

# **Fibabanka Anonim Şirketi**

Unconsolidated Financial Statements  
as of and for the Year Ended  
31 December 2022  
With Independent Auditors'  
Report Thereon

*(Convenience Translation of Financial Statements and Related  
Disclosures and Footnotes Originally Issued in Turkish)*



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**Convenience Translation of the Independent Auditors' Report Originally  
Prepared and Issued in Turkish to English**

To the Shareholders of Fibabanka Anonim Şirketi

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

*Qualified Opinion*

We have audited the unconsolidated financial statements of Fibabanka Anonim Şirketi ("the Bank") which comprise the unconsolidated balance sheet as at 31 December 2022 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended, and notes, comprising 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 Fibabanka 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 Agency ("BRSA") 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 BRSA and circulars and interpretations published by 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 II.8.3.1 of Section Five, the accompanying unconsolidated financial statements as at 31 December 2022 include a general provision of total of TL 1.320.000 thousands, of which TL 983.000 thousands was recognized as expense within the current period and TL 337.000 thousands had been recognized as expense in prior periods; with a deferred tax asset amounting to TL 330.000 thousands of which TL 252.490 thousands was recognized within the current period and TL 77.510 thousands had been recognized in prior periods; for the possible effects of the negative circumstances which may arise in the economy or market conditions which is not in line with the requirements of BRSA Accounting and Financial Reporting Legislation.



We conducted our audit in accordance with the “Regulation on Independent Audit of the Banks” (“BRSA Auditing Regulation”) published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) (“Standards on Auditing issued by POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We declare that we are independent of the Bank in accordance with the Code of Ethics for Auditors issued by POA (including Independence Standards) (“POA’s Code of Ethics”) and the ethical requirements in the regulations issued by POA that are relevant to audit of unconsolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA’s Code of Ethics and regulations. 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 amortised cost*

The details of accounting policies and significant estimates and assumptions for impairment of loans measured at amortised cost are presented in Section III, No: VIII of the unconsolidated financial statements.

<b>Key audit matter</b>	<b>How the matter is addressed in our audit</b>
<p>As of 31 December 2022, loans measured at amortised cost comprise 54% 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; and</li> <li>- design and implementation of expected credit loss model.</li> </ul>	<p>Our procedures for testing the impairment of loans included 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 Bank’s business model and methodology and the evaluation of the calculations were carried out with the control testing and detailed 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 testing their classification. In this context, the current status of the loan customer has been evaluated on prospective information and macroeconomic variables.</li> <li>• We evaluated the accuracy of the expected credit loss calculations by selecting sample for the loans which are assessed on individual basis and discussed the assumptions and estimates with the Bank management.</li> </ul>

<p>The determination of the impairment of loans measured at amortised cost depends on the (i) credit default status, (ii) the model based on the change in the credit risk at the first recognition date and (iii) the classification of the loans measured at amortised 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 fair 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>Impairment on loans measured at amortised cost was considered to be a key audit matter, due to the significance of the estimates, the level of judgements and its complex structure as explained above.</p>	<ul style="list-style-type: none"> <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 which are used to reflect forward looking expectations 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 also evaluated the adequacy of the unconsolidated financial statements' disclosures related to impairment provisions.</li> </ul>
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#### *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.

#### *Auditor's 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 auditor's 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 Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 Auditing Regulation and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional scepticism 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 auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## **B) Report on Other Legal and Regulatory Requirements**

1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC") numbered 6102; 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 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



20 February 2023  
İstanbul, Türkiye

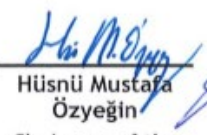
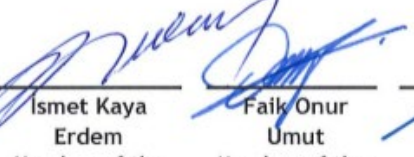

**THE UNCONSOLIDATED FINANCIAL REPORT OF  
FİBABANKA A.Ş.  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The unconsolidated year-end financial report 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
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES
- INDEPENDENT AUDITORS' REPORT

The unconsolidated financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in **thousands of Turkish Lira**, in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been audited and presented as attached.

 Hüsnü Mustafa Özyeğin Chairman of the Board of Directors	 İsmet Kaya Erdem Member of the Audit Committee	 Faik Onur Umut Member of the Audit Committee	 Ömer Mert General Manager and Member of the Board of Directors	 Elif Alsev Utku Özbey Deputy General Manager	 Ayşe Akdaş Director Financial Control and Reporting
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Information related to personnel to whom questions related to this financial report may be directed:  
Name-Surname/Title : **Ayşe Akdaş** / Financial Control and Reporting Director  
Telephone Number : (212) 381 84 88  
Fax Number : (212) 258 37 78

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1 JANUARY 2022 - 31 DECEMBER 2022**

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

**SECTION ONE**

**GENERAL INFORMATION**

**I. History of the Bank Including Its Incorporation Date, Initial Status and Amendments to the Initial Status**

On 21 December 2001, Share Transfer Agreement was signed with Novabank S.A. for the sale of all shares of Sitebank A.Ş. under the control of SDIF and the sale transaction was approved by the decision of Banking Regulation and Supervision Agency ("BRSA") No: 596 on 16 January 2002.

In the General Assembly held on 4 March 2003, the name of Sitebank A.Ş. was amended as BankEuropa Bankası A.Ş.

In the extraordinary General Assembly held on 28 November 2006, the name of BankEuropa Bankası A.Ş. was amended as Millennium Bank A.Ş.

On 27 December 2010, acquisition of the Bank by Credit Europe Bank N.V., which is an affiliate of Fiba Holding A.Ş., was realized.

In the extraordinary General Assembly held on 25 April 2011 the name of Millennium Bank A.Ş. was amended as Fibabanka A.Ş. ("the Bank").

**II. Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control Over the Management and Internal Audit of the Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Bank's Risk Group**

On 10 February 2010, Banco Comercial Portugues S.A. and Credit Europe Bank N.V., which is an affiliate of Fiba Group, signed a share purchase agreement to transfer 95% of the Bank's shares to Credit Europe Bank N.V. and the legal approval process was completed as of 27 December 2010.

Credit Europe Bank N.V.'s share of capital increased from 95% to 97,6% after the capital increases during 2011 and 2012. Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97,6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2,4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012. In 2013, there was the first sale of equity shares to the management of the Bank, and there has been changes over time. As of 31 December 2022 the total shares held by the Bank's Management represent 5,66% of the Bank's Capital.

The Bank applied to the BRSA on 14 January 2015 for permission of the subordinated loan provided from Fiba Holding A.Ş. in the amount of USD 50 million to be converted to share capital. Following the authorization of the BRSA on 4 March 2015, the Board of Directors decision was taken on 5 March 2015 regarding share capital increase from TL 550.000 to TL 678.860. TL 127.045 of the increase was provided by the subordinated loan granted by Fiba Holding A.Ş. which had been approved to be converted to capital and TL 1.815 of total capital was paid in cash by the other shareholders, capital increase was recognised in financial statements following the completion of the legal procedures on 7 May 2015.

The Bank's paid-in capital amounting to TL 678.860 was increased to TL 847.515 on 23 December 2015 with equal contributions from International Finance Corporation ("IFC") and European Bank for Reconstruction and Development ("EBRD") amounting TL 168.655 in total. In addition, share issuance premium of TL 73.379 was recognised in the shareholders' equity.

The Bank's paid-in capital amounting to TL 847.515 was increased to TL 941.161 on 7 September 2016 with the capital contribution of TurkFinance B.V. by TL 93.646. In addition, TL 55.299 was recorded to the equity as share premium.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

### II. Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control Over the Management and Internal Audit of the Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Bank's Risk Group (continued)

The paid-in capital of the Bank amounting to TL 847.515 was increased by TL 93.646 to TL 941.161 on 7 September 2016, fully funded by TurkFinance B.V. In addition, TL 55.299 was recorded in equity as the share issue premium amount.

With the decision taken at the Extraordinary General Assembly dated 14 April 2022, the paid-in capital of the Bank was increased by TL 416.562 to TL 1.357.723 by making a cash capital increase.

As of 31 December 2022, paid-in capital of the Bank is TL 1.357.723 and all paid in.

### III. Explanations Regarding the Shares of the Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents

<u>Name Surname</u>	<u>Title</u>	<u>Assignment Date</u>
<b>Board of Directors</b>		
Hüsnü Mustafa Özyeğin	Chairman	27-Dec-10
Fevzi Bozer	Deputy Chairman	27-Dec-10
İsmet Kaya Erdem	Member	11-Feb-13
Mehmet Güleşci	Member	27-Dec-10
Faik Onur Umut	Member	23-Jan-19
Memduh Aslan Akçay	Member	13-Apr-16
Hülya Kefeli	Member	15-May-17
Seyfettin Ata Köseoğlu	Member	23-Jan-20
Erman Kalkandelen	Member	02-Jul-21
Ömer Mert	General Manager - Member	18-Jan-17
<b>Audit Committee</b>		
İsmet Kaya Erdem	Member	27-Dec-19
Faik Onur Umut	Member	14-Jan-20
<b>Assistant General Managers</b>		
Elif Alsev Utku Özbey	Deputy GM - Financial Control & Reporting	07-Jan-11
Kerim Lokman Kuriş	AGM - Corporate & Commercial Banking	01-Dec-15
Turgay Hasdiker	AGM - Credits	01-Dec-15
Ahu Dolu	AGM - Financial Institutions, Project Finance and Investor Relations	01-Dec-15
Gerçek Önal	AGM - Chief Legal Officer	01-Feb-16
İbrahim Toprak	AGM - Treasury	01-Apr-20
Serdar Yılmaz	AGM - Information Technologies and Banking Operations	01-Sep-20
Gökhan Ertürk	AGM - Ecosystem & Platform Banking	11-May-21

As of 31 December 2022, the total shares held by the Bank's Management represent 5,66% of the Bank's Capital.

## FİBABANKA A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

#### IV. Individuals and Institutions That Have Qualified Shares in the Bank

Name Surname/ Commercial Title	Share Amount (Nominal)	Share Ratios	Paid in Capital (Nominal)	Unpaid Shares
Fiba Holding A.Ş.	939.778	69,22%	939.778	--
Hüsnü Mustafa Özyeğin (*)	930.405	68,53%	930.405	--

(\*) States indirect share of Mr. Hüsnü Mustafa Özyeğin in the Bank due to his direct share in Fiba Holding A.Ş.

#### V. Summary Information on the Bank's Services and Activity Areas

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 31 December 2022, the Bank serves with 44 domestic branches and 1.979 employees.

#### VI. Other Information

The Bank's Commercial Title	: Fibabanka Anonim Şirketi
The Bank's General Directorate Address	: Esentepe Mah. Büyükdere Caddesi No:129 Şişli 34394 İstanbul
The Bank's Phone and Fax Numbers	: Telephone : (0212) 381 82 82 Fax : (0212) 258 37 78
The Bank's Web Site Address	: <a href="http://www.fibabanka.com.tr">www.fibabanka.com.tr</a>
The Bank's E-Mail Address	: <a href="mailto:malikontrol@fibabanka.com.tr">malikontrol@fibabanka.com.tr</a>
Reporting Period	: 1 January 2022 - 31 December 2022

The financial statements, related disclosures and notes in this report are presented, unless otherwise indicated, in thousands of Turkish Lira (TL).

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

None.

**SECTION TWO**  
**UNCONSOLIDATED FINANCIAL STATEMENTS**

**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS AT 31 DECEMBER 2022**

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

ASSETS	Footnotes	CURRENT PERIOD (31/12/2022)			PRIOR PERIOD (31/12/2021)		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>6.042.514</b>	<b>19.669.559</b>	<b>25.712.073</b>	<b>3.599.167</b>	<b>14.485.168</b>	<b>18.084.335</b>
1.1 Cash and Cash Equivalents	(5.1.1)	1.352.461	17.779.545	19.132.006	1.333.548	13.208.704	14.542.252
1.1.1 Cash and Balances at Central Bank		1.096.323	13.921.204	15.017.527	936.627	11.978.033	12.914.660
1.1.2 Banks	(5.1.3)	259.321	2.221.790	2.481.111	398.360	1.101.951	1.500.311
1.1.3 Money Market Placements		-	1.636.551	1.636.551	-	128.720	128.720
1.1.4 Expected Credit Loss (-)		3.183	-	3.183	1.439	-	1.439
1.2 Financial Assets Measured at Fair Value Through Profit or Loss	(5.1.2)	201.357	128.133	329.490	117.141	75.329	192.470
1.2.1 Government Debt Securities		162	3.261	3.423	262	2.316	2.578
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		201.195	124.872	326.067	116.879	73.013	189.892
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5.1.4)	3.403.367	1.737.543	5.140.910	880.024	1.197.729	2.077.753
1.3.1 Government Debt Securities		2.533.328	1.396.638	3.929.966	483.387	558.479	1.041.866
1.3.2 Equity Securities		4.897	-	4.897	4.897	-	4.897
1.3.3 Other Financial Assets		865.142	340.905	1.206.047	391.740	639.250	1.030.990
1.4 Derivative Financial Assets	(5.1.2)	1.085.329	24.338	1.109.667	1.268.454	3.406	1.271.860
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss		1.085.329	24.338	1.109.667	1.268.454	3.406	1.271.860
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)</b>	(5.1.6)	<b>34.656.254</b>	<b>10.838.678</b>	<b>45.494.932</b>	<b>15.864.610</b>	<b>9.477.894</b>	<b>25.342.504</b>
2.1 Loans	(5.1.5)	33.382.033	6.150.406	39.532.439	16.495.038	6.434.332	22.929.370
2.2 Lease Receivables	(5.1.10)	-	-	-	-	-	-
2.3 Factoring Receivables	(5.1.5)	186.000	790	186.790	70.629	3.435	74.064
2.4 Financial Assets Measured at Amortised Cost	(5.1.6)	2.379.860	4.687.482	7.067.342	190.594	3.040.127	3.230.721
2.4.1 Government Debt Securities		2.140.658	4.651.692	6.792.350	190.594	3.015.309	3.205.903
2.4.2 Other Financial Assets		239.202	35.790	274.992	-	24.818	24.818
2.5 Expected Credit Losses (-)		1.291.639	-	1.291.639	891.651	-	891.651
<b>III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(5.1.16)	<b>24.609</b>	<b>-</b>	<b>24.609</b>	<b>182.161</b>	<b>-</b>	<b>182.161</b>
3.1 Assets Held for Sale		24.609	-	24.609	182.161	-	182.161
3.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>967.008</b>	<b>-</b>	<b>967.008</b>	<b>117.945</b>	<b>-</b>	<b>117.945</b>
4.1 Investments in Associates (Net)	(5.1.7)	841.588	-	841.588	-	-	-
4.1.1 Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		841.588	-	841.588	-	-	-
4.2 Investments in Subsidiaries (Net)	(5.1.8)	125.420	-	125.420	117.945	-	117.945
4.2.1 Unconsolidated Financial Subsidiaries		7.920	-	7.920	5.445	-	5.445
4.2.2 Unconsolidated Non-financial Subsidiaries		117.500	-	117.500	112.500	-	112.500
4.3 Joint Ventures (Net)	(5.1.9)	-	-	-	-	-	-
4.3.1 Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>	(5.1.12)	<b>692.330</b>	<b>-</b>	<b>692.330</b>	<b>414.389</b>	<b>-</b>	<b>414.389</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	(5.1.13)	<b>243.640</b>	<b>-</b>	<b>243.640</b>	<b>106.531</b>	<b>-</b>	<b>106.531</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		243.640	-	243.640	106.531	-	106.531
<b>VII. INVESTMENT PROPERTY (Net)</b>	(5.1.14)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>500</b>	<b>-</b>	<b>500</b>	<b>2.077</b>	<b>-</b>	<b>2.077</b>
<b>IX. DEFERRED TAX ASSET</b>	(5.1.15)	<b>490.110</b>	<b>-</b>	<b>490.110</b>	<b>308.819</b>	<b>-</b>	<b>308.819</b>
<b>X. OTHER ASSETS</b>	(5.1.17)	<b>450.872</b>	<b>32.666</b>	<b>483.538</b>	<b>594.628</b>	<b>8.870</b>	<b>603.498</b>
<b>TOTAL ASSETS</b>		<b>43.567.837</b>	<b>30.540.903</b>	<b>74.108.740</b>	<b>21.190.327</b>	<b>23.971.932</b>	<b>45.162.259</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS AT 31 DECEMBER 2022**

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

LIABILITIES	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2022)			(31/12/2021)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.1)	32.068.702	14.790.133	46.858.835	15.340.650	15.659.742	31.000.392
II. FUNDS BORROWED	(5.II.3)	-	3.179.212	3.179.212	15.646	507.931	523.577
III. MONEY MARKET FUNDS		613.698	2.856.167	3.469.865	300.117	412.623	712.740
IV. SECURITIES ISSUED (Net)	(5.II.4)	1.108.379	3.702.499	4.810.878	-	2.646.236	2.646.236
4.1 Bills		1.108.379	-	1.108.379	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	3.702.499	3.702.499	-	2.646.236	2.646.236
V. FUNDS		-	-	-	-	-	-
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(5.II.2)	538.129	23.811	561.940	1.674.998	3.398	1.678.396
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		538.129	23.811	561.940	1.674.998	3.398	1.678.396
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(5.II.6)	141.487	40	141.527	48.726	233	48.959
X. PROVISIONS	(5.II.8)	1.621.365	-	1.621.365	404.907	-	404.907
10.1 Provisions for Restructuring		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		231.197	-	231.197	50.822	-	50.822
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1.390.168	-	1.390.168	354.085	-	354.085
XI. CURRENT TAX LIABILITIES	(5.II.9)	500.587	-	500.587	288.652	-	288.652
XII. DEFERRED TAX LIABILITIES	(5.II.9)	-	-	-	-	-	-
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.II.10)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBTS	(5.II.11)	-	4.543.945	4.543.945	-	3.790.148	3.790.148
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	4.543.945	4.543.945	-	3.790.148	3.790.148
XV. OTHER LIABILITIES	(5.II.5)	1.366.159	537.689	1.903.848	1.201.842	520.797	1.722.639
XVI. SHAREHOLDERS' EQUITY	(5.II.12)	6.523.456	(6.718)	6.516.738	2.368.648	(23.035)	2.345.613
16.1 Paid-in Capital		1.357.723	-	1.357.723	941.161	-	941.161
16.2 Capital Reserves		228.678	-	228.678	228.678	-	228.678
16.2.1 Equity Share Premium		128.678	-	128.678	128.678	-	128.678
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		100.000	-	100.000	100.000	-	100.000
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		412.402	-	412.402	113.374	-	113.374
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		788.898	(6.718)	782.180	3.659	(23.035)	(19.376)
16.5 Profit Reserves		1.081.776	-	1.081.776	707.492	-	707.492
16.5.1 Legal Reserves		71.590	-	71.590	52.876	-	52.876
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		926.300	-	926.300	654.616	-	654.616
16.5.4 Other Profit Reserves		83.886	-	83.886	-	-	-
16.6 Profit or Loss		2.653.979	-	2.653.979	374.284	-	374.284
16.6.1 Prior Periods' Profit or Loss		(17.375)	-	(17.375)	(35.683)	-	(35.683)
16.6.2 Current Period Net Profit or Loss		2.671.354	-	2.671.354	409.967	-	409.967
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>44.481.962</b>	<b>29.626.778</b>	<b>74.108.740</b>	<b>21.644.186</b>	<b>23.518.073</b>	<b>45.162.259</b>

The accompanying notes form an integral part of these unconsolidated financial statements.



# UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS AT 31 DECEMBER 2022

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

	Footnotes	CURRENT PERIOD (31/12/2022)			PRIOR PERIOD (31/12/2021)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>43.021.459</b>	<b>89.295.956</b>	<b>132.317.415</b>	<b>17.084.719</b>	<b>50.471.248</b>	<b>67.555.967</b>
<b>I. GUARANTIES AND WARRANTIES</b>	(5.III.1)	<b>486.870</b>	<b>259.091</b>	<b>745.961</b>	<b>456.564</b>	<b>547.613</b>	<b>1.004.177</b>
1.1. Letters of guarantee		486.870	154.792	641.662	454.064	227.839	681.903
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		486.870	154.792	641.662	454.064	227.839	681.903
1.2. Bank Acceptances		-	17.941	17.941	2.500	172.175	174.675
1.2.1. Import Letter of Acceptances		-	17.941	17.941	2.500	172.175	174.675
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	86.358	86.358	-	147.599	147.599
1.3.1. Documentary Letters of Credit		-	86.358	86.358	-	147.599	147.599
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		-	-	-	-	-	-
1.9. Other Collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>4.420.924</b>	<b>5.243.627</b>	<b>9.664.551</b>	<b>2.962.647</b>	<b>5.091.482</b>	<b>8.054.129</b>
2.1. Irrevocable Commitments	(5.III.1)	4.420.924	5.243.627	9.664.551	2.962.647	5.091.482	8.054.129
2.1.1. Asset Purchase Commitments		425.966	5.243.627	5.669.593	852.230	5.091.482	5.943.712
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		3.644.791	-	3.644.791	1.794.126	-	1.794.126
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		276.368	-	276.368	248.984	-	248.984
2.1.8. Tax and Fund Liabilities from Export Commitments		31.761	-	31.761	36.399	-	36.399
2.1.9. Commitments for Credit Card Limits		36.319	-	36.319	25.488	-	25.488
2.1.10. Commitments for Credit Cards and Banking Services Promotions		-	-	-	11	-	11
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		5.719	-	5.719	5.409	-	5.409
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5.III.5)	<b>38.113.665</b>	<b>83.793.238</b>	<b>121.906.903</b>	<b>13.665.508</b>	<b>44.832.153</b>	<b>58.497.661</b>
3.1. Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1. Fair Value Hedges		-	-	-	-	-	-
3.1.2. Cash Flow Hedges		-	-	-	-	-	-
3.1.3. Foreign Net Investment Hedges		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		38.113.665	83.793.238	121.906.903	13.665.508	44.832.153	58.497.661
3.2.1. Forward Foreign Currency Buy/Sell Transactions		14.085.362	20.618.486	34.703.848	4.774.169	8.392.980	13.167.149
3.2.1.1. Forward Foreign Currency Transactions - Buy		13.955.119	3.850.166	17.805.285	3.744.791	2.623.309	6.368.100
3.2.1.2. Forward Foreign Currency Transactions - Sell		130.243	16.768.320	16.898.563	1.029.378	5.769.671	6.799.049
3.2.2. Swap Transactions Related to Foreign Currency and Interest		20.005.816	51.904.959	71.910.775	8.002.670	32.694.818	40.697.488
3.2.2.1. Foreign Currency Swap- Buy		1.858.418	33.251.246	35.109.664	573.042	17.357.965	17.931.007
3.2.2.2. Foreign Currency Swap- Sell		16.667.370	18.386.595	35.053.965	3.105.360	14.765.611	17.870.971
3.2.2.3. Interest Rate Swap- Buy		740.014	133.559	873.573	2.162.134	285.621	2.447.755
3.2.2.4. Interest Rate Swap- Sell		740.014	133.559	873.573	2.162.134	285.621	2.447.755
3.2.3. Foreign Currency, Interest Rate and Securities Options		3.949.600	8.827.490	12.777.090	883.590	3.329.323	4.212.913
3.2.3.1. Foreign Currency Options- Buy		3.836.207	2.385.768	6.221.975	343.067	1.642.822	1.985.889
3.2.3.2. Foreign Currency Options- Sell		113.393	6.441.722	6.555.115	540.523	1.686.501	2.227.024
3.2.3.3. Interest Rate Options- Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options- Sell		-	-	-	-	-	-
3.2.3.5. Securities Options- Buy		-	-	-	-	-	-
3.2.3.6. Securities Options- Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		72.887	69.501	142.388	5.079	-	5.079
3.2.4.1. Foreign Currency Futures- Buy		68.526	3.945	72.471	-	-	-
3.2.4.2. Foreign Currency Futures- Sell		4.361	65.556	69.917	5.079	-	5.079
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		-	2.372.802	2.372.802	-	415.032	415.032
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>327.646.280</b>	<b>198.570.838</b>	<b>526.217.118</b>	<b>204.451.567</b>	<b>174.613.925</b>	<b>379.065.492</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>2.854.467</b>	<b>31.505.672</b>	<b>34.360.139</b>	<b>1.617.746</b>	<b>19.003.782</b>	<b>20.621.528</b>
4.1. Customer Fund and Portfolio Balances		1.329.704	5.960.002	7.289.706	594.412	1.666.736	2.261.148
4.2. Investment Securities Held in Custody		134.003	5.645.703	5.779.706	107.120	3.124.194	3.231.314
4.3. Cheques Received for Collection		1.196.024	496.245	1.692.269	712.874	379.402	1.092.276
4.4. Commercial Notes Received for Collection		87.236	50.981	138.217	95.840	37.935	133.775
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		107.500	19.352.741	19.460.241	107.500	13.795.515	13.903.015
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>324.791.813</b>	<b>167.065.166</b>	<b>491.856.979</b>	<b>202.833.821</b>	<b>155.610.143</b>	<b>358.443.964</b>
5.1. Marketable Securities		512.236	225.258	737.494	553.381	118.114	671.495
5.2. Guarantee Notes		69.344	80.869	150.213	95.435	478.849	574.284
5.3. Commodity		-	233.036	233.036	-	126.719	126.719
5.4. Warranty		-	-	-	-	-	-
5.5. Immovables		5.371.054	21.322.652	26.693.706	6.841.393	29.100.993	35.942.386
5.6. Other Pledged Items		318.839.179	145.203.351	464.042.530	195.343.612	125.785.468	321.129.080
5.7. Pledged Items - Depository		-	-	-	-	-	-
<b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>370.667.739</b>	<b>287.866.794</b>	<b>658.534.533</b>	<b>221.536.286</b>	<b>225.085.173</b>	<b>446.621.459</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

# UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

INCOME AND EXPENSE ITEMS		Footnotes	CURRENT PERIOD (01/01/2022 - 31/12/2022)	PRIOR PERIOD (01/01/2021 - 31/12/2021)
<b>I.</b>	<b>INTEREST INCOME</b>		<b>6.522.214</b>	<b>3.411.084</b>
1.1	Interest on Loans	(5.IV.1)	5.637.584	3.106.404
1.2	Interest on Reserve Requirements		19.716	72.374
1.3	Interest on Banks	(5.IV.1)	24.176	20.296
1.4	Interest on Money Market Placements		80.777	17.145
1.5	Interest on Marketable Securities Portfolio	(5.IV.1)	752.175	193.574
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		174	2.756
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		296.947	63.161
1.5.3	Financial Assets Measured at Amortized Cost		455.054	127.657
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		7.786	1.291
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>		<b>4.292.682</b>	<b>2.367.793</b>
2.1	Interest on Deposits	(5.IV.2)	3.592.318	1.958.319
2.2	Interest on Funds Borrowed	(5.IV.2)	372.036	214.774
2.3	Interest on Money Market Borrowings		51.635	15.936
2.4	Interest on Securities Issued	(5.IV.2)	234.871	158.005
2.5	Lease Interest Expense		14.143	18.169
2.6	Other Interest Expenses		27.679	2.590
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>2.229.532</b>	<b>1.043.291</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>588.925</b>	<b>260.202</b>
4.1	Fees and Commissions Received		748.794	324.876
4.1.1	Non-cash Loans		17.199	18.894
4.1.2	Other	(5.IV.12)	731.595	305.982
4.2	Fees and Commissions Paid (-)		159.869	64.674
4.2.1	Non-cash Loans		92	62
4.2.2	Other	(5.IV.12)	159.777	64.612
<b>V</b>	<b>DIVIDEND INCOME</b>	(5.IV.3)	<b>200.000</b>	<b>197.009</b>
<b>VI.</b>	<b>TRADING INCOME / LOSS (Net)</b>	(5.IV.4)	<b>2.944.967</b>	<b>159.958</b>
6.1	Trading Gain / Loss on Securities		54.786	43.793
6.2	Gain / Loss on Derivative Financial Transactions		(1.053.003)	(593.808)
6.3	Foreign Exchange Gain / Loss		3.943.184	709.973
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(5.IV.5)	<b>1.113.080</b>	<b>327.099</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>7.076.504</b>	<b>1.987.559</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSS (-)</b>	(5.IV.6)	<b>626.607</b>	<b>513.460</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	(5.IV.6)	<b>1.026.806</b>	<b>187.587</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>832.589</b>	<b>391.454</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	(5.IV.7)	<b>1.188.874</b>	<b>423.544</b>
<b>XIII.</b>	<b>NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)</b>		<b>3.401.628</b>	<b>471.514</b>
<b>XIV.</b>	<b>AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XV.</b>	<b>INCOME FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		-	-
<b>XVI.</b>	<b>GAIN / LOSS ON NET MONETARY POSITION</b>		-	-
<b>XVII.</b>	<b>P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)</b>	(5.IV.8)	<b>3.401.628</b>	<b>471.514</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	(5.IV.9)	<b>(730.274)</b>	<b>(61.547)</b>
18.1	Current Tax Provision		(1.129.911)	(202.682)
18.2	Deferred Tax Expense Effect (+)		(196.961)	(74.530)
18.3	Deferred Tax Income Effect (-)		596.598	215.665
<b>XIX.</b>	<b>NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)</b>	(5.IV.10)	<b>2.671.354</b>	<b>409.967</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
20.1	Income From Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income From Other Discontinued Operations		-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
21.1	Expenses on Non-current Assets Held for Sale		-	-
21.2	Losses from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses From Other Discontinued Operations		-	-
<b>XXII.</b>	<b>PROFIT / LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)</b>		-	-
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
<b>XXIV.</b>	<b>NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXII-XXIII)</b>		-	-
<b>XXV.</b>	<b>NET PROFIT / LOSS (XIX+XXIV)</b>	(5.IV.11)	<b>2.671.354</b>	<b>409.967</b>
	Earnings per share		0,02156	0,00436

The accompanying notes form an integral part of these unconsolidated financial statements.

**FİBABANKA A.Ş.**

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022**

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

	CURRENT PERIOD (01/01/2022 - 31/12/2022)	PRIOR PERIOD (01/01/2021 - 31/12/2021)
<b>I. CURRENT PERIOD PROFIT / LOSS</b>	<b>2.671.354</b>	<b>409.967</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>1.100.584</b>	<b>82.522</b>
<b>2.1 Not Reclassified Through Profit or Loss</b>	<b>299.028</b>	<b>124.161</b>
2.1.1 Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurements Gain/Loss	(45.344)	(3.004)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	333.036	125.740
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	11.336	1.425
<b>2.2 Reclassified Through Profit or Loss</b>	<b>801.556</b>	<b>(41.639)</b>
2.2.1 Foreign Currency Conversion Differences	-	-
2.2.2 Valuation and/or Reclassification Income/Expense of Financial Assets Measured at Fair Value Through Other Comprehensive Income	1.031.238	(16.198)
2.2.3 Cash Flow Hedge Income/Loss	-	-
2.2.4 Foreign Net Investment Hedge Income/Loss	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(229.682)	(25.441)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>3.771.938</b>	<b>492.489</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE PERIOD BETWEEN  
1 JANUARY 2022 - 31 DECEMBER 2022

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income or Expense That Will Be Reclassified in Profit and Loss						
	Paid-in Capital	Share Premium	Share Certificate	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss	Total Equity
<b>PRIOR PERIOD (31/12/2021)</b>														
I. Balances at beginning of the period	941.161	128.678	-	85.097	-	(10.787)	-	-	22.263	-	496.393	(18.736)	229.835	1.873.904
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at beginning of the period (I+II)	941.161	128.678	-	85.097	-	(10.787)	-	-	22.263	-	496.393	(18.736)	229.835	1.873.904
IV. Total Comprehensive Income	-	-	-	-	-	(1.579)	125.740	-	(41.639)	-	-	-	409.967	492.489
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	(20.780)	-	-	-	-	-	-	-	-	-	(20.780)
X. Increase/Decrease by Other Changes	-	-	-	35.683	-	-	-	-	-	-	-	(35.683)	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	211.099	18.736	(229.835)	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	211.099	18.736	(229.835)	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	941.161	128.678	-	100.000	-	(12.366)	125.740	-	(19.376)	-	707.492	(35.683)	409.967	2.345.613
<b>CURRENT PERIOD (31/12/2022)</b>														
I. Prior period ending balance	941.161	128.678	-	100.000	-	(12.366)	125.740	-	(19.376)	-	707.492	(35.683)	409.967	2.345.613
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balance (I+II)	941.161	128.678	-	100.000	-	(12.366)	125.740	-	(19.376)	-	707.492	(35.683)	409.967	2.345.613
IV. Total Comprehensive Income	-	-	-	-	-	(31.533)	330.561	-	801.556	-	-	-	2.671.354	3.771.938
V. Capital Increase in cash	416.562	-	-	-	-	-	-	-	-	-	-	-	-	416.562
VI. Capital Increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt (*)	-	-	-	(17.375)	-	-	-	-	-	-	-	-	-	(17.375)
X. Increase / decrease due to other changes	-	-	-	17.375	-	-	-	-	-	-	-	(17.375)	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	374.284	35.683	(409.967)	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	374.284	35.683	(409.967)	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	1.357.723	128.678	-	100.000	-	(43.899)	456.301	-	782.180	-	1.081.776	(17.375)	2.671.354	6.516.738

(\*) The Bank has recognised the issued Tier 1 securities of TL 100.000 nominal, as "other capital reserves" under equity within the scope of "TAS 32 Financial Instruments: Presentation"

1. Tangible and intangible asset revaluation reserve
2. Accumulated gains/losses on remeasurement of defined benefit plans
3. 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 comprehensive income that will not be reclassified to profit or loss.
4. Exchange differences on transition,
5. Accumulated gains (losses) due to revolution and/ or reclassification of financial assets measured at fair value through other comprehensive income,
6. Other (accumulated gains or losses on cash flow hedge, 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)

The accompanying notes form an integral part of these unconsolidated financial statements.

UNCONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

	Footnotes	CURRENT PERIOD (01/01/2022 - 31/12/2022)	PRIOR PERIOD (01/01/2021 - 31/12/2021)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>3.456.423</b>	<b>2.024.586</b>
1.1.1 Interest received (+)		6.137.499	3.299.978
1.1.2 Interest paid (-)		(4.002.616)	(2.260.924)
1.1.3 Dividend received (+)		200.000	197.009
1.1.4 Fees and commission received (+)		726.730	387.552
1.1.5 Other income (+)		3.720.665	897.658
1.1.6 Collections from previously written off loans and other receivables (+)		573.708	415.162
1.1.7 Cash payments to personnel and service suppliers (-)		(2.064.812)	(815.131)
1.1.8 Taxes paid (-)		(981.192)	(148.280)
1.1.9 Other (+/-)	(5.VI.3)	(853.559)	51.562
<b>1.2 Changes in Operating Assets and Liabilities</b>		<b>1.652.429</b>	<b>7.827.515</b>
1.2.1 Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)		23.569	(66.699)
1.2.2 Net (increase) / decrease in due from banks (+/-)		(1.277.963)	(1.830.831)
1.2.3 Net (increase) / decrease in loans (+/-)		(14.428.952)	1.804.757
1.2.4 Net (increase) / decrease in other assets (+/-)	(5.VI.3)	141.912	(334.178)
1.2.5 Net (increase) / decrease in bank deposits (+/-)		1.585.733	5.385.745
1.2.6 Net (increase) / decrease in other deposits (+/-)		8.786.484	2.180.561
1.2.7 Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-)		-	-
1.2.8 Net (increase) / decrease in funds borrowed (+/-)		2.622.152	(659.009)
1.2.9 Net (increase) / decrease in matured payables (+/-)		-	-
1.2.10 Net (increase) / decrease in other liabilities (+/-)	(5.VI.3)	4.199.494	1.347.169
<b>I. Net Cash Provided from Banking Operations (+/-)</b>		<b>5.108.852</b>	<b>9.852.101</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
<b>II. Net Cash Flow Provided from Investment Activities (+/-)</b>		<b>(6.069.529)</b>	<b>(2.819.410)</b>
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		(849.063)	-
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+)		-	-
2.3 Cash paid for the purchase of tangible and intangible assets (-)		(306.837)	(144.545)
2.4 Cash obtained from the sale of tangible and intangible assets (+)		3.788	5.427
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		(2.599.967)	(1.076.507)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		-	-
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		(2.500.943)	(1.510.567)
2.8 Cash obtained from the sale of financial assets at amortised cost (+)		-	-
2.9 Other (+/-)	(5.VI.3)	183.493	(93.218)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net Cash Provided from Financing Activities (+/-)</b>		<b>1.100.028</b>	<b>(8.727)</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		1.108.379	-
3.2 Cash outflow from funds borrowed and securities issued (-)		-	-
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for financial leases liabilities (-)		(14.143)	(18.169)
3.6 Other (+/-)		5.792	9.442
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)</b>		<b>3.553.222</b>	<b>1.786.611</b>
<b>V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>3.692.573</b>	<b>8.810.575</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period (+)</b>	(5.VI.1)	<b>11.641.075</b>	<b>2.830.500</b>
<b>VII. Cash and Cash Equivalents at the End of the Period (V+VI)</b>	(5.VI.1)	<b>15.333.648</b>	<b>11.641.075</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

**UNCONSOLIDATED PROFIT DISTRIBUTION TABLE  
FOR THE PERIODS ENDED 31 DECEMBER 2022 AND 2021**

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

	CURRENT PERIOD (*) (01/01/2022-31/12/2022)	PRIOR PERIOD (01/01/2021-31/12/2021)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	3.401.628	471.514
1.2 TAXES AND DUTIES PAYABLE (-)	730.274	61.547
1.2.1 Corporate Tax (Income Tax)	1.129.911	202.682
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(399.637)	(141.135)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>2.671.354</b>	<b>409.967</b>
1.3 PRIOR YEARS LOSSES (-)	-	35.683
1.4 FIRST LEGAL RESERVES (-)	-	18.714
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>2.671.354</b>	<b>355.570</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of privileged shares	-	-
1.6.3 To owners of preferred shares	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of privileged shares	-	-
1.9.3 To owners of preferred shares	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 STATUTORY RESERVES (-)	-	-
1.11 EXTRAORDINARY RESERVES	-	271.684
1.12 OTHER RESERVES	-	-
1.13 SPECIAL FUNDS	-	83.886
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 APPROPRIATED RESERVES	-	-
2.2 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.2.1 To owners of ordinary shares	-	-
2.2.2 To owners of privileged shares	-	-
2.2.3 To owners of preferred shares	-	-
2.2.4 To profit sharing bonds	-	-
2.2.5 To holders of profit and loss sharing certificates	-	-
2.3 DIVIDENDS TO PERSONNEL (-)	-	-
2.4 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0,02156	0,00436
3.2 TO OWNERS OF ORDINARY SHARES (%)	2,16%	0,44%
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED 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 PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(\*) The decision on profit distribution of 2022 will be given at the General Assembly.

The accompanying notes form an integral part of these unconsolidated financial statements.



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2022 - 31 DECEMBER 2022**

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

**SECTION THREE**

**ACCOUNTING PRINCIPLES**

**I. Explanations on the basis of presentation**

**1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and the Communiqué on Principles and Procedures on the Accounting Practice and Documentation of Banks**

The Bank prepares its financial statements in accordance with the BRSA Accounting and Reporting Regulation which includes the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board (“BRSB”) and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards (“TFRS”) published by the Public Oversight Accounting and Auditing Standards Authority (POA) for the matters not regulated by the aforementioned legislations.

The financial statements are prepared in thousands of TL based on the historical cost, except for the financial assets and liabilities carried at fair value.

**2. Accounting policies and valuation principles applied in preparation of financial statements**

The accounting policies and valuation principles applied in the preparation of the accompanying financial statements are explained in Notes II and XXVIII below.

