporting period</b>	<b>1.989.128</b>
2	Loans and debt securities that have defaulted since the last reporting period	8.075
3	Returned to non-defaulted status	-
4	Amounts written off	(50.634)
5	Other changes <sup>(*)</sup>	(455.096)
<b>6</b>	<b>Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)</b>	<b>1.491.473</b>
		<b>31.12.2021</b>
<b>1</b>	<b>Defaulted loans and debt securities at end of the previous reporting period</b>	<b>2.280.483</b>
2	Loans and debt securities that have defaulted since the last reporting period	84.290
3	Returned to non-defaulted status	-
4	Amounts written off	32.185
5	Other changes <sup>(*)</sup>	(343.460)
<b>6</b>	<b>Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)</b>	<b>1.989.128</b>

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

4. Additional disclosure related to the credit quality of assets:

a. Breakdown of receivables by geographical area, sector and outstanding maturity:

Breakdown by geographical area:

	31.12.2022	31.12.2021
Domestic	30.925.631	25.428.269
European Union Countries	10	13
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other	123.655	151.712
<b>Total</b>	<b>31.049.296</b>	<b>25.579.994</b>

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

Breakdown by sector (\*):

	31.12.2022	31.12.2021
<b>Agricultural</b>	<b>954.861</b>	<b>664.947</b>
Farming and raising live stock	858.512	603.968
Forestry	-	-
Fishing	96.349	60.979
<b>Manufacturing</b>	<b>9.361.867</b>	<b>6.277.807</b>
Mining	142.633	310.497
Production	6.102.820	3.453.269
Electricity, Gas, Water	3.116.414	2.514.041
<b>Construction</b>	<b>6.678.412</b>	<b>7.155.626</b>
<b>Services</b>	<b>12.389.745</b>	<b>9.695.717</b>
Wholesale and Retail Trade	2.728.552	1.582.943
Hotel, Food, Beverage Services	4.732.371	3.787.771
Transportation and Telecommunication	1.167.631	983.554
Financial Institutions	2.405.733	1.140.498
Real Estate and Lending Service	31.512	57.444
Self Employment Service	-	-
Education Service	101.332	532.638
Health and Social Services	1.222.614	1.610.869
<b>Other</b>	<b>1.664.411</b>	<b>1.785.897</b>
<b>Total</b>	<b>31.049.296</b>	<b>25.579.994</b>

(\*) Breakdown of sector classified according to type of principal activity of costumers.

Breakdown by outstanding maturity:

31 December 2022	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Loans	5.014.539	6.076.637	5.524.195	6.454.076	7.979.849	31.049.296

  

31 December 2021	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Loans	2.834.979	1.599.460	4.348.906	9.876.524	6.920.125	25.579.994

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

Breakdown by sector (\*):

b) Amounts of provision allocated receivables based on geographical area and sector and amounts deducted from the assets with the related provisions:

Breakdown by geographical area:

<b>31 December 2022</b>	<b>Non-performing Loans</b>	<b>Provisions</b>
Domestic	1.491.473	743.209
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other	-	-
<b>Total</b>	<b>1.491.473</b>	<b>743.209</b>

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

<b>31 December 2021</b>	<b>Non-performing Loans</b>	<b>Provisions</b>
Domestic	1.989.128	934.310
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other	-	-
<b>Total</b>	<b>1.989.128</b>	<b>934.310</b>

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

Breakdown by sector (\*):

<b>31 December 2022</b>	<b>Non-performing Loans</b>	<b>Provisions</b>
<b>Agricultural</b>	<b>8.288</b>	<b>7.549</b>
Farming and raising live stock	8.288	7.549
Forestry	-	-
Fishing	-	-
<b>Manufacturing</b>	<b>398.332</b>	<b>207.060</b>
Mining	30.194	26.070
Production	270.159	88.642
Electricity, Gas, Water	97.979	92.348
<b>Construction</b>	<b>495.673</b>	<b>196.699</b>
<b>Services</b>	<b>463.263</b>	<b>270.225</b>
Wholesale and Retail Trade	126.796	76.010
Hotel, Food, Beverage Services	97.009	58.421
Transportation and Telecommunication	18.418	9.310
Financial Institutions	19.745	7.310
Real Estate and Lending Service	128	75
Self Employment Service	-	-
Education Service	120.800	104.484
Health and Social Services	80.367	14.615
<b>Other</b>	<b>125.917</b>	<b>61.676</b>
<b>Total</b>	<b>1.491.473</b>	<b>743.209</b>

(\*) Classified according to type of principal activity of costumers.

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

Breakdown by sector (\*):

<b>31 December 2021</b>	<b>Non-performing Loans</b>	<b>Provisions</b>
<b>Agricultural</b>	<b>8.813</b>	<b>7.685</b>
Farming and raising live stock	8.813	7.685
Forestry	-	-
Fishing	-	-
<b>Manufacturing</b>	<b>448.182</b>	<b>213.547</b>
Mining	34.807	9.756
Production	314.780	110.735
Electricity, Gas, Water	98.595	93.056
<b>Construction</b>	<b>646.582</b>	<b>250.458</b>
<b>Services</b>	<b>765.062</b>	<b>400.391</b>
Wholesale and Retail Trade	230.399	85.983
Hotel, Food, Beverage Services	258.440	136.920
Transportation and Telecommunication	26.214	10.796
Financial Institutions	27.870	21.449
Real Estate and Lending Service	4.761	173
Self Employment Service	-	-
Education Service	129.653	102.513
Health and Social Services	87.725	42.557
<b>Other</b>	<b>120.489</b>	<b>62.229</b>
<b>Total</b>	<b>1.989.128</b>	<b>934.310</b>

(\*) Classified according to type of principal activity of costumers.

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

5. Expected Credit Loss

a. Expected Credit Loss for Cash and Cash Equivalents

	Stage 1	Stage 2	Stage 3	Total
<b>Beginning Balance (1 January 2022)</b>	<b>2.797</b>	-	-	<b>2.797</b>
Additions	19.068	-	-	19.068
Disposals (-)	(14.141)	-	-	(14.141)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
<b>Balance at the end of the period</b>	<b>7.724</b>	-	-	<b>7.724</b>

	Stage 1	Stage 2	Stage 3	Total
<b>Beginning Balance (1 January 2021)</b>	<b>1.628</b>	-	-	<b>1.628</b>
Additions	6.217	-	-	6.217
Disposals (-)	(5.048)	-	-	(5.048)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
<b>Balance at the end of the period</b>	<b>2.797</b>	-	-	<b>2.797</b>

b. Expected Credit Loss for Financial Assets Measured at Fair Value through Other Comprehensive Income

	Stage 1	Stage 2	Stage 3	Total
<b>Beginning Balance (1 January 2022)</b>	<b>6.156</b>	-	-	<b>6.156</b>
Additions	47.035	-	-	47.035
Disposals (-)	(18.060)	-	-	(18.060)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
<b>Balance at the end of the period</b>	<b>35.131</b>	-	-	<b>35.131</b>

	Stage 1	Stage 2	Stage 3	Total
<b>Beginning Balance (1 January 2021)</b>	<b>5.459</b>	-	-	<b>5.459</b>
Additions	6.069	-	-	6.069
Disposals (-)	(5.372)	-	-	(5.372)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
<b>Balance at the end of the period</b>	<b>6.156</b>	-	-	<b>6.156</b>

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

5. Expected Credit Loss

c. Expected Credit Loss for Loans

	Stage 1	Stage 2	Stage 3	Total
<b>Beginning Balance (1 January 2022)</b>	<b>119.320</b>	<b>1.297.235</b>	<b>934.310</b>	<b>2.350.865</b>
Additions	119.531	1.254.272	223.733	1.597.536
Disposals (-)	(212.789)	(1.255.637)	(364.551)	(1.832.977)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	(50.634)	(50.634)
Transfers to Stage 1	133.585	(133.585)	-	-
Transfers to Stage 2	(325)	3.195	(2.870)	-
Transfers to Stage 3	(6)	(3.215)	3.221	-
<b>Balance at the end of the period</b>	<b>159.316</b>	<b>1.162.265</b>	<b>743.209</b>	<b>2.064.790</b>

	Stage 1	Stage 2	Stage 3	Total
<b>Beginning Balance (1 January 2021)</b>	<b>92.773</b>	<b>839.561</b>	<b>926.468</b>	<b>1.858.802</b>
Additions	117.943	794.665	395.558	1.308.166
Disposals (-)	(106.921)	(287.157)	(389.840)	(783.918)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	(32.185)	(32.185)
Transfers to Stage 1	17.932	(17.932)	-	-
Transfers to Stage 2	(2.315)	2.315	-	-
Transfers to Stage 3	(92)	(34.217)	34.309	-
<b>Balance at the end of the period</b>	<b>119.320</b>	<b>1.297.235</b>	<b>934.310</b>	<b>2.350.865</b>

d. Expected Credit Loss for Non-cash Loans

	Stage 1	Stage 2	Stage 3	Total
<b>Beginning Balance (1 January 2022)</b>	<b>36.329</b>	<b>13.137</b>	<b>9.257</b>	<b>58.723</b>
Additions	105.308	186.040	109	291.457
Disposals (-)	(63.611)	(5.058)	(389)	(69.058)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfers to Stage 1	77	(77)	-	-
Transfers to Stage 2	(977)	977	-	-
Transfers to Stage 3	-	-	-	-
<b>Balance at the end of the period</b>	<b>77.126</b>	<b>195.019</b>	<b>8.977</b>	<b>281.122</b>

	Stage 1	Stage 2	Stage 3	Total
<b>Beginning Balance (1 January 2021)</b>	<b>37.851</b>	<b>14.203</b>	<b>9.888</b>	<b>61.942</b>
Additions	43.725	7.592	252	51.569
Disposals (-)	(45.305)	(8.588)	(895)	(54.788)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfers to Stage 1	102	(102)	-	-
Transfers to Stage 2	(34)	34	-	-
Transfers to Stage 3	(10)	(2)	12	-
<b>Balance at the end of the period</b>	<b>36.329</b>	<b>13.137</b>	<b>9.257</b>	<b>58.723</b>

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

6. Credit risk mitigation techniques – overview:

The Bank considers appropriate collaterals mentioned in “Regulation on Measurement and Evaluation of Bank’s Capital Adequacy” published on Official Gazette numbered 29511 for the calculation of capital adequacy. Since mortgages determine a receivable class, collateral used in credit risk reduction consists of cash collaterals with blockage.

All expertise reports, get done by the Bank, are assigned to valuation institutions, which are authorized by Banking Regulation and Supervision Agency and also having CMB license. Expertise requests, received from branches for valuation reports issued for the purpose of collateral, are evaluated by Expertise and Mortgage Department and forwarded to contracted valuation institutions through expertise system of the Bank. Valuation institutions submits expertise report through using expertise system of the bank following the completion of expertise activity. The report, submitted by expertise institution, is reviewed by Expertise and Mortgage Department and delivered to branches via aforementioned system. If there exists elements, which are considered as risks, in collateralization, those elements are included in valuation report.

Mortgage transaction is performed by law firms following the collateralization decision. Mortgage request is submitted from branch to our mortgage department via mortgage system of the bank. Mortgage department forwards the request to contracted law firms after controlling the request in question. Authenticated deeds and mortgage receipt certificates are delivered to branches via aforementioned system following the finalisation of mortgage transaction.

If the mortgage is in release phase, release request, submitted by the branch, is delivered to directorate of land registry with release letter which is obtained on mortgage release system following getting approval of required approvers.

An audit report is issued on an annual basis in scope of communique on risk mitigation techniques for received collaterals.

		Exposures not covered with cash collateral	Exposures secured by cash collateral	Exposures secured by cash 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 (*)	26.671.275	3.804.704	693.671	-	-	-	-
2	Debt securities	18.196.201	-	-	-	-	-	-
<b>3</b>	<b>Total</b>	<b>44.867.476</b>	<b>3.804.704</b>	<b>693.671</b>	-	-	-	-
4	Of which defaulted	1.491.326	147	70	-	-	-	-

(\*) Shows loans that are covered with cash collateral

(\*\*) Shows risk adjusted cash collaterals in line with related BRSA’s credit risk mitigation regulation with the maturity profile of the loan.