**3. Other**

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

**II. Explanations on the usage strategy of financial instruments and on foreign currency transactions**

**1. Usage strategy of the financial instruments**

The major factor in managing interest rate and liquidity risk at the balance sheet is parallel movement of asset and liability side.

Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Value at risk models are used for this purpose.

Purchase-sale transactions of short and long-term financial instruments are realized within predetermined risk limits that are allowed for the purpose of increasing risk-free return on capital.

The foreign currency position is carried based on a currency basket to minimize the foreign exchange risk.

Foreign currency net position is followed within legal limits.

**2. Foreign currency transactions**

**2.1 Foreign currency exchange rates used in converting transactions denominated in foreign currencies and their presentation in the financial statements**

The Bank recognizes the foreign currency transactions in accordance with TAS 21 “The Effects of Changes in Foreign Exchange Rates”. Foreign exchange gains and losses arising from the foreign currency transactions are converted into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the periods, foreign currency assets and liabilities are converted into Turkish Lira by using the spot foreign currency exchange rates of the Bank and the related currency conversion differences are recognized as foreign exchange gains and losses.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

### II. Explanations on the usage strategy of financial instruments and on foreign currency transactions (continued)

#### 2. Foreign currency transactions (continued)

##### 2.1 *Foreign currency exchange rates used in converting transactions denominated in foreign currencies and their presentation in the financial statements (continued)*

As at the end of the related periods, the Bank's foreign currency exchange rates are as follows in full TL:

	31 December 2022	31 December 2021
US Dollar	18,6983	13,3290
Euro	19,9349	15,0867

### III. Explanations on Equity Investments

In the unconsolidated financial statements; subsidiaries and affiliates are accounted for in accordance with "TAS 27 - Separate Financial Statements" and recognized at acquisition cost in financial statements.

### IV. Explanations on forward transactions, options and derivative instruments

The Bank's derivative transactions mainly consist of currency swaps, interest rate swaps, currency options and currency forward purchase/sale contracts. The Bank does not have any embedded derivatives separated from the host contract.

The Bank's derivative instruments held for trading are classified as "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income" in accordance with "TFRS 9". In choosing accounting policy, TFRS 9 gives the option to postpone the acceptance of TFRS 9 financial hedging accounting and continue using TAS 39 financial hedging accounting. In accordance with this, Bank is continuing to use TAS 39 for financial hedging accounts.

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values.

Derivative transactions are measured at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets at Fair Value Through Profit or Loss" or "Derivative Financial Assets at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the statement of profit or loss under trading profit/loss line as profit/loss from derivative financial transactions.

#### Explanations on derivative financial instruments held for hedging

The Bank enters into cross currency interest rate swap transactions in order to hedge the change in fair values of fixed-rate financial instruments. While applying fair value hedge accounting, the changes in fair values of hedging instrument and hedged item are recognised in statement of profit or loss.

If the hedging is effective, the changes in fair value of the hedged item, which is fixed rate TL denominated loans, are presented in statement of financial position together with the hedged item. Subsequently, derivative transactions are valued at their fair values and the changes in their fair values are recorded on balance sheet under "Derivative Financial Assets at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities at Fair Value Through Profit or Loss", respectively depending on the fair values being positive or negative. Fair value changes are recorded under statement of profit or loss.

The Bank performs effectiveness tests at the beginning of the hedge accounting period and at each reporting period.

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 statement of profit or loss over the life of the hedged item from that date of the hedge accounting is discontinued.

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**V. Explanations on interest income and expenses**

Interest income and expenses are recognized on accrual basis by using internal rate of return for financial assets and liabilities with given future cash payments and collections.

**VI. Explanations on fee and commission income and expenses**

Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with "TFRS 15 Revenue from Contracts with Customers". Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted on accrual basis throughout the service period.

**VII. Explanations on financial assets**

Financial assets include cash on hand, contractual rights to receive cash or another financial asset from the counterparty or the right to exchange of financial instruments or equity instrument transactions of the counterparty. Financial assets are classified into three groups as 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.

**1. Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the statement of profit or loss.

Loans measured at fair value through profit or loss are subject to valuation in accordance with fair value principles and profit or losses, emerging as a result of valuation, are recognized under profit/loss accounts.

**2. Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Financial assets at fair value through other comprehensive income are recognized by adding transaction costs 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 statement of profit or loss. "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 statement of profit or loss of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity. When these securities are collected or disposed of, the accumulated fair value differences reflected in the equity are recognized in the statement of profit or loss.

Equity securities, which are classified as financial assets at fair value through other comprehensive income are measured at fair value. However, in some exceptional cases, cost may be an appropriate estimation method for determining fair value. The cost is estimated to be the case fair value is reflected in the best way possible.

The Bank also owns consumer price indexed government bonds ("CPI") in its securities portfolio, reclassified as financial assets measured at fair value through other comprehensive income. CPI's are valued and accounted for according to the effective interest rate method which is calculated based on the real coupon rate and the reference inflation index on the issue date.

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### VII. Explanations on financial assets (continued)

#### 3. 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 in statement of profit or loss.

The Bank also owns consumer price indexed government bonds ("CPI") in its securities portfolio, reclassified as financial assets measured at amortised cost. CPI's are valued and accounted for according to the effective interest rate method which is calculated based on the real coupon rate and the reference inflation index on the issue date.

#### 4. Loans

Loans are financial assets generated by providing cash, commodity or service to the borrower. These loans and receivables are recorded by acquisition cost reflecting fair value and afterwards measured at amortized cost by using effective interest rate (internal rate of return) method. Fees and other costs paid for the assets taken as collateral for those loans are not recognized as cost of operation and accounted in expense accounts. Bank's loans are presented in "Financial Assets Measured at Amortized Cost" and "Financial Assets at Fair Value Through Profit or Loss" accounts.

### VIII. Explanations on expected credit loss

The Bank recognizes expected credit loss allowance for financial assets measured at amortized cost and measured at fair value through other comprehensive income.

As of 1 January 2018, the Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 September 2016 numbered 29750.

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

Expected credit loss is calculated by using following components: "Exposure at Default", "Probability of Default" and "Loss Given Default".

#### Calculation of expected credit loss

Financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

##### Stage 1

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk will be recorded in the amount of 12-month expected credit losses.

##### Stage 2

In the event of a significant increase in credit risk since initial recognition, the financial asset will be transferred to Stage 2. Impairment for credit risk will be determined on the basis of the instrument's lifetime expected credit losses.

##### Stage 3

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

As part of TFRS 9, expected credit loss models are improved in process of exposure at default, probability of default and loss given default. These models are formed by taking into consideration internal ratings systems, past data and prospective expectations and considering below factors;

- Customer type (individual, corporate, commercial and SME)
- Product type
- Ratings used as part of internal ratings systems (for corporate segment)
- Collaterals
- Collection period
- Exposure at default
- Time passed since loan disbursement
- Time to maturity

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**VIII. Explanations on expected credit loss (continued)**

If the existing provision model is not able to reflect the situation, individual assessment is possible by using the cash flow expectations of Credits Monitoring and Collection Department.

**Exposure at Default:** Expresses the exposure amount when debtor defaults. It accounts along with the maturity of the borrower. The amount of additional risk that may occur in case of default is added to the amount of risk and included in the calculations by using the credit conversion rates (CCR) for irrevocable commitments.

**Probability of Default:** Refers to the probability of default due to the inability of the debtor to fulfill its obligations. 12-month or lifetime estimation is performed according to whether there is an increase in credit risk or not.

**Loss Given Default:** In the default of the borrower, it is calculated as the expected credit loss to exposure at default. Loss given default models include inputs such as product type, customer segment, collateral structure, customer payment performance.

**Macroeconomics Factors:** Macroeconomics indicators are taken into account in determining the probability of default component in the expected credit loss calculation. Future macroeconomics forecasts are reflected in the expected credit loss calculations using more than one scenario.

While macroeconomics information is included in calculations, models and model estimations reflecting the relationships between model risk parameters and macroeconomics variables are taken into consideration. The main macroeconomics indicators that make up these estimation models are the Gross Domestic Product (GDP) growth rate, and the unemployment rate. According to segmentation based on turnover, the unemployment rate is used in models including segments with a turnover of TL 20 million and below, while the Gross Domestic Product (GDP) growth rate is used in models including segments with a turnover of over TL 20 million. Macroeconomics estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations.

Future expectations are determined based on 2 scenarios, base and negative. Each scenario has predetermined weights, and the final provisions are calculated by weighting on these probabilities.

The Bank calculates expected credit losses for macroeconomic estimation with a forward looking perspective with two scenarios, base and negative, according to current economic conditions, Medium Term Program (MTP) and expert opinions. The macroeconomic value estimates taken into account are presented below;

	Base Scenario		Negative Scenario	
	Growth	Unemployment	Growth	Unemployment
1st year	5,00%	10,40%	2,00%	13,00%
2nd year	5,50%	9,90%	3,00%	13,00%
3rd year	5,50%	9,60%	3,00%	11,00%

**Calculation of Expected Loss Period:** In determining the lifetime expected credit loss, the period in which the Bank will be exposed to credit risk is taken into consideration. Behavioural maturity analysis was performed on credit cards and overdraft accounts. The maximum period for which credit losses are to be recognized, except for credit cards and other revolving loans, is the contractual life of the financial instrument unless a legal right is required to recall the loan.

**Significant Increase in Credit Risk:** Due to the significant increase in credit risk, the Bank performs quantitative and qualitative assessments to determine the financial assets to be classified as Stage 2 (Significant Increase in Credit Risk).

Within the scope of the quantitative assessments made for the corporate segment, the Bank compares the change between the starting date and the date of the report by taking into account the time passed since the opening date. In order to make this comparison, the Bank specifies threshold values to determine which changes are accepted as significant change. The decision to classify financial assets with a significant increase in credit risk by exceeding these threshold values as Stage 2 is taken by the opinion of the Credits Department.

Within the scope of qualitative evaluations, financial assets under close monitoring as of the reporting date are classified as Stage 2.

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**IX. Explanations on offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

**X. Explanations on sale and repurchase agreements and securities lending transactions**

Securities subject to repo (repurchase agreements) are classified as “Financial assets at fair value through profit or loss”, “Financial assets at fair value through other comprehensive income” or “Financial assets measured at amortized cost” according to their purposes to be held in the Bank’s portfolio and evaluated within the principles of the relevant portfolio. Funds obtained from repurchase agreements are followed under the “Funds from repo transactions” account in liabilities, and interest expense accruals are calculated using the effective interest rate (internal rate of return) method on the difference between the sales and repurchase prices corresponding to the period designated by a repurchase agreement.

Securities purchased under agreements to resell (“Reverse repo”) transactions are accounted under the “Money market placements” in the balance sheet.

**XI. Explanations on noncurrent assets held for sale and discontinued operations and the related liabilities**

A tangible asset (or a disposal group) classified as “asset held for sale” is measured at the lower of the carrying value or fair value less costs to sell. Assets held for sale are not depreciated and presented in the financial statements separately. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively marketed at a price consistent with its fair value.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as other assets if the delay is caused by events or circumstances beyond the entity’s control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is part of the Bank’s business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the statement of profit or loss.

The Bank does not have any discontinued operations.

**XII. Explanations on goodwill and other intangible assets**

As at the balance sheet date, there is no goodwill in the accompanying financial statements. The intangible assets of the Bank consist of software, intangible rights and other intangible assets.

The costs of the intangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and intangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated amortization and impairment, if any.

Estimated useful lives of the intangible assets are 3 to 10 years, and amortization rates are 10% to 33,3%.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) “Impairment of Assets” and if the recoverable amount is less than the carrying value of the related asset, an allowance for impairment is recognized.



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**XIII. Explanations on tangible assets**

Tangible assets are measured at cost in accordance with the Turkish Accounting Standard 16 (TAS 16) "Tangible Assets".

The costs of the tangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and tangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated depreciation and impairment, if any.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, an allowance for impairment is recognized.

Gains/losses from the sale of the tangible assets are calculated as the difference between the net book value and the net sales price.

Maintenance and repair costs incurred for tangible assets are recorded as expense.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

Depreciation rates and estimated useful lives used for the tangible assets are as follows:

<b>Tangible Assets</b>	<b>Estimated Useful Lives (Years)</b>	<b>Depreciation Rates (%)</b>
Safe Boxes	50	2
Vehicles	5	20
Real Estate	50	2
Other Tangible Assets	4-20	5-25

**Explanations about Leases Standard TFRS 16**

The Bank has started to implement TFRS 16 Leases, which was published in the Official Gazette dated 16 April 2018 and numbered 29826 in its unconsolidated financial statements and became effective as of 1 January 2019, for the first time.

**TFRS 16 "Lease" Standard**

The Bank as a lessee according to "Lease" Standard:

The Bank assesses whether the contract has the characteristic of a lease or whether the Contract includes a lease 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 a right of use and a lease liability to the financial statements at the effective date of the lease.

Right to use asset:

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

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

When applying the cost method, the Bank measures the right to use as follows:

- Deducts accumulated depreciation and accumulated impairment losses and
- Measures the restatement of the lease obligation at the restated cost.

Bank applies depreciation clauses of TAS 16 Tangible Assets standard when measuring the depreciation of the right to use.

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**XIII. Explanations on tangible assets (continued)****Explanations about Leases Standard TFRS 16 (continued)**

Lease liabilities:

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 implied leasing transaction rate, if easily identified. Otherwise Bank's incremental borrowing interest rates are used.

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) Increases 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.

**XIV. Explanations on leasing transactions**

As "TFRS 16 Leases" standard is valid starting on 1 January 2019, difference between operational lease and financial lease disappeared so that leasing transactions will be recognized as right-of-use assets and will be recognized under "Tangible Assets" and corresponding liability under "Lease Liabilities".

**XV. Explanations on provisions and contingent liabilities**

Provisions and contingent liabilities are accounted in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". In the financial statements, a provision is made if there is a present obligation that arises from past events as of the balance sheet date, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and if a reliable estimate can be made of the amount of the obligation. If the amount is not reliably estimated and there is no probability of cash outflow from the Bank to settle the liability, the related liability is considered as "contingent" and disclosed in the notes to the financial statements.

Provisions recognized during the period are recognized within "other operating expenses"; reversals of provisions recognized in the prior periods are recognized within "other operating income".

**XVI. Explanations on contingent assets**

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

**XVII. Explanations on liabilities for employee benefits**

As per the existing labour laws and agreements in Turkey, entities are required to pay severance for the employees retired or fired. These payments are qualified as recognized retirement benefit plan according to revised TAS 19 Employee Benefits. Severance payment liability recognized in the balance sheet is calculated according to the net present value of expected amount in the future arising from all employees' retirements and represented in financial statements. All actuarial losses and gains are accounted for as other comprehensive income.

The major assumptions used in the actuarial calculation are as follows:

- Calculation is based on discount rate of 12,00%, inflation rate of 10,50%.
- The ceiling salary amount is TL 15.371,40 (full TL) as of 31 December 2022.
- Individuals' earliest retirement age is considered as retirement age.
- CSO 1980 mortality table is used for the death probabilities of male and female employees.

There are no employee foundation fund or similar institutions.

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**XVIII. Explanations on taxation****1. Current Tax**

As of 31 December 2022, the current corporate tax rate is 25%. In accordance with the Article 26 of 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" published in the Official Gazette No. 31810 dated 15 April 2022, starting from the declarations that must be submitted as of 1 July 2022 and to be valid for the taxation period starting from 1 January 2022, the corporate tax rate will be applied as 25% for the corporate earnings for the taxation period of 2022.

This rate is applied to tax base which is calculated by adding certain non-deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and other deductions on accounting income. Additional tax is not payable unless the profit is distributed.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions no.2009/14593 and no.2009/14594 of the Council of Ministers published in the Official Gazette no.27130 dated 3 February 2009, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. While dividends paid to individuals and corporations were subject to withholding tax at the rate of 15%, this rate has been changed to 10% with the Presidential Decision published in the Official Gazette dated 22 December 2021 and No. 31697. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings. In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from prior periods.

A 75% portion of the capital gains derived from the sale of equity investments and a 50% portion of the capital gains derived from the sale of immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Current tax, related to items recognized directly in equity is also credited or charged directly to equity.

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

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**XVIII. Explanations on taxation (continued)****2. Deferred Tax**

The Bank calculates and recognizes deferred tax for taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base according to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes".

In accordance with the Article 26 of 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 Amendment of Certain Laws" and as per added first sentence to the temporary Article 13 of the Law No. 5520 on the "Corporate Tax Law" published in the Official Gazette No. 31810 dated 15 April 2022, starting from the declarations that must be submitted as of 1 July 2022 and to be valid for the taxation period starting from 1 January 2022, the corporate tax rate will be applied as 25% for the corporate earnings for the taxation period of 2022.

Deferred tax liabilities are generally recognized for all taxable temporary and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax rate calculation has started to be applied over temporary expected credit losses as per TFRS 9 articles from 1 January 2018. The Bank calculates deferred tax also for provisions for possible losses.

As of 31 December 2022, the deferred tax asset is TL 490.110 (31 December 2021: TL 308.819 deferred tax asset). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax income/(expense) is recognized within "Deferred Tax Income Effect" and "Deferred Tax Expense Effect" in the statement of profit or loss; net deferred tax income is TL 399.637 for the current period (1 January - 31 December 2021: TL 141.135 net income). The part of the deferred tax related to assets directly associated with equity is recognized in equity, this amount is TL 218.346 of expense (1 January - 31 December 2021: TL 24.016 expense).

**3. Transfer Pricing**

The article 13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic.

According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As stated in the "7.1 Annual Documentation" section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices. Related forms are submitted to tax offices on time.

**XIX. Additional explanations on borrowings**

The Bank provides resources from domestic and foreign individuals and institutions both by borrowing funds and issuing bills and bonds.

Borrowing instruments are initially measured at acquisition cost and subsequently measured at amortized cost with the effective interest method. In the accompanying financial statements, foreign currency denominated borrowing funds are converted to Turkish Lira with the Bank's spot foreign exchange buy rates and interest expenses incurred during the period relating to the borrowing funds are recognized in statement of profit or loss.

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### XIX. Additional explanations on borrowings (continued)

#### Additional Tier I Capital

The Bank has recognised the issued Tier 1 securities of TL 100.000 nominal and related interest expenses under "equity" in the balance sheet.

The additional Tier 1 capital with a nominal amount of USD 30 million was early redeemed on 1 March 2022 with the approval of the BRSA, and the redemption amount was used in the cash capital increase realized in April 2022.

Information on debt instruments to be included in the equity calculation is explained under the explanations on equity items in the fourth section, Information on Financial Structure and Risk Management.

### XX. Explanations on share certificates issued

None.

### XXI. Explanations on bank acceptances and bills of guarantee

Bank acceptances and bills of guarantee are presented within off-balance sheet liabilities as being possible liabilities and commitments. Cash transactions relating to bank acceptances and bills of guarantee are realized concurrently with the customer payments.

As of the balance sheet date, there are no bank acceptances and bills of guarantee recognized as liability against an asset.

### XXII. Explanation on government incentives

As of the balance sheet date, the Bank does not have any government incentives.

### XXIII. Explanations on segment reporting

The Bank operates in consumer banking services, current accounts, deposit accounts, long term investment products, clearing and custody services, credit and atm services, retail loans, long term mortgage loans, and all other kinds of consumer banking services and commercial services.