7. Qualitative disclosures related to rating grades used by the Banks for the calculation of credit risk with standard approach:

The Bank uses external rating grades provided by Fitch Ratings for the calculation of credit risk with standard method. In this scope, risk weights in Receivables from Central Administrations or Central Banks class of the Bank are determined through taking ratings provided by Fitch Ratings and guidance given by BRSA for the aforementioned CRA into account.

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

**8. Standard approach – credit risk exposure and credit risk mitigation (CRM) effects**

<b>Current Period - 31.12.2022</b>		<b>Exposures before CCF and CRM</b>		<b>Exposures post-CCF and CRM</b>		<b>RWA and RWA density</b>	
<b>Assets classes</b>		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	19.882.359	4	20.024.529	1	-	%0
2	Exposures to regional governments or local authorities	114.683	4.524	114.683	2.262	58.473	%50
3	Exposures to public sector entities	-	-	-	-	-	%0
4	Exposures to multilateral development banks	711.354	9.107	711.354	9.107	-	%0
5	Exposures to international organisations	-	-	-	-	-	%0
6	Exposures to institutions	12.031.341	2.955.815	12.031.341	1.685.305	4.267.880	%31
7	Exposures to corporates	21.179.104	14.208.875	20.347.564	9.111.320	31.600.788	%107
8	Retail exposures	218.504	1.269.565	212.747	93.176	233.043	%76
9	Exposures secured by residential property	14.092	-	14.092	-	4.932	%35
10	Exposures secured by commercial real estate	4.809.991	157.957	4.809.974	146.279	3.512.612	%71
11	Past-due loans	366.932	-	366.862	-	430.103	%117
12	Higher-risk categories by the Agency Board	347	-	347	-	509	%147
13	Exposures in the form of covered bonds	-	-	-	-	-	%0
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	%0
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	%0
16	Other assets	2.924.824	-	2.924.825	-	1.960.050	%67
17	Investments in equities	-	-	-	-	-	%0
<b>18</b>	<b>Total</b>	<b>62.253.531</b>	<b>18.605.847</b>	<b>61.558.318</b>	<b>11.047.450</b>	<b>42.068.390</b>	<b>%56</b>

<b>Prior Period - 31.12.2021</b>		<b>Exposures before CCF and CRM</b>		<b>Exposures post-CCF and CRM</b>		<b>RWA and RWA density</b>	
<b>Assets classes</b>		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	14.308.583	3	14.458.807	1	-	0%
2	Exposures to regional governments or local authorities	165.054	-	165.054	-	82.527	50%
3	Exposures to public sector entities	-	-	-	-	-	0%
4	Exposures to multilateral development banks	925.470	-	925.470	-	-	0%
5	Exposures to international organisations	-	-	-	-	-	0%
6	Exposures to institutions	5.803.783	2.156.809	5.803.783	665.343	2.262.317	35%
7	Exposures to corporates	16.585.867	7.575.003	15.858.539	4.135.655	19.999.500	100%
8	Retail exposures	311.322	493.007	285.623	47.004	255.818	77%
9	Exposures secured by residential property	26.567	-	26.502	-	9.276	35%
10	Exposures secured by commercial real estate	3.431.996	66.711	3.430.068	56.909	2.545.338	73%
11	Past-due loans	605.993	-	605.924	-	697.834	115%
12	Higher-risk categories by the Agency Board	1.913	-	1.913	-	2.865	150%
13	Exposures in the form of covered bonds	-	-	-	-	-	0%
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0%
16	Other assets	1.943.811	-	1.943.811	-	1.169.635	60%
17	Investments in equities	-	-	-	-	-	0%
<b>18</b>	<b>Total</b>	<b>44.110.359</b>	<b>10.291.533</b>	<b>43.505.494</b>	<b>4.904.912</b>	<b>27.025.110</b>	<b>56%</b>



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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

9. Standard approach – exposures by asset classes and risk weights

Current Period - 31.12.2022									Other	Total credit
Asset classes/ Risk weight(*)	0%	10%	20%	50%(*)	75%	100%	150%	200%	(35% - 50% (**))	exposure amount (***)
Exposures to central governments or central banks	20.024.530	-	-	-	-	-	-	-	-	20.024.530
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	116.945	116.945
Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	720.461	-	-	-	-	-	-	-	-	720.461
Exposures to international organisations	-	-	-	-	-	-	-	-	-	-
Exposures to institutions	-	-	8.829.871	-	-	104.518	6.259	-	4.775.998	13.716.646
Exposures to corporates	-	-	-	-	-	27.316.980	-	2.141.904	-	29.458.884
Retail exposures	-	-	-	-	300.295	1.240	4.388	-	-	305.923
Exposures secured by residential property	-	-	-	-	-	-	-	-	14.092	14.092
Exposures secured by commercial real estate	-	-	-	2.948.957	-	1.976.459	-	30.837	-	4.956.253
Past-due loans	-	-	-	-	-	102.383	195.480	-	68.999	366.862
Higher-risk categories by the Agency Board	-	-	-	-	-	7	332	-	8	347
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-	-
Other assets	964.773	-	-	-	-	1.960.052	-	-	-	2.924.825
<b>Total</b>	<b>21.709.764</b>	<b>-</b>	<b>8.829.871</b>	<b>2.948.957</b>	<b>300.295</b>	<b>31.461.639</b>	<b>206.459</b>	<b>2.172.741</b>	<b>4.976.042</b>	<b>72.605.768</b>

(\*) Collateralized with the Real Estate Mortgage

(\*\*) Except that Collateralized with the Real Estate Mortgage

(\*\*\*) After Credit Conversion Rate and after credit risk mitigation

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

Prior Period - 31.12.2021										Other (35% - 50%(**))	Total credit risk exposure amount (***)
Asset classes/ Risk weight(*)	0%	10%	20%	50%(*)	75%	100%	150%	200%	50%(**)		
Exposures to central governments or central banks	14.458.808	-	-	-	-	-	-	-	-	-	14.458.808
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	165.054	-	165.054
Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	925.470	-	-	-	-	-	-	-	-	-	925.470
Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-
Exposures to institutions	-	-	3.978.293	-	-	129.044	156.720	-	2.205.069	-	6.469.126
Exposures to corporates	-	-	-	-	-	19.983.581	10.613	-	-	-	19.994.194
Retail exposures	-	-	-	-	323.050	1.670	7.907	-	-	-	332.627
Exposures secured by residential property	-	-	-	-	-	-	-	-	26.502	-	26.502
Exposures secured by commercial real estate	-	-	-	1.883.278	-	1.603.699	-	-	-	-	3.486.977
Past-due loans	-	-	-	-	-	134.729	327.507	-	143.688	-	605.924
Higher-risk categories by the Agency Board	-	-	-	-	-	10	1.903	-	-	-	1.913
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-	-	-
Other assets	774.174	-	-	-	-	1.169.637	-	-	-	-	1.943.811
<b>Total</b>	<b>16.158.452</b>	<b>-</b>	<b>3.978.293</b>	<b>1.883.278</b>	<b>323.050</b>	<b>23.022.370</b>	<b>504.650</b>	<b>-</b>	<b>2.540.313</b>	<b>-</b>	<b>48.410.406</b>

(\*) Collateralized with the Real Estate Mortgage

(\*\*) Except that Collateralized with the Real Estate Mortgage

(\*\*\*) After Credit Conversion Rate and after credit risk mitigation

**d. Counterparty Credit risk (CCR) explanations:**

**1. Qualitative disclosure related to counterparty credit risk:**

Counterparty credit risk (CCR) states default risk of counterparty, which is a party to a transaction imposing an obligation to both parties, going into default before the final payment included in cash flow of the transaction in question. The Bank monitors Counterparty Credit Risk in the framework of Counterparty Credit Risk and Exchange Risk Management Policy which is approved by Board of Directors. Counterparty Credit Risk and Exchange Risk Management Policy includes rules, limits and actions in case of non-compliance related to transactions in counterparty credit risk and exchange risk.

The Bank internally applies different action rules for each of the action groups determined for measurement of counterparty credit risk. Action groups are divided into Individual Business Line, Non-Individual Business Line (except for Stock Exchange and Banks) and Banks and Stock Exchanges.

Potential and current risk exposures of transactions are calculated/determined in order to determine CCR. Internal netting application is taken into account while calculating risk exposures.

Daily collateral management is performed in accordance with provisions of agreements related to transactions of counterparty credit risk and exchange risk with stock exchanges and banks having ISDA-CSA agreement.

Internal limits related to counterparty credit risk and exchange risk are evaluated by Credits Department with respect to requests from related departments and submitted to the approval of Director of Credits Department, General Manager, Credit Committee or Board of Directors according to magnitude of exposures.

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**X. Explanations on Risk Management (continued)**

d. Counterparty Credit risk (CCR) explanations (continued)

The Bank legally calculates counterparty credit risk and exchange risk in accordance with the rules and explanations mentioned in "Regulation on Measurement and Evaluation of Bank's Capital Adequacy". Counterparty credit risk and exchange risk, calculated legally, is subject to limit of capital adequacy ratio.

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

		Revaluation Cost	Potential credit risk exposure	EBPRT(*)	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
<b>Current Year – 31.12.2022</b>							
1	Standart Approach-CCR	163.653	251.112	-	1,40	414.765	289.158
2	Internal Model Approach	-	-	-	-	-	-
3	Simplified Standardised Approach for Credit Risk Mitigation	-	-	-	-	-	-
4	Comprehensive Method for Credit Risk Mitigation	-	-	-	-	76.301	23.494
5	Value at Risk for Repo Transactions, Securities or Commodity lending or borrowing transactions	-	-	-	-	76.301	23.494
<b>6</b>	<b>Total</b>	-	-	-	-	-	<b>312.652</b>

(\*) Effective expected positive risk amount

		Revaluation Cost	Potential credit risk exposure	EBPRT(*)	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
<b>Prior Year – 31.12.2021</b>							
1	Standart Approach-CCR	980.297	350.665	-	1,40	1.299.428	846.344
2	Internal Model Approach	-	-	-	-	-	-
3	Simplified Standardised Approach for Credit Risk Mitigation	-	-	-	-	-	-
4	Comprehensive Method for Credit Risk Mitigation	-	-	-	-	122.650	2.352
5	Value at Risk for Repo Transactions, Securities or Commodity lending or borrowing transactions	-	-	-	-	122.650	2.352
<b>6</b>	<b>Total</b>	-	-	-	-	-	<b>848.696</b>

(\*) Effective expected positive risk amount

3. Credit valuation adjustment (CVA) capital charge

		Exposure (After credit risk mitigation methods)	Risk Weighted Amounts
<b>Current Year – 31.12.2022</b>			
	Total portfolio value with comprehensive approach CVA capital adequacy		
1	(i) Value at risk component (3*multiplier included)	-	-
2	(ii) Stressed Value at Risk (3*multiplier included)	-	-
3	Total portfolio value with simplified approach CVA capital adequacy	572.404	60.401
4	Total amount of CVA capital adequacy	572.404	60.401

		Exposure (After credit risk mitigation methods)	Risk Weighted Amounts
<b>Prior Year – 31.12.2021</b>			
	Total portfolio value with comprehensive approach CVA capital adequacy		
1	(i) Value at risk component (3*multiplier included)	-	-
2	(ii) Stressed Value at Risk (3*multiplier included)	-	-
3	Total portfolio value with simplified approach CVA capital adequacy	1.286.393	276.771
4	Total amount of CVA capital adequacy	1.286.393	276.771

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**X. Explanations on Risk Management (continued)**

d. Counterparty Credit risk (CCR) explanations (continued)

4. Standard approach – CCR exposures by regulatory portfolio and risk weights

Current Period Risk Weights									Total Credit Risk(*)
	0%	10%	20%	50%	75%	100%	150%	Other	
Risk Classes									
Central governments and central banks receivables	199.681	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	54.166	200.870	-	-	-	-	111.268
Corporate receivables	-	-	-	-	-	179.989	6.259	-	189.378
Retail receivables	-	-	-	-	16.008	-	-	-	12.006
Other assets(**)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>199.681</b>	<b>-</b>	<b>54.166</b>	<b>200.870</b>	<b>16.008</b>	<b>179.989</b>	<b>6.259</b>	<b>-</b>	<b>312.652</b>

(\*) Total credit risk; After applying counterparty credit risk measurement techniques that are related to the amount of capital adequacy calculation.

(\*\*) Other assets: "Central to the counterparty risk" table includes amounts that are not included in the reported counterparty credit risk.

Prior Period Risk Weights									Total Credit Risk(*)
	0%	10%	20%	50%	75%	100%	150%	Other	
Risk Classes									
Central governments and central banks receivables	498.728	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	23.539	267.087	-	-	-	-	138.251
Corporate receivables	-	-	-	-	-	473.451	156.720	-	708.531
Retail receivables	-	-	-	-	2.552	-	-	-	1.914
Other assets(**)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>498.728</b>	<b>-</b>	<b>23.539</b>	<b>267.087</b>	<b>2.552</b>	<b>473.451</b>	<b>156.720</b>	<b>-</b>	<b>848.696</b>

(\*) Total credit risk; After applying counterparty credit risk measurement techniques that are related to the amount of capital adequacy calculation.

(\*\*) Other assets: "Central to the counterparty risk" table includes amounts that are not included in the reported counterparty credit risk.

5. Composition of collateral for CCR exposure: Due to absence of derivative collateral considered in the calculation of capital adequacy, related table was not given.

6. Credit derivatives exposures: None.

7. Risk exposure to CCP: None.

**e. Explanations Related to Securitization Positions: None.**

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**X. Explanations on Risk Management (continued)**

**f. Explanations on Market Risk**

Market risk is the possibility of depreciation of on- and off-balance sheet positions due to fluctuations in market risk factors. Fluctuations in market risk factors; it refers to changes in interest rates, exchange rates, stock prices, commodity prices and volatility. Currency risk and interest rate risks are considered as the two most important components of market risk, and when deemed necessary, derivative financial transactions are carried out in order to protect against financial risks.

The Bank manages the market risk in line with the Market Risk Management Policy, which includes the rules, limits and actions to be taken in case of non-compliance regarding the management of the trading portfolio. Which products of the Bank will be included in the trading portfolio are determined by the Board of Directors-approved Trading Portfolio Strategy. Risk principles, policies and risk limits regarding the management of market risk are approved by the Board of Directors, reviewed regularly, and implemented by the Bank's senior management and related units.

The Bank monitors the regulatory and internal limits determined within the scope of measuring the market risk of the Trading portfolio and approved by the Board of Directors. Under the internal limits, there are foreign currency position, interest rate and volatility limits in various breakdowns, and compliance with risks and limits is monitored and reported daily by the Risk Management Unit.

The regulatory capital requirement arising from the Market Risk is calculated and reported using the standard method in line with the principles of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks on the Calculation of the Exposure Subject to Market Risk.

The responsibilities of the Board of Directors, General Manager, Asset-Liability Committee (ALCO), Treasury Markets Unit, Finance, Financial Control and Strategy Unit and Risk Management Unit regarding the management of Market Risk have been determined and detailed in the Market Risk Management Policy.

For the measurement and reporting of Market Risk, the Treasury Front Office system and a Market Risk software are used.

**Standardised approach**

	31 December 2022	31 December 2021
	RWA	RWA
<b>Outright products</b>		
1 Interest rate risk (general and specific)	498.294	276.411
2 Equity risk (general and specific)	50.450	37.975
3 Foreign exchange risk	1.058.765	386.625
4 Commodity risk	494.929	407.789
<b>Options</b>		
5 Simplified approach	-	-
6 Delta-plus method	526.600	92.488
7 Scenario approach	-	-
8 Securitisation	-	-
<b>9 Total</b>	<b>2.629.038</b>	<b>1.201.288</b>

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**X. Explanations on Risk Management (continued)**

**g. Explanations on Operational Risk**

**Basic indicator approach:**

The annual gross income is composed of net interest income and net non-interest income after deducting realised gains/losses from the sale of securities classified as financial assets at fair value through other comprehensive income (previously, available for sale) and financial assets measured at amortized cost (previously, held-to-maturity), extraordinary income and income derived from insurance claims at year-end.

The value at operational risk is calculated according to the basic indicator approach of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No. 28337 dated June 28, 2012.

	<b>2 PY Amount</b>	<b>1 PY Amount</b>	<b>CY Amount</b>	<b>Total / Total number of years for which gross income is positive</b>	<b>Rate (%)</b>	<b>Total</b>
Gross income	1.345.000	1.203.049	1.300.940	1.282.996	15	<b>192.449</b>
The amount subject to operational risk (Total*12,5)						<b>2.405.613</b>

**XI. Explanations on Hedge Accounting**

The Bank, utilize derivative instruments effectively in the process of asset and liability management. In this context, the Bank applies TAS 39 standard for hedge accounting.

As of December 31, 2022, The Bank applies cash flow hedge accounting using interest swap transactions to hedge its TL customer deposits partially amounting to TL 875.000 with short term cyclical basis (31 December 2021: 1.125.000).

Within the scope of hedge accounting, "Part of derivative financial assets at fair value through other comprehensive income" TL 23.651 (31 December 2021: TL 92.436), "Part of derivative financial liabilities at fair value through other comprehensive income" TL 33.994 (31 December 2021) : None) in the balance sheet accounts, as the effective part of the fair value change, in the "Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss" under shareholders' equity, after tax of TL 56.884 (31 December 2021: TL 23.938), the ineffective part is derivatives in the income statement. are recognized in the profit/loss item from financial transactions.

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**XII. Explanations on Segment Reporting**

Organized to operate in all operational aspects of banking under the scope of 4th Article of the Banking Law, the Bank is providing diversified financial solutions focused on capital financing, foreign trade, project finance, non-cash products, cash management and internet banking services to commercial customers. Retail Banking, formed under three major divisions, namely, Retail Loans, Bank and Credit Cards and Wealth Management, serves to the financial needs of customers through branches, internet and mobile channels. Treasury and Capital Markets department is managing TL and FCY liquidity in healthy and sustainable manner, performing profit oriented trading activities in the market within the limits given by the Board. In addition, Treasury sales unit delivers pricing services of government bills and bonds, Eurobonds and derivatives to the Bank customers.

<b>Current Period (1 January-31 December 2022)</b>	<b>Commercial Banking</b>	<b>Retail Banking</b>	<b>Other and Unallocated</b>	<b>Bank's Total</b>
Operating Income	1.910.909	589.280	1.867.146	4.367.335
Profit Before Tax	355.665	156.201	585.356	1.097.222
Tax Provision	-	-	(244.019)	(244.019)
Net Profit	355.665	156.201	341.337	853.203
Total Asset	31.347.308	328.184	37.321.357	68.996.849
Segment Assets	31.347.308	328.184	37.321.357	68.996.849
Total Liability	12.547.125	36.211.307	20.238.417	68.996.849
Segment Liability	12.547.125	36.211.307	15.197.466	63.955.898
Equity	-	-	5.040.951	5.040.951

<b>Prior Period (1 January-31 December 2021)</b>	<b>Commercial Banking</b>	<b>Retail Banking</b>	<b>Other and Unallocated</b>	<b>Bank's Total</b>
Operating Income	1.258.017	335.294	553.912	2.147.223
Profit Before Tax	285.724	39.611	(86.750)	238.585
Tax Provision	-	-	(32.897)	(32.897)
Net Profit	285.724	39.611	(119.647)	205.688
Total Asset	26.222.458	496.712	28.746.835	55.466.005
Segment Assets	26.222.458	496.712	28.746.835	55.466.005
Total Liability	12.847.179	24.962.140	17.656.686	55.466.005
Segment Liability	12.847.179	24.962.140	14.089.736	51.899.055
Equity	-	-	3.566.950	3.566.950

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**XIII. Information on international risk ratings**

**FITCH RATINGS (July 2022)**

Long Term FC B+ / Stable Outlook	B
Short Term FC B	B
Long Term TL BB-/ Stable Outlook	B
Short Term TL B	B
Financial Capacity b+	B
Support	5
NSR AA(tur)	BBB(tur)
Long Term National Scale Rating (NSR) Stable	Negative
Subordinated Notes B	CCC

**MOODY'S RATINGS (August 2022)**

Outlook	Stable
Long Term FC Deposit	Caa1
Long Term TL Deposit	Ba1.tr
Short Term FC Deposit	NP
Short Term TL Deposit	TR-4
Baseline Credit Assessment	caa1
Adjusted Baseline Credit Assessment	caa1
Long Term National Scale Rating	Baa1.tr
Short Term National Scale Rating	TR-2



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**SECTION FIVE**

**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. Explanations and Disclosures Related to the Assets**

**1. a) Information on Cash and Balances with the Central Bank of Turkey:**

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	53.167	464.767	54.693	1.083.980
Balances with the Central Bank of Turkey	1.096.789	6.447.081	643.530	7.660.206
Other	-	-	-	-
<b>Total</b>	<b>1.149.956</b>	<b>6.911.848</b>	<b>698.223</b>	<b>8.744.186</b>

**b) Information related to the account of the Central Bank of Turkey:**

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Unrestricted Demand Deposit	796.789	1.902.162	643.530	2.298.863
Unrestricted Time Deposit	300.000	-	-	612.491
Restricted Time Deposit	-	4.544.919	-	4.748.852
<b>Total</b>	<b>1.096.789</b>	<b>6.447.081</b>	<b>643.530</b>	<b>7.660.206</b>

**c) Explanations related to reserve deposits:**

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2013/15, the Bank is required to maintain reserves in CBT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and gold. According to the Communiqué on Required Reserves published in the Official Gazette dated July 1, 2021 and numbered 31528, the facility for maintain Turkish lira reserve requirements in foreign currency was terminated as of October 1, 2021. According to the Communiqué on Required Reserves published in the Official Gazette dated 31 December 2022 and numbered 32060, the facility for maintain Turkish lira reserve requirements in standard gold and scrap gold will be terminated as of June 23, 2023.

The required reserve rates for TL liabilities vary between 3% and 8% for TL deposits and other liabilities according to their maturities as of 31 December 2022 (31 December 2021: 3% and 8% for all TL liabilities).

As of April 15, 2022, the 8.5% interest rate applied by the CBT for required reserves in Turkish Lira has been terminated. No interest is paid for required reserves in foreign currency.

As of 23 December 2022, applying commission over foreign currency reserve requirements and additional reserve requirement depending on the conversion rates within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" numbered 2021/14 has been abolished.

In accordance with the CBT instruction dated 31 August 2022 and numbered 1579, the commission practice according to the share of Turkish Lira deposits in total deposits has been changed effective from 23 December 2022. Accordingly, different commission rates based on share of Turkish Lira deposits in total deposits is applied.

Within the scope of the "Communiqué on the Establishment of Turkish Lira Securities for Foreign Currency Liabilities" numbered 2022/20; there is a practice of placing securities over foreign currency liabilities and assets (majorly based on loan allocation, loan growth and differentiation according to interest rate).

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**I. Explanations and Disclosures Related to the Assets (continued)**

**2. Information on financial assets at fair value through profit and loss (net):**

a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None (31 December 2021: None).