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
<b>Current Period -1 January - 31 December 2022</b>				
Net Interest Income	791.548	2.051.621	(613.637)	2.229.532
Net Fees and Commissions Income	362.334	231.280	(4.689)	588.925
Dividend Income	--	--	200.000	200.000
Trading Income / Loss (Net)	261.826	519.072	2.164.069	2.944.967
Other Operating Income	519.905	588.311	4.864	1.113.080
Expected Credit Loss (-)	(188.718)	(134.258)	(303.631)	(626.607)
Other Provision Expenses (-)	--	(331.117)	(695.689)	(1.026.806)
Personnel and Other Operating Expenses	(1.184.641)	(710.388)	(126.434)	(2.021.463)
Income From Investments Under Equity Accounting	--	--	--	--
<b>Profit/(loss) Before Tax</b>	<b>562.254</b>	<b>2.214.521</b>	<b>624.853</b>	<b>3.401.628</b>
<b>Tax Provision</b>	<b>--</b>	<b>--</b>	<b>(730.274)</b>	<b>(730.274)</b>
<b>Profit/(loss) After Tax</b>	<b>562.254</b>	<b>2.214.521</b>	<b>(105.421)</b>	<b>2.671.354</b>
<b>Current Period -31 December 2022</b>				
Segment Assets	9.596.200	29.457.603	34.087.929	73.141.732
Subsidiaries and Associates	--	--	967.008	967.008
<b>Total Assets</b>	<b>9.596.200</b>	<b>29.457.603</b>	<b>35.054.937</b>	<b>74.108.740</b>
Segment Liabilities	29.479.504	9.406.657	28.705.841	67.592.002
Shareholders' Equity	--	--	6.516.738	6.516.738
<b>Total Liabilities</b>	<b>29.479.504</b>	<b>9.406.657</b>	<b>35.222.579</b>	<b>74.108.740</b>
	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
<b>Prior Period -1 January - 31 December 2021</b>				
Net Interest Income	101.243	621.539	320.509	1.043.291
Net Fees and Commissions Income	227.238	21.423	11.541	260.202
Dividend Income	-	-	197.009	197.009
Trading Income / Loss (Net)	139.189	134.010	(113.241)	159.958
Other Operating Income	78.610	66.359	182.130	327.099
Expected Credit Loss (-)	(86.488)	(251.388)	(175.584)	(513.460)
Other Provision Expenses (-)	-	-	(187.587)	(187.587)
Personnel and Other Operating Expenses	(379.460)	(342.122)	(93.416)	(814.998)
Income From Investments Under Equity Accounting	-	-	-	-
<b>Net Profit/(Loss) for the Period</b>	<b>80.332</b>	<b>249.821</b>	<b>141.361</b>	<b>471.514</b>
<b>Tax Provision</b>	<b>-</b>	<b>-</b>	<b>(61.547)</b>	<b>(61.547)</b>
<b>Profit/(loss) After Tax</b>	<b>80.332</b>	<b>249.821</b>	<b>79.814</b>	<b>409.967</b>
<b>Current Period -31 December 2021</b>				
Segment Assets	8.471.942	13.642.778	22.929.594	45.044.314
Subsidiaries and Associates	--	--	117.945	117.945
<b>Total Assets</b>	<b>8.471.942</b>	<b>13.642.778</b>	<b>23.047.539</b>	<b>45.162.259</b>
Segment Liabilities	20.519.955	4.094.079	18.202.612	42.816.646
Shareholders' Equity	-	-	2.345.613	2.345.613
<b>Total Liabilities</b>	<b>20.519.955</b>	<b>4.094.079</b>	<b>20.548.225</b>	<b>45.162.259</b>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

### XXIV. Profit reserves and distribution of the profit

In financial statements, except legal reserves, retained earnings can be distributed on condition that it has legal reserve requirement explained below.

Legal reserves are consisted of first and second reserves as determined in Turkish Commercial Code (TCC). First legal reserve is appropriated by TCC at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of 10% of distributions in excess of 5% of issued and fully paid-in share capital, but holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

In the Ordinary General Assembly Meeting of the Bank held on 28 March 2022, it has been decided to allocate TL 18.714 as legal reserves, TL 83.886 for special funds and TL 271.684 as extraordinary reserves from the remaining TL 374.284 after deducting previous year losses (interest expense of the issued Tier1 security with the amount of TL 100.000 nominal followed under shareholders' equity) of TL 35.683 from TL 409.967 net profit after tax for 2021.

### XXV. Earnings Per Share

Earnings per share disclosed in the statement of profit or loss are calculated by dividing net profit for the year by the weighted average number of shares outstanding during the related period concerned.

	31 December 2022	31 December 2021
Net Profit / (Loss) distributable to Common Shares	2.671.354	409.967
Average Number of Issued Common Shares (Thousand)	123.903.091	94.116.055
Earnings Per Share (Amounts presented as full TL)	0,02156	0,00436

In Turkey, companies can increase their share capital by distributing "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. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

There are no bonus share issuance by the Bank in 2022 (31 December 2021: None).

### XXVI. Cash and Cash Equivalent Assets

Cash, cash in transit, purchased bank cheques and demand deposits including balance with Central Bank are considered as "Cash"; interbank money market placements time deposits at banks with original maturity periods of less than three months and receivables from reverse repo are considered as "Cash Equivalents". Required reserves kept in Central Bank under blocked account are not "Cash Equivalents" in the statement of cash flows.

### XVII. Classifications

None.

### XXVIII. Other Disclosures

None.



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2022 - 31 DECEMBER 2022**

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

**SECTION FOUR**

**INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT**

Total capital and capital adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”.

As of 31 December 2022, the Bank’s total capital has been calculated as TL 9.136.541 and the capital adequacy ratio is 19,41% (As of 31 December 2021, the Bank’s total capital amounted to TL 6.090.650 and the capital adequacy ratio was 23,54%).

**I. Information related to the components of shareholders’ equity:**

	Current Period (31/12/2022) Amount	Amount as per the regulation before 1/1/2014
<b>TIER I CAPITAL</b>		
Paid-in capital to be entitled for compensation after all creditors	1.357.723	
Share Premium	128.678	
Reserves	1.081.776	
Other comprehensive income according to TAS	1.245.199	
Profit	2.671.354	
Current period profit	2.671.354	
Prior period profit	--	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	2.475	
<b>Tier I Capital Before Deductions</b>	<b>6.487.205</b>	
<b>Deductions From Tier I Capital</b>		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	--	--
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (*)	70.468	--
Improvement costs for operational leasing	17.570	--
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.130.922	--
Excess amount arising from deferred tax assets from temporary differences	330.000	--
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	--	--
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Securitization gains		
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities	--	--

(\*) Based on the decision of BRSA, dated 23 March 2020 and numbered 3397, if the net valuation differences of the securities held by banks in the portfolio of “Financial Assets at Fair Value through Other Comprehensive Income” are negative, they are not included in the equity calculation.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

	Current Period (31/12/2022) Amount	Amount as per the regulation before 1/1/2014 *
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law	--	--
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	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital	--	--
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital	--	--
Amount exceeding 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets from temporary differences	--	--
Other items to be defined by the BRSA	--	--
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	--	--
<b>Total Deductions From Common Equity Tier I Capital</b>	<b>1.548.960</b>	--
<b>Total Common Equity Tier I Capital</b>	<b>4.938.245</b>	--
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred stock not included in Tier I capital and the related share premiums	--	--
Debt instruments and the related issuance premiums defined by the BRSA	100.000	--
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
<b>Additional Core Capital before Deductions</b>	<b>100.000</b>	--
<b>Deductions from Additional Core Capital</b>	--	--
Direct and indirect investments of the Bank on its own Additional Tier I Capital	--	--
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	--	--
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	--	--

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

	Current Period (31/12/2022) Amount	Amount as per the regulation before 1/1/2014 *
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>Items to be Deducted from Tier I Capital during the Transition Period</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I 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 not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--	--
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	--	--
<b>Total Deductions from Additional Tier I Capital</b>	--	--
<b>Total Additional Tier I Capital</b>	<b>100.000</b>	--
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>5.038.245</b>	--
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA(**)	3.555.430	--
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	542.866	--
<b>Tier II Capital before Deductions</b>	<b>4.098.296</b>	--
<b>Deductions from Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	--	--
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	--	--
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 (-)	--	--
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-)	--	--
Other items to be defined by the BRSA (-)	--	--
<b>Total Deductions from Tier II Capital</b>	--	--
<b>Total Tier II Capital</b>	<b>4.098.296</b>	
<b>Total Equity (Total Tier I and Tier II Capital)</b>	<b>9.136.541</b>	

(\*\*) Tier-II bond, the remaining maturity of which is below 5 years, is taken into consideration after 20% of amortization in Tier II capital calculations in accordance with "Regulation on Equities of Banks".

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

	Current Period (31/12/2022) Amount	Amount as per the regulation before 1/1/2014 *
<b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>	<b>9.136.541</b>	
Loans granted against the Articles 50 and 51 of the Banking Law	--	--
Net book values of movables and immovable 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>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>	<b>--</b>	<b>--</b>
The portion of 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 not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	--	--
<b>EQUITY</b>	<b>9.136.541</b>	
<b>Total Capital ( Total of Tier I Capital and Tier II Capital )</b>	<b>9.136.541</b>	<b>--</b>
<b>Total Risk Weighted Assets (****)</b>	<b>47.072.963</b>	<b>--</b>
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	10,49	--
Tier I Capital Adequacy Ratio (%)	10,70	--
Capital Adequacy Ratio (%)	19,41	--
<b>BUFFERS</b>		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,51	
a)Capital Conservation Buffer Requirement (%)	2,50	--
b)Bank-specific Counter-Cyclical Buffer Requirement(%)	0,01	--
c)Systemically Important Banks Buffer Requirement Ratio (%)	--	--

(\*\*\*\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

	Current Period (31/12/2022) Amount	Amount as per the regulation before 1/1/2014 *
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 (%)	4,70	--
<b>Amounts lower than Excesses as per Deduction Rules</b>	--	--
Remaining 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	--	--
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital	--	--
Remaining mortgage servicing rights	--	--
Net deferred tax assets arising from temporary differences	--	--
<b>Limits for Provisions Used in Tier II Capital Calculation</b>	--	--
General provisions for standard based receivables (before one hundred and twenty five per ten thousand limitation)	807.653	--
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	542.866	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0,6% risk weighted assets	--	--
<b>Debt Instruments Covered by Temporary Article 4 (effective between 01/01/2018-01/01/2022)</b>	--	--
Upper limit for Additional Tier I Capital items subject to Temporary Article 4	--	--
Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit	--	--
Upper limit for Additional Tier II Capital items subject to Temporary Article 4	--	--
Amount of Additional Tier II Capital items subject to Temporary Article 4 that exceeds upper limit	--	--

\* The amounts to be considered under the transitional provisions

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

II.

### Information related to the components of shareholders' equity:

	Prior Period (31/12/2021) Amount	Amount as per the regulation before 1/1/2014*
<b>TIER I CAPITAL</b>		
Paid-in capital to be entitled for compensation after all creditors	941.161	
Share Premium	128.678	
Reserves (**)	785.503	
Other comprehensive income according to TAS	129.399	
Profit	409.967	
Current period profit	409.967	
Prior period profit	--	--
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
<b>Tier I Capital Before Deductions</b>	<b>2.394.708</b>	
<b>Deductions From Tier I Capital</b>		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	--	--
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (***)	71.084	--
Improvement costs for operational leasing	7.822	--
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	227.966	--
Excess amount arising from deferred tax assets from temporary differences	77.510	--
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	--	--
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Securitization gains	--	--
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities	--	--

(\*\*)The difference between the expected credit loss calculated in accordance with TFRS 9 and the total provision amount calculated with the method before TFRS 9 has been recorded in the "Retained Earnings" account; in accordance with Provisional Article 5 of the Regulation on Equity of Banks, related amount is shown net by adding back 20% of the provision difference, net of tax.

(\*\*\*)Based on the decision of BRSA, dated 23 March 2020 and numbered 3397, if the net valuation differences of the securities held by banks in the portfolio of "Financial Assets at Fair Value through Other Comprehensive Income" are negative, they are not included in the capital calculation.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

	Prior Period (31/12/2021) Amount	Amount as per the regulation before 1/1/2014*
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law	--	--
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	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital	--	--
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital	30.278	--
Amount exceeding 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets from temporary differences	--	--
Other items to be defined by the BRSA	--	--
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	--	--
<b>Total Deductions From Common Equity Tier I Capital</b>	<b>414.660</b>	<b>--</b>
<b>Total Common Equity Tier I Capital</b>	<b>1.980.048</b>	<b>--</b>
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred stock not included in Tier I capital and the related share premiums	--	--
Debt instruments and the related issuance premiums defined by the BRSA	499.870	--
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
<b>Additional Core Capital before Deductions</b>	<b>499.870</b>	<b>--</b>
<b>Deductions from Additional Core Capital</b>	<b>--</b>	<b>--</b>
Direct and indirect investments of the Bank on its own Additional Tier I Capital	--	--
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	--	--
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	--	--

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

	Prior Period (31/12/2021) Amount	Amount as per the regulation before 1/1/2014*
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>Items to be Deducted from Tier I Capital during the Transition Period</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I 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 not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--	--
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	--	--
<b>Total Deductions from Additional Tier I Capital</b>	--	--
<b>Total Additional Tier I Capital</b>	<b>499.870</b>	--
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>2.479.918</b>	--
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	3.320.707	--
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	290.025	--
<b>Tier II Capital before Deductions</b>	<b>3.610.732</b>	--
<b>Deductions from Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	--	--
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	--	--
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 (-)	--	--
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-)	--	--
Other items to be defined by the BRSA (-)	--	--
<b>Total Deductions from Tier II Capital</b>	--	--
<b>Total Tier II Capital</b>	<b>3.610.732</b>	--
<b>Total Equity (Total Tier I and Tier II Capital)</b>	<b>6.090.650</b>	



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2022 - 31 DECEMBER 2022**

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

	Prior Period (31/12/2021) Amount	Amount as per the regulation before 1/1/2014*
<b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>	<b>6.090.650</b>	<b>--</b>
Loans granted against the Articles 50 and 51 of the Banking Law	--	--
Net book values of movables and immovable 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>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>	<b>--</b>	<b>--</b>
The portion of 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 not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	--	--
<b>EQUITY</b>	<b>6.090.650</b>	
<b>Total Capital ( Total of Tier I Capital and Tier II Capital )</b>	<b>6.090.650</b>	<b>--</b>
<b>Total Risk Weighted Assets (****)</b>	<b>25.878.921</b>	<b>--</b>
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	7,65	--
Tier I Capital Adequacy Ratio (%)	9,58	--
Capital Adequacy Ratio (%)	23,54	--
<b>BUFFERS</b>		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,54	
a)Capital Conservation Buffer Requirement (%)	2,50	--
b)Bank-specific Counter-Cyclical Buffer Requirement(%)	0,04	--
c)Systemically Important Banks Buffer Requirement Ratio (%)	--	--

(\*\*\*\*)It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

	Prior Period (31/12/2021) Amount	Amount as per the regulation before 1/1/2014*
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 (%)	3,58	--
<b>Amounts lower than Excesses as per Deduction Rules</b>	--	--
Remaining 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	--	--
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital	--	--
Remaining mortgage servicing rights	--	--
Net deferred tax assets arising from temporary differences	--	--
<b>Limits for Provisions Used in Tier II Capital Calculation</b>	--	--
General provisions for standard based receivables (before one hundred and twenty five per ten thousand limitation)	517.534	--
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	290.025	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0,6% risk weighted assets	--	--
<b>Debt Instruments Covered by Temporary Article 4 (effective between 01/01/2018-01/01/2022)</b>	--	--
Upper limit for Additional Tier I Capital items subject to Temporary Article 4	--	--
Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit	--	--
Upper limit for Additional Tier II Capital items subject to Temporary Article 4	--	--
Amount of Additional Tier II Capital items subject to Temporary Article 4 that exceeds upper limit	--	--

(\*) The amounts to be considered under the transitional provisions

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**Explanations on reconciliation of shareholder's equity items to balance sheet:**

The difference between "Equity" in equity table and "Shareholder's Equity" in the unconsolidated balance sheet mainly arises from the subordinated bonds and general provisions effect. In the calculation of Total Capital, general reserve up to 1,25% of credit risk is taken into consideration as Tier II Capital.

On the other hand, in the calculation of the "Equity", improvement costs for operational leases presented under tangible assets in the balance sheet, together with related deferred tax liabilities and deferred tax assets calculated for provision for possible losses and other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

In addition, in accordance with the BRSA's Decision dated April 16, 2020 and numbered 8999, 0% risk weight can be applied to the receivables of banks from the Central Government of the Republic of Turkey and issued in foreign currency, in accordance with the Standard Approach, within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks, In case that the net valuation differences of the securities in the securities portfolio whose value difference is reflected to other comprehensive income are negative, these differences are not taken into account in the equity amount to be used for the capital adequacy ratio.

**Debt instruments included in shareholder's equity calculation(\*):**

Issuer	Fibabanka A.Ş.	Fibabanka A.Ş.
Code of debt instrument (CUSIP, ISIN etc.)	XS1386178237	TRSFIBA10016
Regulation of debt instrument	BRSA's "Regulation on Equities of Banks" dated 1 November 2006" and English Law	BRSA's "Regulation on Equities of Banks" dated 1 November 2006"
<b>Consideration Status in Shareholders' Equity Calculation</b>		
Situation of being subject to practice of being taken into consideration with 10% deduction after 1/1/2015	No	No
Eligible at unconsolidated / consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated
Type of debt instrument	Subordinated Security	Subordinated Security
Recognized amount in shareholders' equity calculation (As of the most recent reporting date - Thousand TL)(**)	3.555.430	100.000
Nominal value of debt instrument (Thousand TL)	5.609.490	100.000
Related account of debt instrument	Subordinated Debt Instruments	Shareholders' Equity
Issuing date of debt instrument	24/03/2016-10/05/2017	20/03/2019
Maturity structure of debt instrument (Demand/Time)	Time	Demand
Initial term of debt instrument	11 years	--
Issuer call subject to prior BRSA approval	Has pre-payment right	Has pre-payment right
Optional call date, reimbursement amount	24/11/2022; USD 300 million	13/03/2024; TL 100 million
Subsequent call date, if any	None	At the end of every 5th year following

(\*)The additional Tier 1 capital with a nominal amount of USD 30 million was early redeemed on 1 March 2022 with the approval of the BRSA, and the redemption amount was used in the cash capital increase realized in April 2022.

(\*\*)Tier-II bond, the remaining maturity of which is below 5 years, is taken into consideration after 20% of amortization in Tier II capital calculations in accordance with "Regulation on Equities of Banks".

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

**Interest/Dividend Payments**

Fixed or floating interest/dividend payments	Floating interest	Floating interest
	Up to pay back option date 7,75% (5 years mid-swap rate+5,758%); afterwards current 5 years mid-swap rate+5,758%	8% additional return on TRLibor
Interest rate or index value of interest rate		
Whether there is any restriction to stop dividend payments or not	None	None
Feature of being fully optional, partially optional or obligatory	Obligatory	Optional
Whether there is any stimulant to repayment like interest rate hike or not	None	None
Feature of being cumulative or noncumulative	--	--
<b>Feature of being convertible bonds</b>		
If there are convertible bonds, trigger incidents cause this conversion	--	--
If there are convertible bonds, feature of full or partially conversion	--	--
If there are convertible bonds, rate of conversion	--	--
If there are convertible bonds, feature of conversion - obligatory or optional-	--	--
If there are convertible bonds, types of convertible instruments	--	--
If there are convertible bonds, exporter of convertible debt instruments	--	--
<b>Feature of value reduction</b>		
If there are a feature of value reduction, trigger incidents cause this reduction	--	Under the condition that unconsolidated and/or consolidated Tier I capital adequacy ratio drop below BRSA's ratio
If there are a feature of value reduction, feature of full or partially reduction of value	--	Partially and totally
If there are a feature of value reduction, feature of being constant of temporary	--	--
If there are a feature of value reduction, mechanism of value incrementation	--	--
Claiming rank in case of winding up (Instrument that is just above debt instrument)	After the other borrowers except depositors	After depositors, other borrowers and Tier II capital
Whether meeting the conditions defined by 7th or 8th articles of Shareholders' Equity of Banks Regulation	Meets the conditions defined by 8th article, does not meet the conditions defined by 7th article.	Meets the conditions defined by 7th article, does not meet the conditions defined by 8th article.
The conditions not met which were defined by 7th or 8th of the 7th or 8th articles of Shareholders' Equity of Banks Regulation	--	Cannot be converted to stock.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

### II. Explanations on Credit Risk

Credit risk is defined as risks and losses that may occur if the counterparty fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set.

The debtors or group of debtors are subject to credit risk limits. The debtors' or group of debtors' and industrial risk limitations are monitored weekly. Industry concentration is followed monthly.

Credit risk limits and breakdowns for daily transactions are followed daily. Risk concentrations of off-balance sheet risks are followed by remote and on-site control activities.

Credit worthiness of both commercial loans' and all other debtors are being regularly monitored in accordance with the regulations. By utilizing risk rating models which were developed for these purposes, in case the debtors' risk level increases, credit lines are readjusted and additional collaterals are received if needed. The necessary documentation for utilized loans is taken in compliance with the related legislation.

In accordance with the Bank's lending policies, the debtor's creditworthiness is analysed and the adequate collateral is obtained based on the financial position of the company and the type of loan; such as cash collateral, bank guarantees, mortgages, pledges, bills and corporate guarantees.

There are control limits based on VaR over the positions of the Bank which are held as futures, option contracts and other similar contracts. The credit risks carried for such instruments are managed together with the risks arising from market fluctuations.

Indemnified non-cash loans are subject to the same risk weight with overdue loans.

The Bank performs foreign trade finance and other interbank credit transactions through correspondent network. Accordingly, the Bank assigns limits periodically to domestic banks, foreign banks and other financial institutions based on review of their credit worthiness.

Within the Bank's risk appetite policy, the following concentrations are measured. They are presented to the Asset and Liability Committee weekly and to the Risk Committee monthly.

As per Customer Group Concentration, Top 20 corporate debtor's / risk group's credit risk sum shall not exceed 25% of the Bank's total credit risk.

Within the industry concentration, the Bank has set its risk appetite as "reasonable", not to exceed 10% of total loans per sector except the industries listed below.

Industry	Proportional Limit
Construction	15%
Tourism	15%
Wholesale and Retail Business	25%

Within the framework of risk appetite policy, the sum of long-term loans which have a maturity more than 1 year, shall not exceed 45% of the bank's total loans. This ratio is monitored on a weekly basis at the Asset and Liability Committee and on a monthly basis at the Risk Committee.

The Bank's largest 100 and 200 cash loan customers compose 29% and 35% of the total cash loan portfolio, respectively (31 December 2021: 45% and 50%, respectively).

The Bank's largest 100 and 200 non-cash loan customers compose 92% and 98% of the total non-cash loan portfolio, respectively (31 December 2021: 87% and 97%, respectively).

The Bank's largest 100 and 200 cash and non-cash loan customers represent 29% and 35% of the total "on and off balance sheet" assets, respectively (31 December 2021: 44% and 50%, respectively).

Expected credit loss for total credit risk (Stage 1 and Stage 2) amounts to TL 796.474 (31 December 2021: TL 511.862).

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1 JANUARY 2022 - 31 DECEMBER 2022

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

II. Explanations on Credit Risk (continued)

	Current Period Risk Amount *	Average Risk Amount * *
<b>Exposure Categories</b>		
Conditional and Unconditional Exposures to Central Governments or Central Banks	19.579.534	17.522.165
Contingent and non-contingent receivables from Regional or Local Governments	73.361	100.925
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	--	--
Conditional and Unconditional Exposures to Banks and Brokerage Houses	5.012.447	4.415.107
Conditional and Unconditional Exposures to Corporates	15.236.284	11.336.795
Conditional and Unconditional Retail Exposures	20.785.766	13.663.941
Conditional and Unconditional Exposures Secured by Real Estate Property	1.158.995	1.371.535
Past Due Receivables	152.127	251.003
Receivables Defined in High Risk Category by BRSA	4.325.127	3.637.207
Securitization positions	171.714	114.634
Exposures in the Form of Collective Investment Undertakings	1.095.795	954.057
Equity share investments	14.496	13.877
Other Receivables	2.900.005	2.972.940
<b>Total</b>	<b>70.505.651</b>	<b>56.354.186</b>

(\*) Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

(\*\*) Represents the arithmetical average of quarterly reports.

(\*\*\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

	Prior Period Risk Amount *	Average Risk Amount * *
<b>Exposure Categories</b>		
Conditional and Unconditional Exposures to Central Governments or Central Banks	11.739.653	5.712.954
Contingent and non-contingent receivables from Regional or Local Governments	122.086	177.695
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	--	--
Conditional and Unconditional Exposures to Banks and Brokerage Houses	2.886.023	2.721.749
Conditional and Unconditional Exposures to Corporates	8.490.116	11.018.298
Conditional and Unconditional Retail Exposures	9.046.290	7.378.598
Conditional and Unconditional Exposures Secured by Real Estate Property	1.324.697	1.385.094
Past Due Receivables	505.014	399.261
Receivables Defined in High Risk Category by BRSA	2.325.567	762.690
Exposures in the Form of Collective Investment Undertakings	536.922	194.149
Equity Investments	11.444	10.647
Other Receivables	1.971.865	1.852.110
<b>Total</b>	<b>38.959.677</b>	<b>31.613.245</b>

(\*) Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

(\*\*) Represents the arithmetical average of quarterly reports.

(\*\*\*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

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

II. Explanations on Credit Risk (continued)

1. Profile of significant exposures in major regions:

	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to administrative units and noncommercial enterprises	Contingent and non-contingent receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Securitization Positions	Collective investment undertakings	Equity Investments	Other receivables	Total
Current Period *														
Domestic	19.585.870	73.361	--	2.888.482	14.876.660	20.780.735	1.158.469	152.127	4.286.416	171.714	1.095.795	4.897	2.900.005	67.974.531
EU Countries	--	--	--	1.978.581	358.046	368	--	--	69	--	--	9.599	--	2.346.663
OECD Countries **	--	--	--	39.851	--	--	--	--	--	--	--	--	--	39.851
Off-Shore Banking Region	--	--	--	--	--	--	--	--	--	--	--	--	--	--
USA, Canada	--	--	--	99.439	--	--	--	--	--	--	--	--	--	99.439
Other Countries	--	--	--	6.094	--	431	--	--	38.642	--	--	--	--	45.167
Affiliates, Subsidiaries and Associates, Subsidiaries and Joint -Ventur	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	19.585.870	73.361	--	5.012.447	15.234.706	20.781.534	1.158.469	152.127	4.325.127	171.714	1.095.795	14.496	2.900.005	70.505.651

(\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.  
(\*\*) Includes OECD countries other than EU countries, USA and Canada.  
(\*\*\*) It refers to assets and liabilities that cannot be distributed to divisions on a consistent basis.  
(\*\*\*\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to administrative units and noncommercial enterprises	Contingent and non-contingent receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Securitization Positions	Collective investment undertakings	Equity Investments	Other receivables	Total
Prior Period*														
Domestic	11.756.936	122.086	--	1.353.889	8.069.585	9.033.683	1.321.299	453.179	2.325.558	--	536.922	4.897	1.971.865	36.949.899
EU Countries	--	--	--	1.207.731	310.484	31	--	51.835	--	--	--	6.547	--	1.576.628
OECD Countries **	--	--	--	96.247	--	5	--	--	--	--	--	--	--	96.252
Off-Shore Banking Region	--	--	--	--	104.073	--	--	--	--	--	--	--	--	104.073
USA, Canada	--	--	--	221.839	--	--	--	--	9	--	--	--	--	221.848
Other Countries	--	--	--	6.317	4.638	22	--	--	--	--	--	--	--	10.977
Affiliates, Subsidiaries and Associates, Subsidiaries and Joint -Ventur	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	11.756.936	122.086	--	2.886.023	8.488.780	9.033.741	1.321.299	505.014	2.325.567	--	536.922	11.444	1.971.865	38.959.677

(\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.  
(\*\*) Includes OECD countries other than EU countries, USA and Canada.  
(\*\*\*) It refers to assets and liabilities that cannot be distributed to divisions on a consistent basis.  
(\*\*\*\*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

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II. Explanations on Credit Risk (continued)

2. Risk profile by sectors or counterparties

Current Period	1	2	3	4	5	6	7	8	9	10	11	12	TL	FC	Total
Agricultural	813	--	--	280.509	786.234	13.829	2.702	48.266	--	--	--	--	--	1.132.353	1.132.353
Farming and Stockbreeding	750	--	--	280.489	749.452	13.822	2.535	48.263	--	--	--	--	--	1.095.311	1.095.311
Forestry	63	--	--	20	30.205	7	9	3	--	--	--	--	--	30.307	30.307
Fishing	--	--	--	--	6.577	--	158	--	--	--	--	--	--	6.735	6.735
Manufacturing	1.636	--	--	5.585.054	4.366.240	56.996	15.652	204.237	--	--	--	--	--	10.229.815	10.229.815
Mining and Quarrying	--	--	--	476.873	100.425	--	16	119	--	--	--	--	--	577.433	577.433
Production	1.636	--	--	4.597.388	4.239.969	45.914	15.526	204.118	--	--	--	--	--	9.104.551	9.104.551
Electricity, Gas and Water	--	--	--	510.793	25.846	11.082	110	--	--	--	--	--	--	547.831	547.831
Construction	1.534	--	--	670.063	7.670.601	23.797	61.100	3.447.696	--	--	--	--	--	11.874.791	11.874.791
Services	19.580.948	--	5.012.425	7.548.191	5.966.226	889.680	21.872	345.715	--	4.897	2.900.005	171.714	1.257.603	41.184.070	42.441.673
Wholesale and Retail Trade	66	--	--	1.677.721	4.904.745	14.187	13.360	170.413	--	--	--	--	--	6.780.492	6.780.492
Accommodation and Dining	1.067	--	--	1.094.808	105.864	874.383	658	33.431	--	--	--	--	--	2.110.211	2.110.211
Transportation and Telecom.	--	--	--	900.879	689.221	2	4.548	9.945	--	--	--	--	--	1.604.595	1.604.595
Financial Institutions	19.579.534	--	5.012.425	3.551.640	27.501	--	--	38.517	--	4.897	2.900.005	171.714	1.257.603	30.028.630	31.286.233
Real Estate and Rental Services	--	--	--	77.721	63.449	1.108	133	--	--	--	--	--	--	142.411	142.411
Self-Employment Services	--	--	--	13.332	34.425	--	73	243	--	--	--	--	--	48.073	48.073
Educational Services	--	--	--	42.381	26.427	--	737	40.279	--	--	--	--	--	109.824	109.824
Health and Social Services	281	--	--	189.709	114.594	--	2.363	52.887	--	--	--	--	--	359.834	359.834
Other*	939	73.361	22	1.150.889	1.992.233	174.167	50.801	279.213	1.095.795	9.599	--	--	1.095.792	3.731.227	4.827.019
Total*	19.585.870	73.361	5.012.447	15.234.706	20.781.534	1.158.469	152.127	4.325.127	1.095.795	14.496	2.900.005	171.714	2.353.395	68.152.256	70.505.651

(\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

(\*\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

1 : Contingent and non-contingent receivables from central administrations or central banks

2 : Contingent and non-contingent receivables from regional or local governments

3 : Contingent and non-contingent receivables from banks and brokerage institutions

4 : Contingent and non-contingent corporate receivables

5 : Contingent and non-contingent retail receivables

6 : Receivables secured by real estate mortgage with and without conditions

7 : Receivables overdue for collection

8 : Receivables determined by the Board as having a high risk

9 : Investments in the Nature of a Collective Investment Organization

10 : Equity Investments

11 : Other receivables

12 : Securitization Positions

Prior Period	1	2	3	4	5	6	7	8	9	10	11	TL	FC	Total
Agricultural	4.390	--	--	230.596	240.684	5.801	8.138	29	--	--	--	472.893	16.745	489.638
Farming and Stockbreeding	3.695	--	--	221.321	229.733	5.786	7.145	26	--	--	--	452.167	15.539	467.706
Forestry	695	--	--	9.275	9.927	15	836	3	--	--	--	20.173	578	20.751
Fishing	--	--	--	--	1.024	--	157	--	--	--	--	553	628	1.181
Manufacturing	5.221	--	--	3.140.138	1.728.156	108.032	18.741	918	--	--	--	3.524.409	1.476.797	5.001.206
Mining and Quarrying	228	--	--	180.336	39.199	--	264	--	--	--	--	106.536	113.491	220.027
Production	4.993	--	--	2.264.896	1.680.217	107.287	18.351	918	--	--	--	3.090.741	985.921	4.076.662
Electricity, Gas and Water	--	--	--	694.906	8.740	745	126	--	--	--	--	327.132	377.385	704.517
Construction	2.489	--	--	542.171	4.413.423	66.136	81.519	2.320.644	--	--	--	7.173.687	252.695	7.426.382
Services	11.743.278	--	2.886.023	3.455.732	1.890.604	1.140.029	351.098	1.862	--	11.444	1.971.865	7.989.873	15.462.062	23.451.935
Wholesale and Retail Trade	730	--	--	637.007	1.518.455	12.634	9.814	586	--	--	--	2.145.083	34.143	2.179.226
Accommodation and Dining	2.284	--	--	1.460.202	31.688	912.956	2.850	265	--	--	--	383.023	2.027.222	2.410.245
Transportation and Telecom.	119	--	--	670.639	199.468	212.184	87.964	78	--	--	--	482.351	688.101	1.170.452
Financial Institutions	11.739.653	--	2.886.023	91.329	31.250	--	248.027	--	--	11.444	1.971.865	4.501.273	12.478.318	16.979.591
Real Estate and Rental Services	--	--	--	181.108	21.056	1.464	115	34	--	--	--	83.643	120.134	203.777
Self-Employment Services	--	--	--	--	19.074	--	68	2	--	--	--	19.144	--	19.144
Educational Services	111	--	--	143.065	6.550	26	185	783	--	--	--	150.720	--	150.720
Health and Social Services	381	--	--	272.382	63.063	765	2.075	114	--	--	--	224.636	114.144	338.780
Other*	1.558	122.086	--	1.120.143	760.874	1.301	45.518	2.114	536.922	--	--	2.510.277	80.239	2.590.516
Total*	11.756.936	122.086	2.886.023	8.488.780	9.033.741	1.321.299	505.014	2.325.567	536.922	11.444	1.971.865	21.671.139	17.288.538	38.959.677

(\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

1 : Contingent and non-contingent receivables from central administrations or central banks

2 : Contingent and non-contingent receivables from regional or local governments

3 : Contingent and non-contingent receivables from banks and brokerage institutions

4 : Contingent and non-contingent corporate receivables

5 : Contingent and non-contingent retail receivables

6 : Receivables secured by real estate mortgage with and without conditions

7 : Receivables overdue for collection

8 : Receivables determined by the Board as having a high risk

9 : Investments in the Nature of a Collective Investment Organization

10 : Equity Investments

11 : Other receivables



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II. Explanations on Credit Risk (continued)

3. Analysis of maturity-bearing exposures according to remaining maturities

Exposure Categories / Current Period*	Term to Maturity				
	Up to 1 Month	1 -3 Months	3 -6 Months	6-12 Months	Over 1 year
Contingent and non-contingent receivables from central administrations or central banks	5.272.806	4.908.690	138.386	941.182	7.573.334
Contingent and non-contingent receivables from regional or local governments	--	1.553	1.699	--	70.109
Contingent and non-contingent receivables from administrative units and non-commercial enterprises	--	--	--	--	--
Contingent receivables from banks and brokerage institutions	4.398.749	112.168	5.666	473.173	22.596
Contingent and non-contingent corporate receivables	--	--	--	--	--
Contingent and non-contingent SME corporate receivables	--	--	--	--	--
Contingent and non-contingent corporate receivables	3.397.461	5.637.476	1.743.233	1.297.044	3.125.011
Contingent and non-contingent retail receivables	2.472.859	5.369.323	6.482.118	5.270.385	486.674
Receivables secured by real estate mortgage with and without conditions	4.121	19.876	29.155	97.229	1.007.741
Receivables overdue for collection	--	--	--	--	--
Receivables determined by the Board as having a high risk	128.048	269.322	178.074	298.387	3.451.296
Mortgage backed securities	--	--	--	--	--
Securitization Positions	--	60.814	31.680	79.220	--
Short-term receivables from banks and brokerage institutions and short-term corporate receivables	--	--	--	--	--
Investments in the Nature of a Collective Investment Organization	--	--	--	--	--
Other receivables	--	--	--	--	--
Total**	15.674.044	16.379.222	8.610.011	8.456.620	15.736.761
* Items with determined maturities are classified according to remaining maturities					
** Payables from the central bank in the amount of TL 751.472, cash and similar items in the amount of TL 1.542.048, credit card limits in the amount of TL 7.264, non-cash credit limits in the amount of TL 782.312 and payment commitments that do not carry a maturity element, Other receivables in the amount of TL 1.302.683, overdue receivables in the amount of TL 152.127, receivables from mutual funds in the amount of TL 1.095.795, miscellaneous receivables in the amount of TL 796 and equity investments in the amount of TL 14.496 are included in the table					
*** As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.					
Exposure Categories / Prior Period*	Term to Maturity				
	Up to 1 Month	1 -3 Months	3 -6 Months	6-12 Months	Over 1 year
Contingent and non-contingent receivables from central administrations or central banks	5.777.875	2.539.403	2.194	62.040	3.033.665
Contingent and non-contingent receivables from regional or local governments	7.640	--	1.367	8.802	104.277
Contingent and non-contingent receivables from administrative units and non-commercial enterprises	--	--	--	--	--
Contingent receivables from banks and brokerage institutions	1.927.830	53.448	313.005	184.733	406.991
Contingent and non-contingent corporate receivables	--	--	--	--	--
Contingent and non-contingent SME corporate receivables	--	--	--	--	--
Contingent and non-contingent corporate receivables	1.337.230	1.164.040	733.806	1.506.135	3.720.721
Contingent and non-contingent retail receivables	825.490	2.184.918	1.837.773	2.466.789	1.383.711
Receivables secured by real estate mortgage with and without conditions	28.810	7.733	21.623	20.454	1.242.370
Receivables overdue for collection	--	--	--	--	--
Receivables determined by the Board as having a high risk	3.515	1.023	150	145	2.320.734
Mortgage backed securities	--	--	--	--	--
Short-term receivables from banks and brokerage institutions and short-term corporate receivables	--	--	--	--	--
Investments in the Nature of a Collective Investment Organization	--	--	--	--	--
Other receivables	--	--	--	--	--
Total**	9.908.390	5.950.565	2.909.918	4.249.098	12.212.469
* Items with determined maturities are classified according to remaining maturities					
** Central bank receivables in the amount of TL 341.759 that do not carry a maturity element, cash and similar items in the amount of TL 679.479, credit card limits in the amount of TL 5.096, non-cash credit limits in the amount of TL 406.653 and pay commitments, Other receivables in the amount of TL 1.242.589, overdue receivables in the amount of TL 505.014, receivables from mutual funds in the amount of TL 536.922, miscellaneous receivables in the amount of TL 281 and equity investments in the amount of TL 11.444 are not included in the table					

The Bank uses long-term credit ratings announced by an international rating firm, The Islamic International Ratings Agency (IIRA). Such ratings are used in compliance with regulation on “The Licencing and Operations of the Rating Firms”. For the Bank's capital adequacy calculation, only the latest credit ratings are used that are currently accepted as valid by the issuing Credit Rating Agency.

Credit ratings are used for the receivables from banks and brokerage houses. The securities in the trading book have credit ratings. Therefore, no credit ratings is used for issuer or issue.