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None (31 December 2021: None).

b) Positive differences related to derivative financial assets held-for-trading:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	11.084	72.798	128.538	4.439
Swap Transactions	464.764	522.180	1.486.029	1.567.496
Futures Transactions	-	-	-	-
Options	131.254	17.186	394.891	28.927
Other	-	-	-	-
<b>Total</b>	<b>607.102</b>	<b>612.164</b>	<b>2.009.458</b>	<b>1.600.862</b>

**3. Information on banks:**

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Banks				
Domestic	1.126.014	88.046	186	82.417
Foreign	-	3.225.982	-	3.767.511
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>1.126.014</b>	<b>3.314.028</b>	<b>186</b>	<b>3.849.928</b>

**Information on foreign bank accounts:**

	Unrestricted Amount		Restricted Amount	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
European Union Countries	485.583	164.774	9.573	7.350
USA and Canada	1.880.801	1.879.323	-	-
OECD Countries	234.345	154.650	169.650	-
Other	1.285	9.189	444.745	1.552.225
<b>Total</b>	<b>2.602.014</b>	<b>2.207.936</b>	<b>623.968</b>	<b>1.559.575</b>

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

a.1) Information on financial assets given as collateral or blocked:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar securities	2.276.735	3.641.365	613.194	3.694.661
Other	-	-	-	-
<b>Total</b>	<b>2.276.735</b>	<b>3.641.365</b>	<b>613.194</b>	<b>3.694.661</b>

a.2) Information on financial assets subject to repurchase agreements:

As of 31 December 2022, financial assets at fair value through other comprehensive income subject to repurchase agreements: TL 2.871.230 (31 December 2021: TL 1.857.808).

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**I. Explanations and Disclosures Related to the Assets (continued)**

**4. Information on financial assets at fair value through other comprehensive income: (continued)**

b) Information on financial assets at fair value through other comprehensive income portfolio:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Debt securities	11.198.464	10.333.261
Quoted on a stock exchange	11.198.464	10.333.261
Not quoted	-	-
Share certificates	13.621	5.256
Quoted on a stock exchange	-	-
Not quoted	13.621	5.256
Value Increase/Impairment Losses (-)	264.851	299.077
<b>Total</b>	<b>10.947.234</b>	<b>10.039.440</b>

**5. Information on loans:**

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

	<b>31 December 2022</b>		<b>31 December 2021</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	-	14.960	424	15.486
Loans granted to employees	6.238	-	5.134	-
<b>Total</b>	<b>6.238</b>	<b>14.960</b>	<b>5.558</b>	<b>15.486</b>

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**I. Explanations and Disclosures Related to the Assets (continued)**

**5. Information on loans (continued)**

b) Information on the first and second group loans including restructured or rescheduled loans:

**31 December 2022**

Cash Loans	Standard loans	Loans under close monitoring (*)		
		Not under the scope of restructuring	Loans under restructuring	
			Modifications on agreement conditions	Refinancing
Non-specialized loans	23.736.371	230.485	-	7.082.440
Loans given to enterprises	976.188	-	-	6.692.455
Export loans	6.304.183	17.058	-	-
Import loans	-	-	-	-
Loans given to financial sector	2.405.733	-	-	-
Consumer loans	110.167	9.636	-	7.053
Credit cards	125.764	1.307	-	688
Other	13.814.336	202.484	-	382.244
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>23.736.371</b>	<b>230.485</b>	<b>-</b>	<b>7.082.440</b>

(\*) In accordance with TFRS 9 and the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside the loans subject to significant increase in the credit risk of the borrower are included in the above table amounting to TL 12.403.

**31 December 2021**

Cash Loans	Standard loans	Loans under close monitoring (*)		
		Not under the scope of restructuring	Loans under restructuring	
			Modifications on agreement conditions	Refinancing
Non-specialized loans	16.739.788	2.493.644	-	6.346.562
Loans given to enterprises	-	-	-	5.825.501
Export loans	1.914.430	-	-	11.168
Import loans	-	-	-	-
Loans given to financial sector	1.140.498	-	-	-
Consumer loans	175.901	15.708	-	17.829
Credit cards	135.833	2.812	-	2.137
Other	13.373.126	2.475.124	-	489.927
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>16.739.788</b>	<b>2.493.644</b>	<b>-</b>	<b>6.346.562</b>

(\*) In accordance with TFRS 9 and the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside the loans subject to significant increase in the credit risk of the borrower are included in the above table amounting to TL 445.720.

First and Second Stage Expected Loss Provisions (*)	31 December 2022		31 December 2021	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-Month provisions for possible losses	159.316	-	119.320	-
Significant increase in credit risk	-	1.162.265	-	1.297.235
<b>Total</b>	<b>159.316</b>	<b>1.162.265</b>	<b>119.320</b>	<b>1.297.235</b>

(\*) The expected loss provision amounting to TL 35.131 related to other financial assets measured at amortized cost is not included.

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**I. Explanations and Disclosures Related to the Assets (continued)**

**5. Information on loans (continued)**

c) Information on loan types and provisions: (\*)

<b>31 December 2022</b>	<b>Commercial</b>	<b>Retail</b>	<b>Total</b>
Standard Loans	23.513.763	222.608	23.736.371
Watchlist	7.281.665	18.857	7.300.522
Significant Increase in Credit Risk	12.403	-	12.403
Non-performing Loans	1.430.444	61.029	1.491.473
Specific Provision (-)	(703.879)	(39.330)	(743.209)
<b>Total</b>	<b>31.534.396</b>	<b>263.164</b>	<b>31.797.560</b>

(\*) According to the internal segmentation of the bank.

<b>31 December 2021</b>	<b>Commercial</b>	<b>Retail</b>	<b>Total</b>
Standard Loans	16.447.515	292.273	16.739.788
Watchlist	8.350.732	43.754	8.394.486
Significant Increase in Credit Risk	445.720	-	445.720
Non-performing Loans	1.867.157	121.971	1.989.128
Specific Provision (-)	(869.302)	(65.008)	(934.310)
<b>Total</b>	<b>26.241.822</b>	<b>392.990</b>	<b>26.634.812</b>

(\*) According to the internal segmentation of the bank.

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**I. Explanations and Disclosures Related to the Assets (continued)**

**5. Information on loans (continued)**

d) Information on consumer loans and credit cards given to customers and bank's personnel:

31 December 2022	Short Term	Medium and Long Term	Total
<b>Consumer Loans – TL</b>	<b>4.379</b>	<b>110.470</b>	<b>114.849</b>
Housing Loans	-	88.573	88.573
Car Loans	-	16	16
General Purpose Loans	4.379	21.881	26.260
Other	-	-	-
<b>Consumer Loans - Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Consumer Loans - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards - TL</b>	<b>108.078</b>	<b>548</b>	<b>108.626</b>
With Installments	15.118	548	15.666
Without Installments	92.960	-	92.960
<b>Individual Credit Cards-FC</b>	<b>601</b>	<b>-</b>	<b>601</b>
With Installments	-	-	-
Without Installments	601	-	601
<b>Personnel Loans - TL</b>	<b>310</b>	<b>2.734</b>	<b>3.044</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	310	2.734	3.044
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards - TL</b>	<b>3.192</b>	<b>2</b>	<b>3.194</b>
With Installments	538	2	540
Without Installments	2.654	-	2.654
<b>Personnel Credit Cards - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With Installments	-	-	-
Without Installments	-	-	-
<b>Overdraft Accounts – TL (Real Persons)</b>	<b>7.540</b>	<b>-</b>	<b>7.540</b>
<b>Overdraft Accounts – FC (Real Persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>124.100</b>	<b>113.754</b>	<b>237.854</b>

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**I. Explanations and Disclosures Related to the Assets (continued)**

**5. Information on loans (continued)**

d) Information on consumer loans and credit cards given to customers and bank's personnel: (continued)

31 December 2021	Short Term	Medium and Long Term	Total
<b>Consumer Loans – TL</b>	<b>6.167</b>	<b>188.371</b>	<b>194.538</b>
Housing Loans	24	141.272	141.296
Car Loans	-	36	36
General Purpose Loans	6.143	47.063	53.206
Other	-	-	-
<b>Consumer Loans - Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Consumer Loans - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards - TL</b>	<b>113.031</b>	<b>1.658</b>	<b>114.689</b>
With Installments	13.901	1.658	15.559
Without Installments	99.130	-	99.130
<b>Individual Credit Cards-FC</b>	<b>144</b>	<b>-</b>	<b>144</b>
With Installments	-	-	-
Without Installments	144	-	144
<b>Personnel Loans - TL</b>	<b>306</b>	<b>3.428</b>	<b>3.734</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	306	3.428	3.734
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards - TL</b>	<b>1.398</b>	<b>2</b>	<b>1.400</b>
With Installments	215	2	217
Without Installments	1.183	-	1.183
<b>Personnel Credit Cards - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With Installments	-	-	-
Without Installments	-	-	-
<b>Overdraft Accounts – TL (Real Persons)</b>	<b>11.165</b>	<b>-</b>	<b>11.165</b>
<b>Overdraft Accounts – FC (Real Persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>132.211</b>	<b>193.459</b>	<b>325.670</b>

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**5. Information on loans (continued)**

e) Information on commercial loans with installments and corporate credit cards:

<b>31 December 2022</b>	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
<b>Commercial loans with installment facility-TL</b>	<b>1.044.850</b>	<b>4.011.535</b>	<b>5.056.385</b>
Business Loans	-	312	312
Car Loans	14.453	48.877	63.330
General Purpose Loans	1.030.374	3.958.403	4.988.777
Other	23	3.943	3.966
<b>Commercial loans with installment facility-Indexed to FC</b>	<b>-</b>	<b>44.143</b>	<b>44.143</b>
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	44.143	44.143
Other	-	-	-
<b>Commercial loans with installment facility -FC</b>	<b>286.566</b>	<b>10.399.528</b>	<b>10.686.094</b>
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	286.566	10.399.528	10.686.094
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>15.336</b>	<b>-</b>	<b>15.336</b>
With Installments	986	-	986
Without Installments	14.350	-	14.350
<b>Corporate Credit Cards-FC</b>	<b>2</b>	<b>-</b>	<b>2</b>
With Installments	--	-	--
Without Installments	2	-	2
<b>Overdraft Accounts-TL (Legal Entities)</b>	<b>14.572</b>	<b>-</b>	<b>14.572</b>
<b>Overdraft Accounts-FC (Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1.361.326</b>	<b>14.455.206</b>	<b>15.816.532</b>

f) Distribution of credits by users:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Public	113.542	163.542
Private	30.935.754	25.416.452
<b>Total</b>	<b>31.049.296</b>	<b>25.579.994</b>

g) Distribution of domestic and foreign loans:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Domestic loans	30.925.631	25.428.269
Foreign loans	123.665	151.725
<b>Total</b>	<b>31.049.296</b>	<b>25.579.994</b>

h) Loans granted to subsidiaries and associates: None. (31 December 2021: None)

i) Expected credit losses provided against loans (Stage 3):

	<b>31 December 2022</b>	<b>31 December 2021</b>
Expected credit losses		
Loans with limited collectability	47.604	67.458
Loans with doubtful collectability	8.430	8.835
Uncollectible loans	687.175	858.017
<b>Total</b>	<b>743.209</b>	<b>934.310</b>



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**I. Explanations and Disclosures Related to the Assets (continued)**