Based on “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” Appendix 1, The Islamic International Ratings Agency (IIRA)’s credit ratings corresponds to credit grades below:

	BRSA Credit Quality Grades	IIRA Risk Rating
Long Term Credit Quality Grades	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below

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II. Explanations on Credit Risk (continued)

4. Exposures by risk weights

Risk Weights / Current Period	0%	10%	20%	35%	50%	75%	100%	150%	200%	1250%	2%	500%	Deductions from Equity	Total
Exposures														
Before Credit	21.121.581	--	4.492.619	--	839.883	15.676.763	24.047.687	3.503.807	808.102	--	8.732	6.477	--	70.505.651
Risk Mitigation														
Exposures After														
Credit Risk	22.550.241	--	3.756.217	18.627	1.830.345	15.642.172	22.380.953	3.503.785	808.102	--	8.732	6.477	--	70.505.651
Mitigation														

(\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

Risk Weights / Prior Period	0%	10%	20%	35%	50%	75%	100%	150%	Deductions from Equity	Total
Exposures										
Before Credit	12.699.333	--	1.917.592	--	1.187.350	7.137.805	13.387.437	2.630.160	--	38.959.677
Risk Mitigation										
Exposures After										
Credit Risk	13.252.351	--	1.504.968	29.720	1.952.309	7.062.607	12.527.562	2.630.160	--	38.959.677
Mitigation										

(\*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

5. Information by major sectors and type of counterparties

As per TFRS;

*Significant Increase in Credit Risk (Stage 2)*; when the loan is not under default yet, but there is a significant increase in the credit risk since origination date, the life time expected credit losses are calculated for these loans.

*Credit Impaired (Stage3)*; includes financial assets whose probability of default is considered to be 100%. The life time expected credit losses are recognized for impaired loans.

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II. Explanations on Credit Risk (continued)

5. Information by major sectors and type of counterparties

Current Period	Loans		Provisions
	Impaired		Expected
	Significant Increase in Credit Risk (Stage 2)	Impaired (Stage 3)	Credit Losses
Major Sector / Counterparties			
<b>Agriculture</b>	<b>11.725</b>	<b>26.467</b>	<b>20.317</b>
Farming and Stockbreeding	6.953	19.614	14.856
Forestry	4.772	6.853	5.461
Fishery	--	--	--
<b>Manufacturing</b>	<b>240.269</b>	<b>91.812</b>	<b>109.140</b>
Mining and Quarrying	95.799	40.172	63.006
Production	40.114	46.143	36.921
Electricity, Gas and Water	104.356	5.497	9.213
<b>Construction</b>	<b>130.517</b>	<b>161.495</b>	<b>115.005</b>
<b>Services</b>	<b>2.277.442</b>	<b>205.357</b>	<b>431.853</b>
Wholesale and Retail Trade	79.443	95.367	78.956
Accommodation and Dining	1.912.786	4.429	232.565
Transportation and Telecommunication	17.107	85.054	80.788
Financial Institutions	--	12	12
Real Estate and Rental Services	91.888	6.143	14.052
Self-Employment Services	175.805	2.923	17.363
Educational Services	5	2.258	1.404
Health and Social Services	408	9.171	6.713
<b>Other</b>	<b>588.515</b>	<b>180.295</b>	<b>272.854</b>
<b>Total</b>	<b>3.248.468</b>	<b>665.426</b>	<b>949.169</b>

Prior Period	Loans		Provisions
	Impaired		Expected
	Significant Increase in Credit Risk (Stage 2)	Impaired (Stage 3)	Credit Losses
Major Sector / Counterparties			
<b>Agriculture</b>	<b>8.509</b>	<b>31.828</b>	<b>22.699</b>
Farming and Stockbreeding	8.458	26.330	18.631
Forestry	51	5.498	4.068
Fishery	--	--	--
<b>Manufacturing</b>	<b>451.975</b>	<b>66.876</b>	<b>75.078</b>
Mining and Quarrying	26.278	28.422	24.462
Production	78.628	33.454	29.307
Electricity, Gas and Water	347.069	5.000	21.309
<b>Construction</b>	<b>157.457</b>	<b>448.364</b>	<b>135.296</b>
<b>Services</b>	<b>2.466.581</b>	<b>235.429</b>	<b>353.070</b>
Wholesale and Retail Trade	182.107	63.362	84.835
Accommodation and Dining	1.594.526	10.622	164.640
Transportation and Telecommunication	346.040	141.349	59.401
Financial Institutions	737	245	161
Real Estate and Rental Services	116.411	7.026	18.942
Self-Employment Services	224.043	617	15.694
Educational Services	851	2.318	1.460
Health and Social Services	1.866	9.890	7.937
<b>Other</b>	<b>456.157</b>	<b>106.216</b>	<b>144.849</b>
<b>Total</b>	<b>3.540.679</b>	<b>888.713</b>	<b>730.992</b>

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II. Explanations on Credit Risk (continued)

6. Information on movements in value adjustments and provisions

Current Period Closing	Opening	Provision	Provision	Other	Balance
	Balance	for Period	Reversals	Adjustments (*)	
Specific Provisions(Stage 3)	382.736	328.398	(108.111)	(104.128)	498.895
General Provisions (Stage 1 and 2)	508.143	283.233	--	--	791.376

(\*)Write-off items and the sales from the NPL portfolio are disclosed here.

Prior Period Closing	Opening	Provision	Provision	Other	Balance
	Balance	for Period	Reversals	Adjustments (*)	
Specific Provisions(Stage 3)	388.750	374.251	(110.789)	(269.476)	382.736
General Provisions (Stage 1 and 2)	441.366	137.423	(70.646)	--	508.143

(\*)Write-off items and the sales from the NPL portfolio are disclosed here.

7. Exposures subject to countercyclical capital buffer

Current Period				
Country	RWAs of Banking Book for		RWAs of	Total
	Private Sector	Credit	Trading Book	
Turkey		39.565.818	2.404.823	41.970.641
Russia		25.922	32.094	58.016
Malta		209.246	--	209.246
Marshall Islands		--	--	--
Avusturya		3.042	--	3.042
England		52.231	273.917	326.148
Germany		33.651	8.562	42.213
France		--	240	240
Others		67.080	13.333	80.413
Total		39.956.990	2.732.969	42.689.959

(\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

Prior Period				
Country	RWAs of Banking Book for		RWAs of	Total
	Private Sector	Credit	Trading Book	
Turkey		21.949.683	281.398	22.231.081
Russia		9.842	--	9.842
Malta		284.918	--	284.918
Marshall Islands		104.073	--	104.073
Austria		768	--	768
England		14.104	257.912	272.016
Germany		1.595	10	1.605
France		--	29.161	29.161
Others		77.185	46.657	123.842
Total		22.442.168	615.138	23.057.306

(\*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

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II. Explanations on Credit Risk (continued)

8. Information on collaterals, impairment, rating and maturity related to loans granted to individuals and corporates

Details of collaterals of standard and close monitoring loans granted to individuals and corporates are as follows:

Cash loans granted to individuals and corporates	Standard Loans		Loans and Other Receivables Under Close	
	Current Period	Prior Period	Current Period	Prior Period
Secured Loans:	22.102.803	18.456.954	2.929.961	3.535.684
Secured by Cash Collateral	509.798	263.590	--	--
Secured by Mortgages	1.719.105	1.825.876	1.973.194	1.274.757
Secured by Treasury Guarantees or Securities Issued by Public Sector	--	--	--	--
Guarantees Issued by Financial Institutions	--	--	--	--
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	19.873.900	16.367.488	956.767	2.260.927
Non-Secured Loans	13.702.532	117.089	318.507	4.995
Total	35.805.335	18.574.043	3.248.468	3.540.679

Details of collaterals for non-cash granted to individuals and corporates are as follows:

Non-cash loans granted to individuals and corporates	Standard Loans		Loans and Other Receivables Under Close	
	Current Period	Prior Period	Current Period	Prior Period
Secured Loans:	594.554	941.307	54.647	62.870
Secured by Cash Collateral	100.693	--	--	--
Secured by Mortgages	36.414	56.440	--	2.266
Secured by Treasury Guarantees or Securities Issued by Public Sector	--	--	--	--
Guarantees Issued by Financial Institutions	--	--	--	--
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	457.447	884.867	54.647	60.604
Non-Secured Loans	96.760	--	--	--
Total	691.314	941.307	54.647	62.870

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**III. Explanations on Currency Risk**

Position limit on currency risk is determined in line with net general position standard ratio on foreign currency. The Bank does not take material foreign exchange and parity risk; transactions are usually hedged. Measurable and manageable risks are taken within legal limits.

As of 31 December 2022, the Bank's net short position is TL 1.060.156 (31 December 2021: TL 187.609 net short position) resulting from long position on the balance sheet amounting to TL 914.106 (31 December 2021: TL 459.765 long position) and short position on the off-balance amounting to TL 1.974.262 (31 December 2021: TL 647.374 short position). The Bank uses "Standard Method" in legal reporting to measure the foreign exchange risk.

The announced foreign exchange buying rates of the Bank at balance sheet date and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	TL 18,6983
Euro purchase rate as at the balance sheet date	TL 19,9349

Date	USD	EURO
27-Dec-2022	18,6649	19,8324
28-Dec-2022	18,6813	19,9087
29-Dec-2022	18,6964	19,8946
30-Dec-2022	18,6983	19,9349
31-Dec-2022	18,6983	19,9346

The simple arithmetic average rates of US Dollar and EUR are TL 16,5570 and TL 17,3654 (in full TL amounts) respectively in December 2022.

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**III. Explanations on currency risk (continued)**

Current Period	EUR	USD	Other	Total
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the CBRT	2.437.743	11.122.382	361.079	13.921.204
Due From Banks	1.644.089	367.375	210.326	2.221.790
Financial Assets at Fair Value through Profit/Loss (*)	12.684	115.449	--	128.133
Money Market Placements	1.299.897	336.654	--	1.636.551
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	55.371	1.668.738	13.434	1.737.543
Loans and Receivables(**)	4.963.806	1.218.269	--	6.182.075
Investments in Assoc., Subsidiaries and Associates under Common Control (Joint Vent.)	--	--	--	--
Financial Assets Measured at Amortized Cost	1.361.867	3.325.615	--	4.687.482
Derivative Financial Assets Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	3.587	4.481	945	9.013
<b>Total Assets</b>	<b>11.779.044</b>	<b>18.158.963</b>	<b>585.784</b>	<b>30.523.791</b>
<b>Liabilities</b>				
Bank Deposits	142.755	774.676	83.634	1.001.065
Foreign Currency Deposits	2.392.121	7.333.371	4.063.576	13.789.068
Money Market Borrowings	--	2.856.167	--	2.856.167
Funds Provided from Other Financial Institutions	136.927	3.042.285	--	3.179.212
Securities Issued(****)	--	8.246.444	--	8.246.444
Sundry Creditors	167.799	298.250	4.559	470.608
Derivative Fin. Liabilities for Hedging Purposes	--	--	--	--
Other Liabilities(*****)	9.876	54.454	2.791	67.121
<b>Total Liabilities</b>	<b>2.849.478</b>	<b>22.605.647</b>	<b>4.154.560</b>	<b>29.609.685</b>
<b>Net Balance Sheet Position</b>	<b>8.929.566</b>	<b>(4.446.684)</b>	<b>(3.568.776)</b>	<b>914.106</b>
<b>Net Off-Balance Sheet Position</b>	<b>(9.262.236)</b>	<b>3.979.519</b>	<b>3.308.455</b>	<b>(1.974.262)</b>
Financial Derivative Assets (*****)	5.088.269	30.949.049	7.485.425	43.522.743
Financial Derivative Liabilities (*****)	14.350.505	26.969.530	4.176.970	45.497.005
<b>Non-Cash Loans (*****)</b>	<b>71.445</b>	<b>187.646</b>	<b>--</b>	<b>259.091</b>
<b>Prior Period</b>				
Total Assets	10.166.382	13.621.707	209.386	23.997.475
Total Liabilities	2.930.366	18.038.079	2.569.265	23.537.710
<b>Net Balance Sheet Position</b>	<b>7.236.016</b>	<b>(4.416.372)</b>	<b>(2.359.879)</b>	<b>459.765</b>
<b>Net Off-Balance Sheet Position</b>	<b>(7.429.918)</b>	<b>4.425.203</b>	<b>2.357.341</b>	<b>(647.374)</b>
Financial Derivative Assets (*****)	2.992.261	16.787.982	4.852.259	24.632.502
Financial Derivative Liabilities (*****)	10.422.179	12.362.779	2.494.918	25.279.876
<b>Non-Cash Loans (*****)</b>	<b>264.660</b>	<b>282.953</b>	<b>--</b>	<b>547.613</b>

(\*) Accruals of trading derivative financial assets amounting to TL 24.338 are not included.  
(\*\*) Includes foreign currency indexed loans and accruals amounting to TL 30.879.  
(\*\*\*) TL 23.653 of prepaid expenses are not included.  
(\*\*\*\*) Securities issued as subordinated loan classified under "Subordinated debt instruments - Other debt instruments" in the balance sheet are included.  
(\*\*\*\*\*) TL 23.811 of accruals of derivative financial liabilities are not included.  
(\*\*\*\*\*) In the current period, foreign currency purchase commitments within the financial derivative assets amounted to TL 2.729.192 (31 December 2021: TL 2.463.711 foreign currency purchase commitment), foreign currency sale commitments within the derivative financial liabilities amounted to TL 2.514.435 (31 December 2021: TL 2.627.770 foreign currency sale commitment).  
(\*\*\*\*\*) There is no effect on the net off-balance sheet position.

The following table demonstrates prospective increase and decrease in equities and profit/loss as of 31 December 2022 and 2021 (excluding tax effect) in case of a 10% decrease of TL against the currencies below. This analysis has been prepared under the assumption that all other variables, especially interest rates, are constant.

	Current Period		Prior Period	
	Profit/Loss	Equity	Profit/Loss	Equity
USD	(46.717)	(47.597)	883	(1.442)
Euro	(33.267)	(33.111)	(19.390)	(19.369)
Other FC	(26.032)	(25.980)	(254)	(254)
<b>Total (Net)</b>	<b>(106.016)</b>	<b>(106.688)</b>	<b>(18.761)</b>	<b>(21.065)</b>

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IV. Explanations on interest rate risk

Interest sensitivity of assets, liabilities and off-balance sheet items are evaluated weekly by considering market developments in the Asset-Liability Committee.

Standard method and Asset-Liability risk measurement methods are used to measure the Bank’s interest rate risk.

Measurements by the standard method are carried out monthly by using maturity ladder. Bank applies interest rate shock analysis to interest rate sensitive assets and liabilities considering historic economic crisis. Change in the net present value of the net assets of the Bank are monitored within the limits set by the Board of Directors.

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Current Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years-interest Bearing	Total	
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	11.821.749	--	--	--	--	3.195.778	15.017.527
Banks	1.550.498	--	--	--	--	930.613	2.481.111
Financial Assets at Fair Value Through Profit or Loss(*)	822.123	290.107	308.457	5.786	--	12.684	1.439.157
Interbank Money Market Placements	1.636.551	--	--	--	--	--	1.636.551
Financial Assets Measured at Fair Value through Other Comprehensive Income	841.879	1.347.279	964.171	1.855.611	127.073	4.897	5.140.910
Loans(**)	36.238.099	1.749.353	1.052.590	13.761	--	(624.845)	38.428.958
Financial Assets Measured at Amortized Cost	48.530	935.170	764.309	5.257.392	60.573	--	7.065.974
Other Assets(***)	--	--	--	--	--	2.898.552	2.898.552
<b>Total Assets</b>	<b>52.959.429</b>	<b>4.321.909</b>	<b>3.089.527</b>	<b>7.132.550</b>	<b>187.646</b>	<b>6.417.679</b>	<b>74.108.740</b>
<b>Liabilities</b>							
Bank Deposits	1.238.850	6.073.119	--	--	--	660.705	7.972.674
Other Deposits	22.616.282	7.894.866	172.805	201.596	--	8.000.612	38.886.161
Interbank Money Market Received	1.349.852	2.120.013	--	--	--	--	3.469.865
Sundry Creditors(****)	--	--	--	--	--	1.415.160	1.415.160
Marketable Securities Issued(****)	8.146.786	1.208.037	--	--	--	--	9.354.823
Funds Borrowed From Other Institutions	--	--	2.703.669	475.543	--	--	3.179.212
Other Liabilities(*****)	259.668	117.447	240.762	84.583	1.007	9.127.378	9.830.845
<b>Total Liabilities</b>	<b>33.611.438</b>	<b>17.413.482</b>	<b>3.117.236</b>	<b>761.722</b>	<b>1.007</b>	<b>19.203.855</b>	<b>74.108.740</b>
Balance Sheet Long Position	19.347.991	--	--	6.370.828	186.639	--	25.905.458
Balance Sheet Short Position	--	(13.091.573)	(27.709)	--	--	(12.786.176)	(25.905.458)
Off-Balance Sheet Long Position	60.001	300.001	492.356	21.215	--	63.202.787	64.076.360
Off-Balance Sheet Short Position	(60.000)	(300.000)	(492.357)	(21.215)	--	(62.626.564)	(63.500.136)
<b>Total Position</b>	<b>19.347.992</b>	<b>(13.091.572)</b>	<b>(27.710)</b>	<b>6.370.828</b>	<b>186.639</b>	<b>(12.209.953)</b>	<b>576.224</b>

(\*) Includes derivative financial assets.

(\*\*) Non-performing loans of TL 665.426 and related expected credit losses of TL 498.895, expected credit losses for stage 1 of TL 340.842 and for stage 2 of TL 450.534 are presented in “non-interest bearing” column (Includes factoring receivables amounting to TL 186.790).

(\*\*\*) Non-interest bearing column includes TL 967.008 investments in subsidiaries, TL 692.330 tangible assets, TL 243.640 intangible assets, TL 490.610 current and deferred tax asset, TL 24.609 assets held for sale, TL 483.538 other assets and TL 3.183 of expected credit losses on financial assets.

(\*\*\*\*) Securities issued as subordinated loan classified under “Subordinated debt instruments - Other debt instruments” in the balance sheet are included.

(\*\*\*\*\*) Non-interest bearing column includes TL 6.516.738 shareholders’ equity, TL 1.903.848 other liabilities, TL 1.621.365 provisions and TL 500.587 tax liabilities.



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IV. Explanations on interest rate risk (continued)

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Prior Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	10.731.219	--	--	--	--	2.183.441	12.914.660
Banks	558.333	--	--	--	--	941.978	1.500.311
Financial Assets at Fair Value Through Profit or Loss(*)	536.080	252.590	450.359	215.863	--	9.438	1.464.330
Interbank Money Market Placements	128.720	--	--	--	--	--	128.720
Financial Assets Measured at Fair Value through Other Comprehensive Income	518.104	3.549	790.147	721.329	39.727	4.897	2.077.753
Loans(**)	5.682.057	4.114.802	7.861.092	4.201.518	255.252	(2.166)	22.112.555
Financial Assets Measured at Amortized Cost	127.799	--	33.927	3.068.223	--	--	3.229.949
Other Assets(***)	--	--	--	--	--	1.733.981	1.733.981
<b>Total Assets</b>	<b>18.282.312</b>	<b>4.370.941</b>	<b>9.135.525</b>	<b>8.206.933</b>	<b>294.979</b>	<b>4.871.569</b>	<b>45.162.259</b>
<b>Liabilities</b>							
Bank Deposits	2.331.032	3.911.953	--	--	--	143.373	6.386.358
Other Deposits	15.829.857	2.039.641	143.307	38.251	113.701	6.449.277	24.614.034
Interbank Money Market Received	712.740	--	--	--	--	--	712.740
Sundry Creditors(****)	--	--	--	--	--	943.756	943.756
Marketable Securities Issued(****)	66.373	69.459	3.320.707	2.579.975	399.870	--	6.436.384
Funds Borrowed From Other Institutions	1.336	371.598	150.643	--	--	--	523.577
Other Liabilities(*****)	545.894	265.899	745.735	169.827	--	3.818.055	5.545.410
<b>Total Liabilities</b>	<b>19.487.232</b>	<b>6.658.550</b>	<b>4.360.392</b>	<b>2.788.053</b>	<b>513.571</b>	<b>11.354.461</b>	<b>45.162.259</b>
Balance Sheet Long Position	--	--	4.775.133	5.418.880	--	--	10.194.013
Balance Sheet Short Position	(1.204.920)	(2.287.609)	--	--	(218.592)	(6.482.892)	(10.194.013)
Off-Balance Sheet Long Position	2.333	40.000	1.543.401	862.021	--	29.542.547	31.990.302
Off-Balance Sheet Short Position	(2.333)	(40.000)	(1.543.403)	(862.019)	--	(30.003.316)	(32.451.071)
<b>Total Position</b>	<b>(1.204.920)</b>	<b>(2.287.609)</b>	<b>4.775.131</b>	<b>5.418.882</b>	<b>(218.592)</b>	<b>(6.943.661)</b>	<b>(460.769)</b>

(\*) Includes derivative financial assets.