**5. Information on loans (continued)**

j) Information on non-performing loans (Net):

j.1) Information on loans and other receivables which are restructured or rescheduled within non-performing portfolio:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>Current Period</b>			
(Gross amounts before provisions)	-	-	143.532
Restructured loans and other receivables	-	-	143.532
<b>Prior Period</b>			
(Gross amounts before provisions)	-	2.844	128.744
Restructured loans and other receivables	-	2.844	128.744

j.2) The movement of total non-performing loans:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with limited collectability</b>	<b>Loans with doubtful collectability</b>	<b>Uncollectible loans</b>
<b>31 December 2021 balance</b>	<b>142.814</b>	<b>21.734</b>	<b>1.824.580</b>
Additions (+)	8.075	58.110	26.132
Transfers from other categories of non-performing loans (+)	-	23.957	85.857
Transfers to other categories of non-performing loans (-)	23.957	85.857	-
Collections (-)	31.999	5.746	501.593
Write-offs (-)	-	-	50.634
Sold	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other (-)	-	-	-
<b>31 December 2022 balance</b>	<b>94.933</b>	<b>12.198</b>	<b>1.384.342</b>
Specific provision (-)	47.604	8.430	687.175
<b>Net Balances on Balance Sheet</b>	<b>47.329</b>	<b>3.768</b>	<b>697.167</b>

j.3) Information on foreign currency non-performing loans and other receivables:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with limited collectability</b>	<b>Loans with doubtful collectability</b>	<b>Uncollectible loans</b>
<b>Current Period</b>			
Period end balance	-	-	516.687
Provision (-)	-	-	221.601
<b>Net Balances on Balance Sheet</b>	-	-	<b>295.086</b>
<b>Prior Period</b>			
Period end balance	-	-	607.290
Provision (-)	-	-	254.339
<b>Net Balances on Balance Sheet</b>	-	-	<b>352.951</b>

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**I. Explanations and Disclosures Related to the Assets (continued)**

**5. Information on loans (continued)**

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
	<b>47.329</b>	<b>3.768</b>	<b>697.167</b>
<b>31 December 2022 (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	94.933	12.198	1.384.342
Specific provision (-)	47.604	8.430	687.175
Loans to Real Persons and Legal Entities (Net)	47.329	3.768	697.167
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>31 December 2021 (Net)</b>	<b>75.356</b>	<b>12.899</b>	<b>966.563</b>
Loans to Real Persons and Legal Entities (Gross)	142.814	21.734	1.824.580
Specific provision (-)	67.458	8.835	858.017
Loans to Real Persons and Legal Entities (Net)	75.356	12.899	966.563
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

j.5) Information on interest accruals, rediscounts and valuation differences calculated for non-performing loans and their provisions:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with limited collectability</b>	<b>Loans with doubtful collectability</b>	<b>Uncollectible loans</b>
<b>Current Period (Net)</b>			
Interest Accruals, Rediscounts and Valuation Differences	542	3.884	579.041
Special Provision Amount (-)	542	3.884	579.041
<b>Prior Period (Net)</b>	-	-	-
Interest Accruals, Rediscounts and Valuation Differences	347	413	552.163
Special Provision Amount (-)	347	413	552.163

k) Main principles of liquidation policies of non-performing loans and receivables:

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 29750 dated June 22, 2016; legal action is carried on considering debtor, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 31 December 2022, the net amount after provisions of the non-performing loans and receivables is TL 697.167 (31 December 2021: TL 966.563).

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**I. Explanations and Disclosures Related to the Assets (continued)**

**5. Information on loans (continued)**

l) Explanations on write-off policy:

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on November 27, 2019. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as "Uncollectible loans" if it cannot reasonably be expected to be recovered. Loans and receivables considered as non-collectable are written-off pursuant to approval of Board of Directors (BoD) and other related departments. As of 31 December 2022, The Bank has written-off TL 50.634 of non-performing loan portfolio which has 100% provision.

**6. Information on financial assets measured at amortized cost:**

- a) Information on financial assets given as collateral or blocked: As of 31 December 2022, financial assets measured at amortized cost given as collateral is amounting to TL 2.228.841 (31 December 2021: TL 616.352).
- b) Investments and legal liabilities subject to repurchase agreements: As of 31 December 2022, financial assets measured at amortized cost subject to repurchase agreements is amounting to TL 1.063.566 (31 December 2021: TL 644.937).
- c) The Bank has TL 7.297.719 financial assets measured at amortized cost as of 31 December 2022 (31 December 2021: TL 1.335.040).
- d.1) Government securities measured at amortised cost:

	31 December 2022	31 December 2021
Government Bonds	4.279.563	1.263.031
Treasury Bills	-	-
Other Government Securities	3.018.156	72.009
<b>Total</b>	<b>7.297.719</b>	<b>1.335.040</b>

	31 December 2022	31 December 2021
Debt securities	7.297.719	1.335.040
Quoted on a stock exchange	7.297.719	1.335.040
Not quoted	-	-
Value Increase/Impairment Losses (-)	-	-
<b>Total</b>	<b>7.297.719</b>	<b>1.335.040</b>

d.2) Movement on financial assets measured at amortized cost:

	31 December 2022	31 December 2021
Beginning Balance	1.335.040	1.058.863
Foreign Currency Differences on Monetary Assets (*)	1.501.523	525.071
Purchases During Year	6.700.308	71.232
Disposals Through Sales and Redemptions	(2.239.152)	(320.126)
Impairment Provision (-)	-	-
<b>Total</b>	<b>7.297.719</b>	<b>1.335.040</b>

(\*) Represents exchange differences and accrual interest.

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**7. Information on associates (Net):**

The Bank has no associates in the current period (31 December 2021: None).

**8. Information on subsidiaries (Net):**

The Bank has no subsidiaries in the current period (31 December 2021: None).

**9. Information on jointly controlled entities (Net):**

The Bank has no jointly controlled entities in the current period (31 December 2021: None).

**10. Information on lease receivables (Net):**

The Bank has no lease receivables in the current period (31 December 2021: None).

**11. Information on derivative financial assets for hedging purposes:**

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	23.651	-	92.436	-
Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>23.651</b>	<b>-</b>	<b>92.436</b>	<b>-</b>

**12. Information on tangible assets (Net):**

	Closing Balance December 31,					Change in estimate	Ending Balance December 31, 2022
	2021	Additions	Disposals	Other			
Cost:							
Land and buildings	9.174	-	-	-	-	-	9.174
Leased tangible assets	177.201	126.230	(30.815)	-	-	-	272.616
Vehicles	-	-	-	-	-	-	-
Other	299.842	81.709	(7.898)	-	-	-	373.653
<b>Total Cost</b>	<b>486.217</b>	<b>207.939</b>	<b>(38.713)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>655.443</b>

	Closing Balance December 31,					Change in estimate	Ending Balance December 31, 2022
	2021	Additions	Disposals	Other			
Accumulated Depreciation:							
Land and buildings	1.681	183	-	-	-	-	1.864
Leased tangible assets	80.664	49.538	(26.419)	-	-	-	103.783
Vehicles	-	-	-	-	-	-	-
Other	222.083	32.657	(7.093)	-	-	-	247.647
<b>Total Accumulated Depreciation</b>	<b>304.428</b>	<b>82.378</b>	<b>(33.512)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>353.294</b>
<b>Net Book Value</b>	<b>181.789</b>	<b>125.561</b>	<b>(5.201)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>302.149</b>

a) Disclosure for impairment losses or releases individually material for financial statements:

a.1) Conditions for allocating/releasing any impairment: None. (31 December 2021: None)

a.2) Amount of impairment losses provided or released in financial statements during current period: None (31 December 2021: None).

b) Disclosure on conditions and amounts of allocating / releasing any impairment as per asset class, which are not individually but on an aggregated basis material to financial statements: None (31 December 2021: None).

c) Restriction on tangible assets, capitalized expenditures and purchase commitments: None (31 December 2021: None).

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**I. Explanations and Disclosures Related to the Assets (continued)**

**13. Information on intangible assets:**

	Closing Balance December 31, 2021	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2022
Cost:						
Software cost	380.232	159.540	(161.831)	-	-	377.941
Other intangible assets	-	-	-	-	-	-
<b>Total Cost</b>	<b>380.232</b>	<b>159.540</b>	<b>(161.831)</b>	<b>-</b>	<b>-</b>	<b>377.941</b>
	Closing Balance December 31, 2021	Period Charge	Disposals	Other	Change in estimate	Ending Balance December 31, 2022
Accumulated Depreciation:						
Software cost	233.106	46.733	(145.069)	-	-	134.770
Other intangible assets	-	-	-	-	-	-
<b>Total Accumulated Depreciation</b>	<b>233.106</b>	<b>46.733</b>	<b>(145.069)</b>	<b>-</b>	<b>-</b>	<b>134.770</b>
<b>Net Book Value</b>	<b>147.126</b>	<b>112.807</b>	<b>(16.762)</b>	<b>-</b>	<b>-</b>	<b>243.171</b>

**14. Investment Property (Net):**

None (31 December 2021: None).

**15. Explanations on deferred tax assets:**

- a) As of 31 December 2022, the Bank has deferred tax asset amounting to TL 593.629 arising from deductible temporary differences (31 December 2021: TL 256.329).

	Current Period		Prior Period	
Timing differences constituting the basis for deferred tax	Basis	Deferred tax asset/(liability)	Basis	Deferred tax asset/(liability)
Difference between net book value and tax value of financial assets	72.752	15.868	53.856	10.855
Provisions	3.131.195	782.799	2.760.097	571.979
Valuation differences	1.778.776	444.694	2.973.831	623.100
Deferred commissions	69.306	17.326	36.862	7.372
Tangible assets differences	--	--	15.922	3.184
Other	--	--	76.809	17.753
<b>Deferred Tax Asset</b>	<b>5.052.029</b>	<b>1.260.687</b>	<b>5.917.377</b>	<b>1.234.243</b>
Valuation differences	2.338.993	584.749	3.702.756	777.579
Tangible assets differences	227.853	56.961	--	--
Provisions	72.950	18.237	855.124	171.025
Other	28.453	7.111	147.876	29.310
<b>Deferred Tax Liability (-)</b>	<b>2.668.249</b>	<b>667.058</b>	<b>4.705.756</b>	<b>977.914</b>
<b>Total deferred tax assets, net</b>		<b>593.629</b>		<b>256.329</b>

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**I. Explanations and Disclosures Related to the Assets (continued)**

**15. Explanations on deferred tax assets:**

- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None (31 December 2021: None).

<b>Net deferred tax asset / (debt)</b>	<b>Current Period (1 January-31 December 2022)</b>	<b>Prior Period (1 January-31 December 2021)</b>
<b>As of January 1</b>	<b>256.329</b>	<b>227.363</b>
Deferred tax income/(expense) in profit or loss table	541.090	4.852
Deferred tax income / (expense) under equity	(203.790)	24.114
<b>Ending balance</b>	<b>593.629</b>	<b>256.329</b>

- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None (31 December 2021: None).

**16. Information on assets held for sale and discontinued operations:**

As of 31 December 2022, the Bank has assets held for sale and discontinued operations amounting to TL 805.513 (31 December 2021: TL 296.839).

The Bank, in some portion of the foreclosed assets, provides repurchase right to the debtor.

As of 31 December 2022, the right of repurchase value of assets of the Bank is TL 97.524 (31 December 2021: TL 119.669).

**17. Information on other assets**

- a) Other assets do not exceed 10% of the balance sheet total (excluding off balance sheet commitments).
- b) Other assets which exceed 10% of the balance sheet total (excluding off balance sheet commitments) and breakdown of these which constitute at least 20% of grand total: None (31 December 2021: None).

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**II. Explanations and Disclosures Related to the Liabilities**

**1. Information on maturity structure of deposits:**

**a) 31 December 2022**

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	304.293	-	1.789.231	5.039.345	15.406.785	224.947	395.038	-	23.159.639
Foreign currency deposits	3.705.737	-	3.972.765	6.003.203	889.186	139.624	55.565	-	14.766.080
Residents in Turkey	3.469.244	-	3.934.676	5.678.050	809.573	104.588	48.874	-	14.045.005
Residents abroad	236.493	-	38.089	325.153	79.613	35.036	6.691	-	721.075
Public sector deposits	18.209	-	-	-	-	-	-	-	18.209
Commercial deposits	1.878.658	-	638.080	1.211.028	2.843.492	801.842	355.887	-	7.728.987
Other institutions deposits	1.027	-	3.417	11.044	81.131	-	53	-	96.672
Precious metals deposits	3.426.750	-	-	33.242	2.567	-	-	-	3.462.559
Interbank deposits	6.313	-	-	-	-	-	-	-	6.313
Central Bank of Turkey	--	-	-	-	-	-	-	-	--
Domestic Banks	--	-	-	-	-	-	-	-	--
Foreign Banks	6.313	-	-	-	-	-	-	-	6.313
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9.340.987</b>	<b>-</b>	<b>6.403.493</b>	<b>12.297.862</b>	<b>19.223.161</b>	<b>1.166.413</b>	<b>806.543</b>	<b>-</b>	<b>49.238.459</b>

Currency-protected deposit product, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against exchange rate changes in foreign currency, has started to be offered to bank customers. As of 31 December 2022, the total amount of deposits includes 19.488.010 TL (31 December 2021: 489.997 TL) deposits within this scope.