(\*\*) Non-performing loans of TL 888.713 and related expected credit losses of TL 382.736, expected credit losses for stage 1 of TL 159.887 and for stage 2 of TL 348.256 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 74.064).

(\*\*\*) Non-interest bearing column includes TL 117.945 investments in subsidiaries, TL 414.389 tangible assets, TL 106.531 intangible assets, TL 310.896 current and deferred tax assets, TL 182.161 assets held for sale, TL 603.498 other assets and TL 1.439 of expected credit losses on financial assets.

(\*\*\*\*) Securities issued as subordinated loan classified under "Subordinated debt instruments - Other debt instruments" in the balance sheet are included.

(\*\*\*\*\*) Non-interest bearing column includes TL 2.345.613 shareholders' equity, TL 1.722.639 other liabilities, TL 404.907 provisions and TL 288.652 tax liabilities.

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**IV. Explanations on interest rate risk (continued)**

**Average interest rates applied to financial instruments**

Current Period	EUR %	USD %	JPY %	TL %
<b>Assets</b>				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	2,06	4,45	--	10,25
Financial Assets at Fair Value Through Profit/ Loss	--	4,40	--	16,31
Interbank Money Market Placements	1,95	4,55	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	7,10	7,16	--	17,95
Loans	6,64	8,30	--	19,25
Financial Assets Measured at Amortized Cost	4,89	5,74	--	17,84
<b>Liabilities</b>				
Bank Deposits	--	4,40	--	5,77
Other Deposits	0,67	1,23	--	18,28
Interbank Money Market Received	--	4,90	--	11,28
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	8,10	--	23,15
Funds Borrowed from Other Financial Institutions	4,14	5,84	--	--

(\*) Includes subordinated debts, which are classified under "Subordinated Debts Other Debt Instruments" in Balance Sheet, as well.

Prior Period	EUR %	USD %	JPY %	TL %
<b>Assets</b>				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	0,01	--	--	--
Financial Assets at Fair Value Through Profit/ Loss	--	4,40	--	23,31
Interbank Money Market Placements	0,01	0,05	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	5,39	5,55	--	15,79
Loans	5,40	6,15	--	19,93
Financial Assets Measured at Amortized Cost	4,89	5,56	--	15,62
<b>Liabilities</b>				
Bank Deposits	--	--	--	14,89
Other Deposits	0,46	0,28	--	17,77
Interbank Money Market Received	--	1,36	--	14,23
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	7,20	--	--
Funds Borrowed from Other Financial Institutions	2,26	0,83	--	15,86

(\*) Includes subordinated debts, which are classified under "Subordinated Debts- Other Debt Instruments" in Balance Sheet, as well.

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IV. Explanations on interest rate risk (continued)

Interest rate on banking book

As per the “Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method” published by the BRSA on 23 August 2011, the Bank analyses and reports to the Bank’s senior management the interest rate sensitivity of equity on a monthly basis by applying positive and negative shocks to the interest sensitive on balance sheet and off-balance sheet positions which are distributed into groups based on their cash flows.

Interest rate sensitivity of equity as of 31 December 2022:

Current Period	Shocked Applied (+/- x bps)	Gains/ Losses	Equity - Losses /Equity
TRY	500	(400.139)	-4,38%
TRY	-400	347.153	3,80%
USD Dollar	200	244.624	2,68%
USD Dollar	-200	(275.838)	-3,02%
Euro	200	(211.119)	-2,31%
Euro	-200	237.969	2,60%
<b>Total (For Positive Shocks)</b>		<b>(366.634)</b>	<b>-4,01%</b>
<b>Total (For Negative Shocks)</b>		<b>309.284</b>	<b>3,38%</b>

(\*) As of 31 December 2022, the Central Bank’s foreign exchange buying rate for 31 December 2021 was used.

Prior Period	Shocked Applied (+/- x bps)	Gains/ Losses	Gains/ Equity - Losses /Equity
TRY	500	(228.572)	-3,75%
TRY	-400	198.258	3,26%
USD Dollar	200	(89.470)	-1,47%
USD Dollar	-200	103.418	1,70%
Euro	200	(284.180)	-4,67%
Euro	-200	323.667	5,31%
<b>Total (For Positive Shocks)</b>		<b>(602.222)</b>	<b>-9,89%</b>
<b>Total (For Negative Shocks)</b>		<b>625.343</b>	<b>10,27%</b>

(\*) It is used simple arithmetic mean of Central Bank’s foreign currency buying rates belonging to the last 252 business days from the calculation date.

V. Explanations on position risk of equity securities resulted from banking book

Equity investments	Comparison		
	Balance sheet Value	Fair Value	Market Value
<b>1.Equity Investment Group A</b>	-	-	-
Listed on the stock exchange	-	-	-
<b>1.Equity Investment Group B</b>	-	-	-
Listed on the stock exchange	-	-	-
<b>1.Equity Investment Group C</b>	-	-	-
Listed on the stock exchange	-	-	-
<b>1.Equity Investment Group Other(*)</b>	<b>14.496</b>	-	-

(\*) As of 31 December 2022, the Central Bank’s foreign exchange buying rate for 31 December 2021 was used.

VI. Explanations on liquidity risk and liquidity coverage ratio

The Board of Directors reviews the liquidity and funding risk management policy weekly or in case of necessity. Liquidity risk is managed by Asset and Liability Committee (ALCO) in line with risk management policy as short and long term liquidity risk.

Liquidity Risk is managed by ALCO in order to take the necessary measures in a timely and correct manner against possible liquidity shortages. Treasury department manages cash inflows and outflows in line with strategies determined by ALCO. As deemed necessary by the ALCO members, liquidity meetings are performed for the purposes of close monitoring. Treasury department manages short term liquidity by adhering to the ALCO strategy and ensuring compliance with legal liquidity limits and stress testing.

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**VI. Explanations on liquidity risk and liquidity coverage ratio (continued)**

In the context of TL and foreign currencies liquidity management, the Bank monitors the cash flows weekly and action plan is made based on ALCO decisions. The funding balance is directly monitored and compensated by making the risk-return-cost evaluation.

For long-term liquidity "Maturity Mismatch Report" is prepared and presented to ALCO on a weekly basis. The Bank, resulting from the general structure of Turkish banking sector, has a liquidity gap at the 1 month maturity period. The Bank intends to eliminate liquidity mismatch shifting focus to long-term funding alternatives. Such decisions of the risk of incompatibility are taken by ALCO. The Bank diversifies its funding sources among customer deposits, domestic and foreign borrowings, bills and bonds issued, taking into consideration the maturity match between its assets and liabilities and keeps liquid assets in order to fully meet the liquidity requirements that may emerge in case of market volatility.

**Information on the use of stress testing:**

Department of Risk Management implements stress testing according to Liquidity and Funding Risk Policy approved by the Board of Directors on a weekly basis. These stress tests are based on the scenarios of the deposit outflow, funds obtained from bonds issued will outflow and banks limits will not be used during a 14-day period, the results are included in the presentation of ALCO on a weekly basis and in the Presentation of Risk Committee on a monthly basis. In this way, the Bank's funding structure is closely monitored and actions are taken on behalf of existing risk management.

Alternative funding sources are identified in case of need. ALCO members are responsible for taking actions against short-term liquidity shocks. In the case of a crisis or if deemed necessary, ALCO summon a meeting and take necessary actions immediately. These action plans are approved by the Board of Directors under the ICAAP. The Bank reviews resources that are available in any emergency situation constantly and takes into consideration the results of the above-mentioned stress testing and scenario analysis by the early warning system.

Liquidity ratio as per BRSA's "Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks", published in the Official Gazette numbered 28948, dated 21 March 2014, is required to be 80% for foreign currency assets/liabilities and 100% for total assets/liabilities effective from 1 January 2019.

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VI. Explanations on liquidity risk and liquidity coverage ratio (continued)

Current Period	Total Unweighted Value *		Total Weighted Value *	
	TL+FC	FC	TL+FC	FC
<b>HIGH-QUALITY LIQUID ASSETS</b>				
1 Total high-quality liquid assets (HQLA)			11.799.883	8.797.945
<b>CASH OUTFLOWS</b>				
2 Deposits from natural persons and retail deposits	30.682.995	13.187.102	2.850.120	1.318.710
3 Stable deposits	4.363.585	--	218.179	--
4 Less stable deposits	26.319.410	13.187.102	2.631.941	1.318.710
5 Unsecured funding except for retail deposits and deposits from natural persons, of which:	10.607.742	4.966.791	7.369.509	3.382.245
6 Operational deposits	--	--	--	--
7 Non-Operational deposits	5.396.773	2.554.019	2.158.709	1.021.608
8 Other unsecured funding	5.210.969	2.412.772	5.210.800	2.360.637
9 Secured funding	--	--	186.027	186.027
10 Other cash outflows	5.042.588	781.044	832.231	552.035
11 Outflows related to derivative exposures and other collateral requirements	529.252	503.987	529.252	503.987
12 Outflows related to restructured financial instruments	--	--	--	--
13 Payment commitments granted for debts to financial markets and other off- balance sheet commitments	4.513.336	277.057	302.979	48.048
14 Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15 Other irrevocable or conditionally revocable off-balance sheet obligations	32.110	22	32.110	22
16 TOTAL CASH OUTFLOWS			11.269.997	5.439.038
<b>CASH INFLOWS</b>				
17 Secured receivables	12.113	12.113	11.181	11.181
18 Unsecured receivables	7.356.385	3.705.063	5.512.341	3.528.164
19 Other cash inflows	451.469	314.129	440.640	301.324
20 TOTAL CASH INFLOWS	7.819.967	4.031.304	5.964.162	3.840.670
21 TOTAL HQLA			11.799.883	8.797.945
22 TOTAL NET CASH OUTFLOWS			5.083.587	1.935.691
23 LIQUIDITY COVERAGE RATIO (%)			232,12	454,51

\* The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

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VI. Explanations on liquidity risk and liquidity coverage ratio (continued)

Prior Period	Total Unweighted Value *		Total Weighted Value *	
	TL+FC	FC	TL+FC	FC
<b>HIGH-QUALITY LIQUID ASSETS</b>				
1 Total high-quality liquid assets (HQLA)			8.888.136	7.666.173
<b>CASH OUTFLOWS</b>				
2 Deposits from natural persons and retail deposits	20.592.932	10.238.467	1.935.780	1.023.839
3 Stable deposits	2.470.004	-	123.500	-
4 Less stable deposits	18.122.928	10.238.467	1.812.280	1.023.839
5 Unsecured funding except for retail deposits and deposits from natural persons, of which:	5.171.424	2.840.653	3.293.914	1.561.379
6 Operational deposits	-	-	-	-
7 Non-Operational deposits	3.129.184	2.128.377	1.251.674	851.351
8 Other unsecured funding	2.042.240	712.276	2.042.240	710.028
9 Secured funding	-	-	263.453	263.453
10 Other cash outflows	3.306.274	939.291	667.114	426.034
11 Outflows related to derivative exposures and other collateral requirements	446.480	358.583	446.480	358.582
12 Outflows related to restructured financial instruments	-	-	-	-
13 Payment commitments granted for debts to financial markets and other off-balance sheet commitments	2.859.794	580.708	220.634	67.452
14 Other revocable off-balance sheet commitments and other contractual obligations	-	-	-	-
15 Other irrevocable or conditionally revocable off-balance sheet obligations	20.431	150	20.431	150
16 TOTAL CASH OUTFLOWS			6.180.692	3.274.856
<b>CASH INFLOWS</b>				
17 Secured receivables	24.022	24.022	21.663	21.663
18 Unsecured receivables	3.202.403	1.331.867	2.224.316	1.242.642
19 Other cash inflows	558.783	535.601	368.311	345.130
20 TOTAL CASH INFLOWS	3.785.208	1.891.490	2.614.290	1.609.435
21 TOTAL HQLA			8.888.136	7.666.173
22 TOTAL NET CASH OUTFLOWS			3.566.402	1.675.273
23 LIQUIDITY COVERAGE RATIO (%)			249,22	457,61

\* The average of last three months\* liquidity coverage ratio calculated by weekly simple averages.

The table below shows the lowest, highest and average Liquidity Coverage Ratio in the period of the 1 October - 31 December 2022 period.

<b>Current</b>					
<b>Period</b>	<b>Highest</b>	<b>Date</b>	<b>Lowest</b>	<b>Date</b>	<b>Average</b>
TL+FC	592,62%	19/12/2022	132,83%	01/10/2022	244,51%
FC	1410,89%	20/12/2022	147,72%	03/10/2022	513,92%
<b>Prior</b>					
<b>Period</b>	<b>Highest</b>	<b>Date</b>	<b>Lowest</b>	<b>Date</b>	<b>Average</b>
TL+FC	378,05%	07/12/2021	179,71%	22/10/2021	245,01%
FC	867,04%	23/11/2021	259,53%	11/11/2021	494,56%

The Bank implements the calculation in accordance with the Regulation of Liquidity Coverage Ratio Calculation of Banks dated 21 March 2014 and numbered 28948 published in the Official Gazette. As per the related regulation high quality liquid assets are mainly securities portfolio, cash assets and reserve requirements. The important factors affecting the results of the liquidity coverage ratio are the changes in the remaining maturities of the items and changes in the amounts of deposits and money market transactions, the remaining maturities of which are less than 30 days. Deposits form a significant portion of the Bank's sources of funds, on the other hand bonds issued, money market borrowings, funds provided from abroad are other important sources of funding.

The Bank calculates the transactions with the possibility of cash outflow and collateral completion arising from derivative transactions, taking into account the 24 month averages within the scope of the relevant regulation.

According to the Regulation on Banks' Liquidity Coverage Ratio Calculation, the liquidity ratio must be at least 80% for foreign currency and 100% for total. Utmost care is taken to comply with these ratios and there is no incompatibility.

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VI. Explanations on liquidity risk and liquidity coverage ratio (continued)  
Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated**	Total
<b>Assets</b>								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	4.811.293	10.206.234	--	--	--	--	--	15.017.527
Banks	930.752	1.550.359	--	--	--	--	--	2.481.111
Financial Assets at Fair Value Through Profit or Loss(*)	12.684	822.113	290.107	312.448	1.799	6	--	1.439.157
Interbank Money Market Placements	--	1.636.551	--	--	--	--	--	1.636.551
Financial Assets at Fair Value Through Other Comprehensive Income	4.897	995.476	161.404	62.552	2.136.346	1.780.235	--	5.140.910
Loans (**)	--	9.004.336	11.493.171	12.981.981	4.194.502	1.379.813	(624.845)	38.428.958
Financial Assets Measured at Amortized Cost	--	9.864	630.375	1.187.853	4.909.761	328.121	--	7.065.974
Other Assets(***)	--	--	--	--	--	--	2.898.552	2.898.552
<b>Total Assets</b>	<b>5.759.626</b>	<b>24.224.933</b>	<b>12.575.057</b>	<b>14.544.834</b>	<b>11.242.408</b>	<b>3.488.175</b>	<b>2.273.707</b>	<b>74.108.740</b>
<b>Liabilities</b>								
Bank Deposits	660.705	1.238.850	6.073.119	--	--	--	--	7.972.674
Other Deposits	8.000.630	22.616.282	7.894.848	172.805	201.596	--	--	38.886.161
Funds Borrowed from Other Financial Institutions	--	--	(477)	3.179.689	--	--	--	3.179.212
Interbank Money Market Received	--	1.349.852	2.120.013	--	--	--	--	3.469.865
Marketable Securities Issued(****)	--	3.702.499	1.208.038	--	4.444.286	--	--	9.354.823
Sundry Creditors	--	1.415.160	--	--	--	--	--	1.415.160
Other Liabilities (*****)	--	322.967	493.433	268.228	93.812	1.873	8.650.532	9.830.845
<b>Total Liabilities</b>	<b>8.661.335</b>	<b>30.645.610</b>	<b>17.788.974</b>	<b>3.620.722</b>	<b>4.739.694</b>	<b>1.873</b>	<b>8.650.532</b>	<b>74.108.740</b>
<b>Net Liquidity Surplus / (Gap)</b>	<b>(2.901.709)</b>	<b>(6.420.677)</b>	<b>(5.213.917)</b>	<b>10.924.112</b>	<b>6.502.714</b>	<b>3.486.302</b>	<b>(6.376.825)</b>	<b>--</b>
<b>Net Off-Balance Sheet Position</b>	<b>--</b>	<b>706.247</b>	<b>140.225</b>	<b>189.334</b>	<b>2.675</b>	<b>--</b>	<b>--</b>	<b>1.038.481</b>
Derivative Financial Assets	--	32.242.402	23.407.184	5.025.055	798.051	--	--	61.472.692
Derivative Financial Liabilities	--	31.536.155	23.266.959	4.835.721	795.376	--	--	60.434.211
<b>Non-Cash Loans</b>	<b>--</b>	<b>52.100</b>	<b>89.701</b>	<b>208.585</b>	<b>58.351</b>	<b>337.224</b>	<b>--</b>	<b>745.961</b>
<b>Prior Period</b>								
<b>Total Assets</b>	<b>3.997.487</b>	<b>14.876.344</b>	<b>4.923.360</b>	<b>8.010.993</b>	<b>10.006.885</b>	<b>1.615.375</b>	<b>1.731.815</b>	<b>45.162.259</b>
<b>Total Liabilities</b>	<b>6.592.652</b>	<b>20.944.558</b>	<b>6.743.507</b>	<b>1.099.685</b>	<b>2.896.967</b>	<b>3.835.695</b>	<b>3.049.195</b>	<b>45.162.259</b>
<b>Net Liquidity Gap</b>	<b>(2.595.165)</b>	<b>(6.068.214)</b>	<b>(1.820.147)</b>	<b>6.911.308</b>	<b>7.109.918</b>	<b>(2.220.320)</b>	<b>(1.317.380)</b>	<b>--</b>
<b>Net Off-Balance Sheet Position</b>	<b>--</b>	<b>(147.538)</b>	<b>(68.599)</b>	<b>(328.423)</b>	<b>49.293</b>	<b>--</b>	<b>--</b>	<b>(495.267)</b>
Derivative Financial Assets	--	12.627.059	10.400.092	4.679.844	1.294.202	--	--	29.001.197
Derivative Financial Liabilities	--	12.774.597	10.468.691	5.008.267	1.244.909	--	--	29.496.464
<b>Non-Cash Loans</b>	<b>--</b>	<b>59.468</b>	<b>138.155</b>	<b>405.373</b>	<b>49.009</b>	<b>352.172</b>	<b>--</b>	<b>1.004.177</b>

(\*) Includes derivatives financial assets.  
(\*\*) Non-performing loans net-off related expected credit losses and expected credit losses for stage 1 and stage 2 loans are presented in “unallocated” column.  
(\*\*\*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short term such as tangible assets, stationary supplies and prepaid expenses are included in this column.  
(\*\*\*\*) Securities issued as subordinated loan classified under “Subordinated debt- Other debt instruments” in the balance sheet are also included.  
(\*\*\*\*\*) Shareholders' equity and provisions are classified in other liabilities in unallocated column.