**31 December 2021**

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	369.129	-	1.866.924	3.542.895	679.912	354.960	1.228.831	-	8.042.651
Foreign currency deposits	3.866.856	-	4.629.731	14.553.988	865.197	103.264	133.750	-	24.152.786
Residents in Turkey	3.726.059	-	4.566.882	14.143.219	857.071	100.540	124.839	-	23.518.610
Residents abroad	140.797	-	62.849	410.769	8.126	2.724	8.911	-	634.176
Public sector deposits	57.891	-	-	-	-	-	-	-	57.891
Commercial deposits	774.483	-	542.485	863.288	7.933	64.852	2.900	-	2.255.941
Other institutions deposits	1.317	-	2.381	31.280	1.109	-	420.018	-	456.105
Precious metals deposits	2.950.216	-	17.222	124.009	-	-	-	-	3.091.447
Interbank deposits	10.856	-	304.480	44.931	-	-	-	-	360.267
Central Bank of Turkey	-	-	304.480	-	-	-	-	-	304.480
Domestic Banks	-	-	-	44.931	-	-	-	-	44.931
Foreign Banks	10.856	-	-	-	-	-	-	-	10.856
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8.030.748</b>	<b>-</b>	<b>7.363.223</b>	<b>19.160.391</b>	<b>1.554.151</b>	<b>523.076</b>	<b>1.785.499</b>	<b>-</b>	<b>38.417.088</b>

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**II. Explanations and Disclosures Related to the Liabilities (continued)**

**1. Information on maturity structure of deposits (continued):**

b.1) Information on saving deposits under the guarantee of saving deposits insurance (\*):

Information on saving deposits and exceeding the limit of insurance saving deposits:

Saving deposits	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Saving deposits	3.844.503	2.581.661	19.315.136	5.460.990
Foreign currency saving deposits	2.289.261	1.975.430	12.310.592	15.839.206
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
<b>Total</b>	<b>6.133.764</b>	<b>4.557.091</b>	<b>31.625.728</b>	<b>21.300.196</b>

(\*) In accordance with the "Regulation on Amending the Regulation on the Insurable Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936, corporations other than credit institutions and financial institutions, are included within the scope of deposit insurance scheme. In this context, commercial deposits covered by the insurance amounts to TL 238.459 and the said amount is not included in the above footnote.

b.2) Deposit amounts not under the guarantee of saving deposit:

Deposits of real persons not under the guarantee of saving deposit insurance:

	31 December 2022	31 December 2021
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	-	-
Deposits of chair, members of the Board of Directors and assistant general managers and their close families	19.570	8.413
Deposits obtained through illegal acts defined in the 282 <sup>nd</sup> Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

**2. Information on derivative financial liabilities at fair value through profit or loss:**

Negative differences table related to derivative financial liabilities at fair value through profit or loss:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	473	60.951	215.654	64.838
Swap Transactions	200.254	580.296	794.406	1.488.071
Futures Transactions	-	-	-	-
Options	30.829	20.592	145.784	19.996
Other	-	-	-	-
<b>Total</b>	<b>231.556</b>	<b>661.839</b>	<b>1.155.844</b>	<b>1.572.905</b>



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**II. Explanations and Disclosures Related to the Liabilities (continued)**

**3. Information on borrowings:**

a) Information on banks and other financial institutions:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
From Domestic Banks and Institutions	-	-	-	-
From Foreign Banks, Institutions and Funds	-	1.359.218	-	1.708.596
<b>Total</b>	-	<b>1.359.218</b>	-	<b>1.708.596</b>

b) Maturity analysis of borrowings:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Short-term	-	692.771	-	-
Medium and long-term	-	666.447	-	1.708.596
<b>Total</b>	-	<b>1.359.218</b>	-	<b>1.708.596</b>

**4. Information on funds provided from repurchase agreement transactions:**

Funds Provided Under Repurchase Agreements:

	31 December 2022	31 December 2021
Funds Provided Under Repurchase Agreements	4.000.353	2.224.902
<b>Total</b>	<b>4.000.353</b>	<b>2.224.902</b>

**5. Marketable Securities Issued (Net):**

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Bills	-	-	-	-
Bonds	-	-	-	-
<b>Total</b>	-	-	-	-

**6. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:**

None (31 December 2021: None).

**7. Explanations on lease obligations (Net):**

	31 December 2022		31 December 2021	
	Gross	Net	Gross	Net
Less Than 1 Year	20.063	14.664	7.820	7.290
Between 1-4 Years	142.236	105.547	99.176	78.390
More Than 4 Years	93.161	42.863	54.275	34.500
<b>Total</b>	<b>255.460</b>	<b>163.074</b>	<b>161.271</b>	<b>120.180</b>

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**II. Explanations and Disclosures Related to the Liabilities (continued)**

**8. Information on derivative financial liabilities at fair value through other comprehensive income:**

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	33.994	-	-	-
Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>33.994</b>	<b>-</b>	<b>-</b>	<b>-</b>

As of 31 December 2022, the Bank has no derivative financial liabilities subject to cash flow hedge accounting (31 December 2021: None).

**9. Information on provisions:**

a) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: None (31 December 2021: None).

b) Information on employee termination benefits and unused vacation accrual:

b.1) Information on employee termination benefits and unused vacation accrual:

	31 December 2022	31 December 2021
Employee termination benefit provision	73.353	26.355
Unused vacation provision	15.325	9.513
<b>Total of provision for employee benefits</b>	<b>88.678</b>	<b>35.868</b>

The Bank reserved for employee severance indemnities using actuarial method in compliance with the Turkish Accounting Standard 19 (TAS 19) "Employee Benefits" for all its employees who is retired or whose employment is terminated, called up for military service or died.

b.2) Movements in the employee termination benefit provision during the year:

	31 December 2022	31 December 2021
<b>Balance at the beginning of period</b>	<b>26.355</b>	<b>16.611</b>
Service Cost	6.471	3.273
Interest expense	7.924	2.892
Actuarial gain/loss	41.060	7.120
Payments during the period (*)	(8.457)	(3.541)
<b>Balance at the end of period</b>	<b>73.353</b>	<b>26.355</b>

(\*) Recognized in other comprehensive income.

	31 December 2022	31 December 2021
Discount rate in real terms	%2,00	%3,33
Interest rate	%12,10	%24,00
Estimated salary/ Employee termination benefit increase rate	%49,63	%20,00

c) Information on other provisions:

c.1) Provisions for possible losses: TL 650.000 (31 December 2021: TL 130.000).

c.2) The breakdown of the sub accounts if other provisions exceed 10% of the grand total of provisions: Other provisions consist of litigation provision amounting to TL 79.429 (31 December 2021: TL 60.113), provision for credit cards promotion and banking services amounting to TL 2 (31 December 2021: TL 1.048) and other provisions amounting to TL 141.895 (31 December 2021: TL 65.550).

c.3) Expected loss provisions for non-cash loans: TL 272.145 (31 December 2021: TL 49.466 provision).

c.4) Information on provisions for non-cash loans that are non-funded and non-transformed into cash: TL 8.977 (31 December 2021: TL 9.256 provision).

d) Liabilities on pension rights: None.

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**II. Explanations and Disclosures Related to the Liabilities (continued)**

- d.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 2021: None).
- d.2) Liabilities resulting from all kinds of pension funds, foundations etc, which provide post retirement benefits for the employees: None (31 December 2021: None).

**10. Explanations on taxes payable:**

- a) Information on current tax liability:

a.1) Information on corporate tax: As of 31 December 2022, the provision of corporate income tax: TL 215.807 (31 December 2021: None).

- a.2) Explanations on taxes payable:

	31 December 2022	31 December 2021
Corporate Taxes Payable	215.807	-
Withholding tax on deposits	42.369	27.357
BITT	18.190	23.006
Payroll Tax	12.810	6.050
Property Tax	1.682	407
Value Added Tax Payable	9.534	5.580
Stamp Tax	530	188
Foreign Exchange Tax	1.645	4.964
Other	1.724	729
<b>Total</b>	<b>304.291</b>	<b>68.281</b>

- a.3) Information on premiums:

	31 December 2022	31 December 2021
Social Security Premiums-Employee	8.990	2.339
Social Security Premiums-Employer	10.381	2.694
Unemployment Insurance-Employer	1.247	326
Unemployment Insurance-Employee	624	163
Bank Social Aid Pension Fund Premium-Employer	-	-
Bank Social Aid Pension Fund Premium-Employee	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Other	-	-
<b>Total</b>	<b>21.242</b>	<b>5.522</b>

- b) Explanations on deferred tax liabilities, if any: None.

**11. Information on liabilities regarding assets held for sale and discounted operations:** None (31 December 2021: None).

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**II. Explanations and Disclosures Related to the Liabilities (continued)**

**12. Information on subordinated loans:**

	31 December 2022(*)		31 December 2021	
	TL	FC	TL	FC
Debt instruments to be included in core capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	5.336.904	-	3.833.893
Subordinated loans	-	-	-	-
Subordinated debt	-	5.336.904	-	3.833.893
<b>Total</b>	-	<b>5.336.904</b>	-	<b>3.833.893</b>

(\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2022, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.

**13. Information on Shareholders' Equity:**

a) Presentation of Paid-in capital:

As of 31 December 2022, the Bank's paid in capital consists of TL 3.288.842.000 shares which nominal value is TL 1(full TL).

TL	31 December 2022	31 December 2021
Common stock (*)	3.288.842	3.288.842
Preferred stock	-	-
<b>Total</b>	<b>3.288.842</b>	<b>3.288.842</b>

(\*) Nominal Capital

b) The registered capital system is not applied in the bank.

c) Information on share capital increases from revaluation funds in the current period: None.

d) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.

e) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

The Bank takes timely action to strengthen its equity in accordance with previous indicators of the Bank's income, profitability and liquidity and taking into consideration and evaluations made within the frame of those indicators and changes in accounting policies.

f) Information on preferred shares: None.

g) Information on preferred shares: None.

h) Information on marketable securities value increase fund:

	31 December 2022		31 December 2021	
	TP	YP	TP	YP
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	849.000	(208.791)	115.272	(158.796)
Foreign Exchange Difference	-	-	-	-
<b>Total</b>	<b>849.000</b>	<b>(208.791)</b>	<b>115.272</b>	<b>(158.796)</b>

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**II. Explanations and Disclosures Related to the Liabilities (continued)**

**13. Information on Shareholders' Equity (continued):**

i) Information on legal reserves:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Primary Legal Reserves	46.700	36.415
Secondary Legal Reserve	-	-
Other Legal Reserves Per Special Legislation	-	-
<b>Total</b>	<b>46.700</b>	<b>36.415</b>

At the Ordinary General Assembly meeting dated March 29, 2022, TL 10.285, which is 5% of the Bank's net profit for the year 2021 amounting to TL 205.688, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining TL 195.403 has been decided to set aside as Extraordinary Reserves.

j) Earnings per share:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Bank's profit	853.203	205.688
Weighted Average Number of Issued Ordinary Shares (Thousand)	3.288.842	3.288.842
<b>Earnings Per Share (Full TL)</b>	<b>0,259</b>	<b>0,063</b>

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

k) Main principles of liquidation policies of non-performing loans and receivables:

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 31 December 2022, the net amount after provisions of the non-performing loans and receivables in the fifth group (in Stage 3) is TL 697.167 (31 December 2021: TL 966.563).

**14. Information on minority shares:**

None.

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**III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments**

**1. Information on off-balance sheet liabilities:**

a) Nature and amount of irrevocable loan commitments:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Forward asset purchase and sales commitments	2.581.283	3.093.542
Loan granting commitments	1.021.137	620.130
Commitments for checks	77.145	62.333
Credit card limit commitments	504.112	396.015
Other irrevocable commitments (*)	38.047	29.880
<b>Total</b>	<b>4.221.724</b>	<b>4.201.900</b>

(\*) Other irrevocable commitments includes promotion practices commitment regarding credit cards and banking services.

b) Possible losses and commitments related to off-balance sheet items including items listed below:

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

b.1) Non-cash loans including guarantees, acceptances, financial guarantees and other letters of credits:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Letters of guarantee	8.074.687	4.395.474
Letters of credit	2.429.725	2.215.994
Bank acceptance loans	-	4.976
Other guarantees	4.570.182	2.066.867
<b>Total</b>	<b>15.074.594</b>	<b>8.683.311</b>

b.2) Guarantees, suretyships, and similar transactions:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Definite letter of guarantees	5.561.017	3.134.625
Temporary letter of guarantees	233.355	111.798
Other letter of guarantees	2.280.315	1.149.051
<b>Total</b>	<b>8.074.687</b>	<b>4.395.474</b>

c.1) Total amount of non-cash loans:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Non-cash loans given to cover cash loans	1.810.672	859.751
With maturity of 1 year or less than 1 year	1.318.979	236.742
With maturity of more than 1 year	491.693	623.009
Other non-cash loans	13.263.922	7.823.560
<b>Total</b>	<b>15.074.594</b>	<b>8.683.311</b>

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**III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments (continued)**

**1. Information on off-balance sheet liabilities (continued):**

c.2) Information on sectoral risk breakdown of non-cash loans and irrevocable loan commitments (excluding forward asset sales and purchase commitments):

	December 31, 2022 (*)			
	TL	(%)	FC	(%)
<b>Agricultural</b>	<b>312.628</b>	<b>2,68</b>	<b>1.122</b>	<b>0,03</b>
Farming and raising livestock	305.833	2,62	-	0,00
Fores TL	-	0,00	-	0,00
Fishery	6.795	0,06	1.122	0,03
<b>Manufacturing</b>	<b>5.618.678</b>	<b>48,22</b>	<b>1.826.510</b>	<b>53,36</b>
Mining	65.472	0,56	187	0,01
Production	5.185.497	44,50	1.751.782	51,18
Electric, gas and water	367.709	3,16	74.541	2,18
<b>Construction</b>	<b>670.691</b>	<b>5,76</b>	<b>195.184</b>	<b>5,70</b>
<b>Services</b>	<b>4.923.664</b>	<b>42,26</b>	<b>1.368.983</b>	<b>39,99</b>
Wholesale and retail trade	2.387.286	20,49	623.194	18,21
Hotel, food and beverage services	13.270	0,11	94	0,00
Transportation and telecommunication	397.917	3,42	67.155	1,96
Financial institutions	1.718.378	14,75	607.451	17,75
Real estate and renting services	162.770	1,40	64.654	1,89
Self-employment services	128.135	1,10	-	0,00
Education services	100	0,00	-	0,00
Health and social services	115.808	0,99	6.435	0,19
<b>Other</b>	<b>125.927</b>	<b>1,08</b>	<b>31.207</b>	<b>0,91</b>
<b>Total</b>	<b>11.651.588</b>	<b>100,00</b>	<b>3.423.006</b>	<b>100,00</b>

(\*) Classified according to type of principal activity of costumers.

	December 31, 2021 (*)			
	TL	(%)	FC	(%)
<b>Agricultural</b>	<b>31.941</b>	<b>0,94</b>	<b>51.340</b>	<b>0,97</b>
Farming and raising livestock	29.613	0,87	51.340	0,97
Fores TL	-	0,00	-	0,00
Fishery	2.328	0,07	-	0,00
<b>Manufacturing</b>	<b>1.152.869</b>	<b>33,78</b>	<b>2.949.146</b>	<b>55,96</b>
Mining	23.065	0,68	20.235	0,38
Production	1.116.956	32,73	2.922.166	55,44
Electric, gas and water	12.848	0,38	6.745	0,13
<b>Construction</b>	<b>479.349</b>	<b>14,05</b>	<b>180.174</b>	<b>3,42</b>
<b>Services</b>	<b>1.488.783</b>	<b>43,62</b>	<b>1.640.020</b>	<b>31,12</b>
Wholesale and retail trade	817.050	23,94	777.669	14,76
Hotel, food and beverage services	10.311	0,30	74.418	1,41
Transportation and telecommunication	129.656	3,80	308.695	5,86
Financial institutions	347.253	10,18	414.243	7,86
Real estate and renting services	64.836	1,90	29.845	0,57
Self-employment services	31.935	0,94	919	0,02
Education services	100	0,00	-	0,00
Health and social services	87.642	2,57	34.231	0,65
<b>Other</b>	<b>259.834</b>	<b>7,61</b>	<b>449.855</b>	<b>8,53</b>
<b>Total</b>	<b>3.412.776</b>	<b>100,00</b>	<b>5.270.535</b>	<b>100,00</b>

(\*) Classified according to type of principal activity of costumers.

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**III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments (continued)**

**1. Information on off-balance sheet liabilities (continued):**

c.3) Information on I st and II nd group non-cash loans:

31.12.2022	I st Group		II nd Group	
	TL	FC	TL	FC
<b>Non-cash loans</b>				
Letters of guarantee	6.810.055	804.538	66.787	393.307
Bank acceptances	-	-	-	-
Letters of credit	286.303	2.143.422	-	-
Endorsements	-	-	-	-
Securities issue purchase and guarantees	-	-	-	-
Factoring Commitments	-	-	-	-
Other commitments and contingencies	4.488.443	81.739	-	-
<b>Total</b>	<b>11.584.801</b>	<b>3.029.699</b>	<b>66.787</b>	<b>393.307</b>

31.12.2021	I st Group		II nd Group	
	TL	FC	TL	FC
<b>Non-cash loans</b>				
Letters of guarantee	3.029.167	930.228	32.354	403.725
Bank acceptances	-	4.976	-	-
Letters of credit	4.211	2.211.783	-	-
Endorsements	-	-	-	-
Securities issue purchase and guarantees	-	-	-	-
Factoring Commitments	-	-	-	-
Other commitments and contingencies	347.044	1.719.823	-	-
<b>Total</b>	<b>3.380.422</b>	<b>4.866.810</b>	<b>32.354</b>	<b>403.725</b>

**2. Information related to derivative financial instruments:**

	Derivative transactions according to purposes			
	Trading		Hedging	
	December 31, 2022	December 31, 2022	December 31, 2021	December 31, 2021
<b>Types of trading transactions</b>				
Foreign currency related derivative transactions (I):	94.626.581	-	62.408.835	-
Forward transactions	6.631.422	-	9.313.842	-
Swap transactions	40.403.206	-	36.344.920	-
Futures transactions	-	-	-	-
Option transactions	47.591.953	-	16.750.073	-
Interest related derivative transactions (II) :	50.180.162	-	94.710.600	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	50.180.162	-	67.730.312	-
Interest option transactions	-	-	26.980.288	-
Futures interest transactions	-	-	-	-
Other derivative transactions for trade (III)	-	-	-	-
<b>A. Total trading derivative transactions (I+II+III)</b>	<b>144.806.743</b>	<b>-</b>	<b>157.119.435</b>	<b>-</b>
<b>Types of hedging transactions</b>				
Fair value hedges	-	-	-	-
Cash flow hedges	-	1.750.000	-	2.250.000
Net investment hedges	-	-	-	-
<b>B. Total hedging related derivatives</b>	<b>-</b>	<b>1.750.000</b>	<b>-</b>	<b>2.250.000</b>
<b>Total Derivative Transactions (A+B)</b>	<b>144.806.743</b>	<b>1.750.000</b>	<b>157.119.435</b>	<b>2.250.000</b>



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**III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments (continued)**

**1. Information related to derivative financial instruments (continued):**

Forward foreign currency, swap and option transactions include mainly proprietary transactions as well as customer deals, which are entered into for hedging of foreign exchange and interest rate risk purposes regardless of them being subject to hedge accounting and measured at fair value in line with Turkish accounting Standards. Both legs of every derivative transaction are aggregated in the table.

**2. Information related to credit derivatives and risk exposures:**

None.

**3. Explanations on contingent liabilities and assets:**

a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.

a.2) Share of jointly controlled entity (joint venture) in its own contingent liabilities: None.

a.3) The Bank's contingent liabilities resulting from liabilities of other venturers in jointly controlled entities (joint ventures): None.

b) Accounting and presentation of contingent assets and liabilities in the financial statements:

b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: None.

b.2) A provision is made for contingent liabilities, if realization is probable and the amount can reliably be determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes: None.

**4. Explanations on the activities carried out on behalf and account of other persons:**

The Bank is engaged in trading and custody of securities on behalf of real and legal persons. The details of the securities taken into custody are presented in the off-balance sheet accounts.

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**IV. Explanations and Disclosures Related to the Statement of Profit or Loss**

**1. a) Information on interest on loans:**

Interest on loans	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Short term loans	1.608.671	87.792	761.798	66.583
Medium and long term loans	1.145.478	894.708	938.915	716.001
Interest collected from non-performing loans	147.601	--	172.877	-
<b>Total</b>	<b>2.901.750</b>	<b>982.500</b>	<b>1.873.590</b>	<b>782.584</b>

**b) Information on interest received from banks:**

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
From The Central Bank of Republic of Turkey	731	-	513	-
From domestic banks	15.964	95	10.997	32
From foreign banks	-	49.415	-	6.335
From branches and offices abroad	-	-	-	-
<b>Total</b>	<b>16.695</b>	<b>49.510</b>	<b>11.510</b>	<b>6.367</b>

**c) Interest received from marketable securities portfolio:**

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss (Net)	48.636	932	21.234	384
Financial assets at fair value through other comprehensive income	2.204.012	246.515	987.379	135.792
Financial Assets Measured at Amortized Cost	819.385	76.186	18.559	55.193
<b>Total</b>	<b>3.072.033</b>	<b>323.633</b>	<b>1.027.172</b>	<b>191.369</b>

**2. a) Information on interest on funds borrowed:**

Interest on funds borrowed	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Banks	-	40.167	2	43.896
The Central Bank of Turkey	-	-	-	-
Domestic banks	-	187	2	351
Foreign banks	-	39.980	-	43.545
Branches and offices abroad	-	-	-	-
Other institutions	1.986	-	1.329	-
<b>Total</b>	<b>1.986</b>	<b>40.167</b>	<b>1.331</b>	<b>43.896</b>

**b) Information on interest expense to associates and subsidiaries:** None.

**c) Information on interest expense to marketable securities issued:** As of 31 December 2022, the Bank has interest expense to marketable securities issued, including Tier II sub-loan issued amounting to TL 407.555 (31 December 2021: TL 285.678).

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**IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)**

**d) Distribution of interest expense on deposits based on maturity of deposits:**

31 December 2022								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
<b>TL</b>								
Bank deposits	-	10.408	-	-	-	-	-	10.408
Saving deposits	219	329.726	725.667	760.527	40.859	406.214	-	2.263.212
Public sector deposits	-	1	-	-	-	-	-	1
Commercial deposits	17	97.891	241.334	113.966	192.415	39.538	-	685.161
Other deposits	-	1.728	16.624	8.706	5.372	30.159	-	62.589
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>236</b>	<b>439.754</b>	<b>983.625</b>	<b>883.199</b>	<b>238.646</b>	<b>475.911</b>	<b>-</b>	<b>3.021.371</b>
<b>Foreign Currency</b>								
Foreign currency deposits	391	57.787	380.828	43.604	5.283	1.296	-	489.189
Bank deposits	-	16.149	-	-	-	-	-	16.149
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	1	326	18	-	-	-	345
<b>Total</b>	<b>391</b>	<b>73.937</b>	<b>381.154</b>	<b>43.622</b>	<b>5.283</b>	<b>1.296</b>	<b>-</b>	<b>505.683</b>
<b>Grand Total</b>	<b>627</b>	<b>513.691</b>	<b>1.364.779</b>	<b>926.821</b>	<b>243.929</b>	<b>477.207</b>	<b>-</b>	<b>3.527.054</b>
31 December 2021								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
<b>TL</b>								
Bank deposits	-	19.374	-	-	-	-	-	19.374
Saving deposits	223	289.922	618.556	204.571	49.345	292.731	-	1.455.348
Public sector deposits	-	75	126	1.318	-	-	-	1.519
Commercial deposits	35	64.591	150.662	13.285	16.610	6.225	-	251.408
Other deposits	-	746	8.229	2.191	3.746	39.916	-	54.828
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>258</b>	<b>374.708</b>	<b>777.573</b>	<b>221.365</b>	<b>69.701</b>	<b>338.872</b>	<b>-</b>	<b>1.782.477</b>
<b>Foreign Currency</b>								
Foreign currency deposits	50	28.273	159.638	12.188	2.756	2.030	-	204.935
Bank deposits	-	872	-	-	-	-	-	872
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	32	619	3	-	-	-	654
<b>Total</b>	<b>50</b>	<b>29.177</b>	<b>160.257</b>	<b>12.191</b>	<b>2.756</b>	<b>2.030</b>	<b>-</b>	<b>206.461</b>
<b>Grand Total</b>	<b>308</b>	<b>403.885</b>	<b>937.830</b>	<b>233.556</b>	<b>72.457</b>	<b>340.902</b>	<b>-</b>	<b>1.988.938</b>

**3. Information on Dividend Income: None (31 December 2021: None).**

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**IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)**

**4. Information on net trading income:**

	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Income</b>	<b>165.489.793</b>	<b>273.108.485</b>
Gains on capital market operations	454.885	50.351
Gains on derivative financial instruments	7.429.829	7.078.358
Foreign exchange gains	157.605.079	265.979.776
<b>Losses (-)</b>	<b>165.448.950</b>	<b>273.101.264</b>
Losses on capital market operations	8.582	15.323
Losses on derivative financial instruments	7.306.662	6.122.174
Foreign exchange losses	158.133.706	266.963.767
<b>Net Amount</b>	<b>40.843</b>	<b>7.221</b>

**5. Information on other operating income:**

For the period ended 31 December 2022, other operating income includes reversals from previous years' expenses and other operating income.

	<b>31 December 2022</b>	<b>31 December 2021</b>
Income from Reversal of Prior Years' General and Specific Provisions	954.147	758.262
Income from Reversal of Prior Years' Other Provisions	81.594	26.862
Other Income	163.042	66.787
<b>Total</b>	<b>1.198.783</b>	<b>851.911</b>

**6. Provision for impairment of loans and other receivables:**

a) Expected credit loss provisions:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Expected Credit Loss Provisions	1.441.713	964.255
12-Month Expected Credit Losses (Stage 1)	221.087	100.764
Significant Increase In Credit Risk (Stage 2)	1.040.332	368.136
Credit-Impaired (Stage 3)	180.294	495.355
Impairment Provisions For Financial Assets	-	305
Financial Assets At Fair Value Through Profit Or Loss	-	305
Financial Assets At Fair Value Through Other Comprehensive Income	-	-
Impairment Provisions Related To Investments In Associates, Subsidiaries And Jointly Controlled Partnerships (Joint Ventures)	-	-
Investments in associates	-	-
Subsidiaries	-	-
Jointly controlled partnerships (joint ventures)	-	-
Other	-	-
<b>Total</b>	<b>1.441.713</b>	<b>964.560</b>

b) Other Provisions:

As of 31 December 2022, other provision expenses are TL 495.143 (31 December 2021: TL 173.748).

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**IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)**

**7. Information on other operating expenses:**

	31 December 2022	31 December 2021
Employee termination benefit provision	5.939	2.706
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Amortization expenses of fixed assets	82.378	61.739
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	46.733	35.575
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Amortization expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	543.465	310.073
Leasing expenses related to TFRS 16 exemptions (*)	4.611	2.559
Maintenance expenses	13.274	7.407
Advertisement expenses	63.262	23.900
Other expenses (**)	462.318	276.207
Loss on sales of assets	315	5.792
Other	-	-
<b>Total</b>	<b>678.830</b>	<b>415.885</b>

(\*) Includes all operating lease expenses within the scope of the exemption.

(\*\*) Other operating expenses majorly consist of IT expenses, premiums for saving deposit insurance fund, auditing and consultancy services, credit card related expenses, support services, taxes, duties and charges and other expenses.

**8. Fees for Services Received from Independent Auditor / Independent Audit Firm**

The fee (excluding VAT) information for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated 26 March 2021 is given in the table below.

	31 December 2022 (*)	31 December 2021 (*)
Audit Fee	2.308	1.495
Tax Advisory Fee	-	-
Other Advisory Fees	-	8
<b>Total</b>	<b>2.308</b>	<b>1.503</b>

(\*) Services received from KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi are presented.

**9. Information on profit/(loss) from continued and discontinued operations before taxes:**

As of 31 December 2022, the Bank's profit before tax from continued operations is TL 1.097.222 (31 December 2021: 238.585).

**10. Information on tax provision for continued and discontinued operations:**

As of 31 December 2022, The Bank has deferred tax income amounting to TL 541.090 and TL 785.109 current tax expense amounting (31 December 2021: TL 4.852 deferred tax income and TL 37.749 current tax provision).

**11. Information on net profit/(loss) from continued and discontinued operations:**

As of 31 December 2022, the Bank's net profit from continued operations is TL 853.203 (31 December 2021: TL 205.688).

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**IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)**

**12. The explanations on net income / loss for the period:**

- a) Free provision expense amounting to TL 479.308 has been incurred in the current period due to the by the Bank's management for possible effects of adverse developments that may occur in the economy and in the markets.
- b) The effect of a change in the estimation made as painting on the financial statement items on the profit / loss, if it affects the following periods, the effect including those periods: None.

**13. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:** The other item under the "Fees and Commissions Received" in the income statement mainly consists of banking service income and credit card transactions.

**V. Explanations and notes related to consolidated statement of changes in shareholders' equity**

**1. Information on dividends :**

At the Ordinary General Assembly meeting dated March 29, 2022, TL 10.285, which is 5% of the Bank's net profit for the year 2021, TL 205.688, was reserved as 1st Arrangement Legal Reserve in accordance with Article 519 of the Turkish Commercial Code numbered 6102 and the remaining amount of TL 195.403 has been decided to reserve as extraordinary Reserves.TL 2.397 presented under extraordinary reserves includes the share sales gain benefited from corporate tax exemption and transferred to the Revaluation Surplus on Tangible and Intangible Assets account.

**2. Explanations on share certificates position risk from banking book:**

The Bank, as explained in Section Three III and Section Four XI, applies cash flow hedge accounting and as of 31 December 2022, there is TL 56.884 after tax in the hedging funds (effective part) account in equity (31 December 2021: TL 23.938).

**3. Changes on after revaluation of financial assets at fair value through other comprehensive income:** None (31 December 2021: None).

**4. Reconciliation of currency rate differences at the beginning and end of the period:** None (31 December 2021: None).

**5. Effects of previous adjustments on the opening balance sheet:** None (31 December 2021: None).

**6. Explanations on issuance of share certificates** None (31 December 2021: None).

**VI. Explanations and Disclosures on Statement of Cash Flows**

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

"Others" line amounting to TL 736.219 also includes the effect of change in foreign exchange rate on cash and cash equivalents.

"Net increase/decrease in other liabilities" line amounting to TL 1.294.039 in "Changes in bank operations assets and liabilities" consists of changes in miscellaneous payables, other liabilities and tax liability.

"Net increase/decrease in other assets" line amounting to TL 360.602 consists of changes in temporary accounts.

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**VI. Explanations and Disclosures on Statement of Cash Flows (continued)**

**2. Cash and cash equivalents at beginning and end of periods:**

<b>Beginning of the period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>4.679.039</b>	<b>2.478.711</b>
Cash in TL/foreign currency	1.138.673	284.213
Central Bank of Republic of Turkey	3.540.366	2.194.498
<b>Cash equivalents</b>	<b>2.290.538</b>	<b>1.535.148</b>
Receivables from banks and other financial institutions	2.290.538	1.225.148
Receivables from money market placements	-	310.000
<b>Total cash and cash equivalents</b>	<b>6.969.577</b>	<b>4.013.859</b>

<b>End of the period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>3.516.884</b>	<b>4.679.039</b>
Cash in TL/foreign currency	517.934	1.138.673
Central Bank of Republic of Turkey	2.998.950	3.540.366
<b>Cash equivalents</b>	<b>7.598.783</b>	<b>2.290.538</b>
Receivables from banks and other financial institutions	3.814.879	2.290.538
Receivables from money market placements	3.783.904	-
<b>Total cash and cash equivalents</b>	<b>11.115.667</b>	<b>6.969.577</b>

**VII. Explanations on the Risk Group of the Bank**

**1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:**

**a) 31 December 2022:**

<b>Risk Group of The Bank</b>	<b>Subsidiaries, associates and jointly controlled entities</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other entities and real persons included in the risk group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	424	15.486	-	561
Balance at end of period	-	-	-	14.960	-	1.176
Interest and commission income	-	-	-	-	-	-

**31 December 2021:**

<b>Risk Group of The Bank</b>	<b>Subsidiaries, associates and jointly controlled entities</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other entities and real persons included in the risk group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	-	24.198	-	526
Balance at end of period	-	-	424	15.486	-	561
Interest and commission income	-	-	36	-	-	-

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**VII. Explanations on the Risk Group of the Bank (continued)**

b.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities and real persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	-	-	10.856	641.592	8.413	5.162
Balance at end of period	-	-	6.313	10.856	19.570	8.413
Interest on deposits	-	-	-	128	2.201	1.047

b.2) Information on forward and option agreements and other similar agreements made with related parties:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities and real persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial assets at fair value through profit and loss						
Balance at beginning of period	-	-	40.470.430	22.328.683	-	-
Balance at end of period	-	-	22.440.568	40.470.430	-	-
Total loss/ profit (*)	-	-	(1.605.975)	361.391	-	-

(\*) As of 31 December 2022 represents derivative financial assets due to outstanding IRS transactions with the Bank's parent company, Bank Audi sal and does not have any material impact on the Bank's performance as such transactions are backed-to-back with third parties almost with similar terms. Daily margining is provided in accordance with the current international derivative contracts (ISDA, CSA).

b.3) Explanation on the benefits granted to the executive management of the Bank:

Gross payment made to the executive management as of 31 December 2022 is TL 61.832 (31 December 2021: TL 31.410).

**VIII. Domestic, foreign and off-shore branches or equity investments, and foreign representative offices of bank**

	Number of Branches	Number Of Employees			
Domestic Branches	48	1.110			
			Country		
Foreign Representative Offices	-	-	-		
				Total Assets	Legal Capital
Foreign Branches	-	-	-	-	-
Off-shore Banking Branches	-	-	-	-	-

**IX. Explanations and Disclosures Related To Subsequent Events**

None.



Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

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**SECTION SIX**  
**OTHER EXPLANATIONS**

**I. Other explanations on the Bank's operations**

None.

**SECTION SEVEN**  
**EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT**

**I. Explanations on Independent Auditors' Report**

**Brief Information on Odea Bank A.Ş:**

The unconsolidated financial statements for the period ended 31 December 2022 have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member of KPMG International Cooperative). The auditor's report dated 3 February 2023 is presented preceding the unconsolidated financial statements.

**II. Explanations and Notes Prepared By Independent Auditor**

None.