Contractual maturity analysis of liabilities according to remaining maturities

Current Period	Carrying Values	Gross Nominal		Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and
		Outflows							Over
Bank Deposits	7.972.674	8.011.591	660.705	1.239.282	6.111.604	--	--	--	--
Other Deposits	38.886.161	39.190.037	8.000.612	22.698.733	8.077.297	184.567	228.828	--	--
Money Market Funds	3.469.865	3.488.332	--	1.350.640	2.137.692	--	--	--	--
Securities Issued	4.810.878	4.968.210	--	3.718.210	1.250.000	--	--	--	--
Funds Borrowed	3.179.212	3.481.909	--	--	57.811	3.424.098	--	--	--
Subordinated Debts	4.543.945	6.621.321	--	--	145.136	217.703	6.258.482	--	--
<b>Total</b>	<b>62.862.735</b>	<b>65.761.400</b>	<b>8.661.317</b>	<b>29.006.865</b>	<b>17.779.540</b>	<b>3.826.368</b>	<b>6.487.310</b>	<b>--</b>	<b>--</b>

Prior Period	Carrying Values	Gross Nominal		Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and
		Outflows							Over
Bank Deposits	6.386.358	6.527.881	143.375	2.340.736	4.043.770	--	--	--	--
Other Deposits	24.614.034	24.724.884	6.449.277	15.850.884	2.093.156	154.249	43.607	133.711	--
Money Market Funds	712.740	712.796	--	412.797	--	--	--	--	--
Securities Issued	2.646.236	2.857.211	--	78.639	--	78.639	2.699.933	--	--
Funds Borrowed	523.577	559.971	--	1.395	196.215	152.730	209.632	--	--
Subordinated Debts	3.790.148	5.014.301	--	--	131.472	131.472	1.051.773	3.699.584	--
<b>Total</b>	<b>38.673.093</b>	<b>40.397.044</b>	<b>6.592.652</b>	<b>18.684.451</b>	<b>6.464.613</b>	<b>517.090</b>	<b>4.004.945</b>	<b>3.833.295</b>	<b>--</b>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
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VII. Explanations on leverage level

The table of leverage level calculated in accordance with the Regulation on Assessment and Calculation of Banks' Leverage Level published in the Official Gazette numbered 28812 and dated 5/11/2013 shown below.

As of 31 December 2022, Bank's unconsolidated leverage ratio calculated in accordance with the "Regulation on Assessment and Calculation of Banks' Leverage Level" is 7,55%. Minimum leverage ratio has to be 3% according to the regulation.

	Balance sheet assets	Current Period(*)	Prior Period(*)
1	Balance sheet items (excluding derivative financial instruments and credit derivatives but including collaterals)	60.785.901	32.827.168
2	(Assets deducted in determining Tier 1 capital)	(1.023.336)	(303.372)
3	Total balance sheet risks (sum of lines 1 and 2)	59.762.565	32.523.796
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative financial instruments and credit derivatives	817.230	812.942
5	Potential credit risk associated with all derivative financial instruments and credit derivatives	494.159	214.940
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	1.311.389	1.027.882
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (except for on-balance sheet)	1.475.280	190.879
8	Risks from brokerage activities related exposures	--	--
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	1.475.280	190.879
Off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	9.446.707	7.149.514
11	(Adjustments for conversion to credit equivalent amounts)	--	--
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	9.446.707	7.149.514
Capital and total risks			
13	Tier 1 capital	5.417.474	2.541.584
14	Total risks (sum of lines 3, 6, 9 and 12)	71.995.941	40.892.071
Leverage ratio			
15	Leverage ratio	7,55	6,25

(\*)Represents three-month average amounts.

(\*\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VIII. Explanation on presentation of assets and liabilities at their fair values

Valuation methods of the financial instruments valued with their fair value are shown below.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Current Period				
Financial assets	49.613.962	26.972.307	49.933.201	26.886.882
Money market placements	1.636.551	128.720	1.636.551	128.720
Due from banks	2.481.111	1.500.311	2.481.111	1.500.311
Financial assets measured at amortized cost	7.067.342	3.230.721	7.288.338	3.158.346
Loans	38.428.958	22.112.555	38.527.201	22.099.505
Financial liabilities	60.808.030	38.904.109	60.808.030	38.904.109
Interbank deposits	7.972.674	6.386.358	7.972.674	6.386.358
Other deposits	38.886.161	24.614.034	38.886.161	24.614.034
Funds provided from other financial institutions	3.179.212	523.577	3.179.212	523.577
Marketable securities issued (*)	9.354.823	6.436.384	9.354.823	6.436.384
Miscellaneous payables	1.415.160	943.756	1.415.160	943.756

(\*)Securities issued as subordinated loan classified under “Subordinated debt - Other debt instruments” in the balance sheet are included.

Fair value of fixed rate loans is calculated by discounting the future cash flows with current market prices. Book value of floating rate loans refer to their fair value.

Fair value of other asset and liabilities is measured as amortised cost of the financial asset or liability calculated by effective interest rate method.

Current Period	1st Level TL		2nd Level TL		3rd Level TL	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets						
Financial Assets Measured at Fair Value through Profit and Loss	329.490	192.470	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	5.140.910	2.077.753	--	--	--	--
Derivative Financial Assets	--	--	1.109.667	1.271.860	--	--
Loans Measured at Fair Value through Profit and Loss	--	--	--	--	--	--
Total	5.470.400	2.270.223	1.109.667	1.271.860	--	--
Financial Liabilities						
Derivative Financial Liabilities	--	--	561.940	1.678.396	--	--
Total	--	--	561.940	1.678.396	--	--

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

IX. Explanation on transactions carried out on behalf of customers and fiduciary activities

None.

X. Explanations on securitisations positions

The Bank does not have any securitization positions as of balance sheet date.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
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**XI.**

**Explanations on risk management objectives and policies**

**The Bank's risk management approach:**

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation techniques; but only financial collaterals consisting of cash blockages are used.

Risk Management System refers to the Board of Directors, the Audit Committee, the Risk Management Committee, the Asset-Liability Committee and the Risk Management Department which have been composed in order to manage systemic risks that the Bank is exposed to. The Board of Directors is the owner of the Bank's Risk Management System and ensures the establishment of an effective, sufficient and appropriate risk management system as well as the continuity of the system. The main objective of the Bank's Risk Management System is to identify, measure, monitor and control the risks that the Bank is exposed to, by determining the policies, limits and procedures to control, to monitor, and if necessary to change the risk-return structure of the Bank's future cash flows, the level and the quality of related activities.

As part of the Risk Management System, the Asset and Liability Committee presentation is prepared on a weekly basis and the Risk Committee and the Board of Directors presentations are prepared on a monthly basis. The presentations mainly consist of the Bank's financial statements, profit and loss analysis, credit risk, market risk, liquidity risk, concentration risk, interest rate risk due to banking book, and operational risk as well as the risk that the Bank is currently exposed to or possible risks.

The Board of Directors of the Bank delegated the authorization related to the hedge accounting to the Asset and Liability Committee with the condition of providing regular information. At the same time the Bank has organized credit policies and risk mitigation policies due to credit risk. All processes of the Bank are controlled by the Bank's Internal Control Department's control matrices regularly and are subject to supervision by the Internal Audit Department at the same time.

The Bank uses credit rating models and/or decision trees and rating systems using financial and non-financial data for loan customers as a risk measurement system. Market risk measures are calculated within the scope of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks and using only internal model and market data for intra-bank use. In addition to these, risks are measured and reported with regular stress tests. Three stress tests (base, negative, extremely negative) are performed on a yearly basis, stress tests are performed on a monthly basis for market risk and counter party credit risk, stress tests are performed on a weekly basis for interest rate risk and liquidity risk by Risk Management Department of Bank and then they are shared with senior management in the ALCO and the Risk Committee meetings.

Periodic reports about liquidity risk, interest risk, securities portfolio, credit risk, customer concentration, sectorial concentration, collateral structure and capital adequacy are reported to the Board of Directors and senior management.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

XI. Explanations on risk management objectives and policies (continued)

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 31 March 2016. As the Bank uses the standard approach for the calculation of capital adequacy, the following tables those have to be disclosed in accordance with the Communiqué on an annual basis were not presented by the Bank as of 31 December 2022:

- RWA flow statements of credit risk exposures under IRB (Internal Ratings Based)
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an Internal Model Approach (IMA)
- Qualitative disclosures related to IRB models
- IRB - Credit risk exposures by portfolio and PD range
- IRB - Effect on RWA of credit derivatives used as CRM techniques
- IRB - Backtesting of probability of default (PD) per portfolio
- IRB (specialised lending and equities under the simple risk weight method)
- CCR exposures by portfolio and PD scale
- Quantitative disclosures related to IRB models
- Internal model approach for trade account

a. Overview of Risk Weighted Amounts

	Risk Weighted Amounts		Minumum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	38.826.851	21.905.246	3.106.148
2 Of which standardised approach (SA)	38.826.851	21.905.246	3.106.148
3 Of which internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk	3.470.184	759.731	277.615
5 Of which standardised approach for counterparty credit risk (SA-CCR)	3.470.184	759.731	277.615
6 Of which internal model method (IMM)	--	--	--
7 Equity position in banking book under basic risk weighting or internal rating-based	--	--	--
8 Equity investments in funds - look-through approach	1.095.795	536.921	87.664
9 Equity investments in funds - mandate-based approach	--	--	--
10 Equity investments in funds - 1250% risk weighting approach	--	--	--
11 Settlement risk	2.088	148	167
12 Securitisation exposures in banking book	34.343	--	2.747
13 Of which IRB ratings-based approach (RBA)	--	--	--
14 Of which IRB supervisory formula approach (SFA)	--	--	--
15 Of which SA/simplified supervisory formula approach (SSFA)	--	--	--
16 Market risk	918.125	507.688	73.450
17 Of which standardised approach (SA)	918.125	507.688	73.450
18 Of which internal model approaches (IMM)	--	--	--
19 Operational risk	2.725.578	2.169.187	218.046
20 Of which basic indicator approach	2.725.578	2.169.187	218.046
21 Of which standardised approach	--	--	--
22 Of which advanced measurement approach	--	--	--
23 Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	--	--	--
24 Floor adjustment	--	--	--
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	47.072.964	25.878.921	3.765.837

(\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

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XI. Explanations on risk management objectives and policies (continued)

b) Differences and matching between asset and liabilities’ carrying values in financial statements and risk amounts in capital adequacy calculation

Current Period	Carrying values of items in accordance with Turkish Accounting Standards					Not subject to capital requirements or subject to deduction from capital
	Carrying values in financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	Subject to market risk (**)	
Assets						
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	15.017.527	15.017.527	--	--	--	--
Banks	2.481.111	2.481.111	--	--	--	--
Money Markets Placements	1.636.551	1.636.551	--	--	--	--
Financial Assets Measured at Fair Value Through Profit or Loss	329.490	--	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	5.140.910	5.140.910	1.761.213	--	--	--
Financial Assets Measured at amortized cost	7.067.342	7.067.342	1.515.784	--	--	--
Derivative financial assets	1.109.667	--	845.398	--	1.109.667	--
Expected Credit Losses (-)	(4.551)	(4.551)	--	--	--	--
Loans (net)	38.428.958	38.429.766	--	--	--	--
Assets Held for Sale and Assets of Discontinued Operations(net)	24.609	24.609	--	--	--	--
Investment in Associates (net)	841.588	166.215	--	--	--	--
Investment in Subsidiaries (net)	125.420	125.420	--	--	--	--
Joint-Ventures (net)	--	--	--	--	--	--
Tangible Assets (net)	692.330	692.330	--	--	--	--
Intangible Assets (net)	243.640	--	--	--	--	919.013
Investment Property (net)	--	--	--	--	--	--
Tax Asset	490.610	490.611	--	--	--	--
Other Assets	483.538	270.818	--	--	--	211.911
Total Assets	74.108.740	71.538.659	4.122.395	--	1.109.667	1.130.924
Liabilities						
Deposits	46.858.835	--	--	--	--	46.858.835
Funds Borrowed	3.179.212	--	--	--	--	3.179.212
Money Market Funds	3.469.865	--	1.124.703	--	2.345.162	3.469.865
Securities Issued	4.810.878	--	--	--	--	4.810.878
Funds	--	--	--	--	--	--
Financial Liabilities at Fair Value Through Profit or Loss	--	--	--	--	--	--
Derivative financial liabilities	561.940	--	--	--	561.940	561.940
Factoring Payables	--	--	--	--	--	--
Lease Payables	141.527	--	--	--	--	141.527
Provisions	1.621.365	--	--	--	--	--
Tax Liability	500.587	--	--	--	--	505.892
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--	--
Subordinated Debts	4.543.945	--	--	--	--	--
Other liabilities	1.903.848	--	--	--	--	1.903.848
Shareholders’ Equity	6.516.738	--	--	--	--	6.518.208
Total Liabilities	74.108.740	--	1.124.703	--	2.907.102	67.950.205

(\*) Unconsolidated Financial Statements of the Bank  
(\*) Disclosed based on gross amounts of the securities.  
(\*\*) Disclosed based on gross position amounts subject to general market risk and specific risk.

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

XI. Explanations on risk management objectives and policies (continued)

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

	Carrying values of items in accordance with Turkish Accounting Standards					Not subject to capital requirements or subject to deduction from capital
	Carrying values in financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	Subject to market risk (**)	
Prior Period						
Assets						
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	12.914.660	12.914.660	--	--	--	--
Banks	1.500.311	1.500.311	--	--	--	--
Money Markets Placements	128.720	128.720	--	--	--	--
Financial Assets Measured at Fair Value Through Profit or Loss	192.470	536.922	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.077.753	2.077.753	622.641	--	--	--
Financial Assets Measured at amortized cost	3.230.721	3.230.721	--	--	--	--
Derivative financial assets	1.271.860	--	703.298	--	1.271.860	--
Non-performing Financial Assets	(2.211)	(2.211)	--	--	--	--
Loans (net)	22.112.555	22.112.555	--	--	--	--
Assets Held for Sale and Assets of Discontinued Operations(net)	182.161	182.161	--	--	--	--
Investment in Associates (net)	--	--	--	--	--	--
Investment in Subsidiaries (net)	117.945	117.945	--	--	--	--
Joint-Ventures (net)	--	--	--	--	--	--
Tangible Assets (net)	414.389	414.389	--	--	--	--
Intangible Assets (net)	106.531	--	--	--	--	106.531
Investment Property (net)	--	--	--	--	--	--
Tax Asset	310.896	310.896	--	--	--	--
Other Assets	603.498	482.853	--	--	--	120.645
Total Assets	45.162.259	44.007.675	1.325.939	--	1.271.860	227.176
Liabilities						
Deposits	31.000.392	--	--	--	--	31.000.392
Funds Borrowed	523.577	--	--	--	--	523.577
Money Market Funds	712.740	--	712.740	--	--	712.740
Securities Issued	2.646.236	--	--	--	--	2.646.236
Funds	--	--	--	--	--	--
Financial Liabilities at Fair Value Through Profit or Loss	--	--	--	--	--	--
Derivative financial liabilities	1.678.396	--	--	--	1.678.396	1.678.396
Factoring Payables	--	--	--	--	--	--
Lease Payables	48.959	--	--	--	--	48.959
Provisions	404.907	--	--	--	--	--
Tax Liability	288.652	--	--	--	--	288.652
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--	--
Subordinated Debts	3.790.148	--	--	--	--	--
Other liabilities	1.722.639	--	--	--	--	1.722.639
Shareholders' Equity	2.345.613	--	--	--	--	2.345.613
Total Liabilities	45.162.259	--	712.740	--	1.678.396	40.967.204

(\*) Unconsolidated Financial Statements of the Bank

(\*) Disclosed based on gross amounts of the securities.

(\*\*) Disclosed based on gross position amounts subject to general market risk and specific risk.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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### XI. Explanations on risk management objectives and policies (continued)

#### c) The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

	Total	Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework(*)
<b>Current Period</b>					
1 Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial Statements"	74.108.740	71.538.659	--	4.122.395	1.109.667
2 Carrying value of liabilities that are subjected to counterparty credit risk as per TAS	--	--	--	1.124.703	2.907.102
3 Total Net Amount	74.108.740	71.538.659	--	2.997.692	(1.797.435)
4 Off-balance sheet amounts(**)	9.368.857	8.827.688	--	541.169	541.169
5 Valuation differences	--	--	--	--	--
6 Differences due to different netting rules	--	--	--	--	2.174.391
7 Differences due to consideration of provisions	--	--	--	--	--
8 Differences resulted from the BRSA's applications	--	--	--	--	--
9 Differences due to risk mitigation	--	--	--	1.124.703	--
10 Risk Amounts	83.477.597	80.366.347	--	4.663.564	918.125

(\*) Risk amounts include financial instruments in trading accounts as per to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and market risk due to calculated capital requirement for currency risk.

(\*\*) Off-balance sheet amounts subject to capital adequacy ratio calculation.

(\*\*\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

	Total	Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework(*)
<b>Prior Period</b>					
1 Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial Statements"	45.162.259	44.007.675	--	1.325.939	1.271.860
2 Carrying value of liabilities that are subjected to counterparty credit risk as per TAS	--	--	--	712.740	1.678.396
3 Total Net Amount	45.162.259	44.007.675	--	613.199	(406.536)
4 Off-balance sheet amounts(**)	25.593.447	7.238.636	--	18.354.811	18.354.811
5 Valuation differences	--	--	--	--	--
6 Differences due to different netting rules	--	--	--	--	(17.440.587)
7 Differences due to consideration of provisions	--	--	--	--	--
8 Differences resulted from the BRSA's applications	--	--	--	(18.139.686)	--
9 Differences due to risk mitigation	--	--	--	712.740	--
10 Risk Amounts	70.755.706	51.246.311	--	1.541.064	507.688

(\*) Risk amounts include financial instruments in trading accounts as per to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and market risk due to calculated capital requirement for currency risk.

(\*\*) Off-balance sheet amounts subject to capital adequacy ratio calculation.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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### XI. Explanations on risk management objectives and policies (continued)

#### Explanation on the differences between the risk amounts and the amounts assessed in accordance

##### With TAS in the financial statements:

##### Disclosures regarding differences between amounts valued according to TAS and risk exposures

The differences between the amounts assessed under TAS and the amounts after risk reduction in transactions subject to counterparty credit risk stem from the addition of potential risk amounts to the renewal costs of derivative transactions subject to the CPR and the volatility adjustments for repo / reverse repo transactions. Funds provided to differences arising from risk reduction are also included by opening separate line for them.

Valuations of securities subject to market risk in accordance with TAS represent the fair value of held for trading financial instruments. On the other hand, the values in the risk amount line represents the amount subject to market risk based on the capital requirements calculated for the losses arising due factors such as interest rate risk of the market risk, equity price risk, currency risk in accordance with the "Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio".

If financial instruments that are accounted for at their fair value are traded in an active market, the valuation is based on that market price. The TL borrowing instruments in the held for trading securities portfolio comprise of government securities. These securities are evaluated at the weighted average trading price in the Istanbul Stock Exchange. For TL securities that are not traded, the market price is calculated based on the CBRT prices. For the FX securities in the same portfolio, the average of purchase and sale quotations in the market are considered as the market price. Derivative financial instruments are evaluated using the discounted cash flow model using market data. Input data used in evaluations using market value and/or valuation methods are periodically checked for validity and independence.

#### Information on Credit Risk

##### General Qualitative Information on Credit Risk:

The Bank's credit risk management policies are established in line with the strategy approved by the Board of Directors in accordance with the related regulations and are based on prudence, sustainability and the customers' credit worthiness principles.

The limits are set in accordance with the Risk Policies by the Board of Directors based on the Bank's risk appetite. In accordance with the determined risk limits, the authorizations and sub-authorizations are done by the Credit Policies which is in line with the determined limits. Special attention is given to ensure that the limits are in line with market expectations and the Bank's strategies.

Credit rating models and decision trees are used in the credit underwriting processes in accordance with the risk appetite, credit policies set by the Bank and the targets of the Bank. The grading of all customers except for individual credit customers by the Bank is essential. The individual loan portfolio is managed via an automated decision trees.

Customer selection is carried out in accordance with policies and strategies of the Bank and is based on the ability to pay on time and the cash flows expected to be received from its operations independent from guarantees, sureties and pledged assets. When needed; it is mandatory for the Bank to obtain appropriate collateral in line with the source of the payment for the repayment of the credit from the customers to ensure that their obligations arising from the credit are met on time and in full. The main purpose of collateralization of any loan is to minimize the credit, foreign exchange and maturity risks. In this context, a minimum collateral margin is determined by taking into account the collateral quality and the collection expectations given default and it is ensured that the appropriate collateral is obtained based on the credit type. Before a credit relationship is established with a customer, an analysis and intelligence collection are carried out in order to measure the creditworthiness of the customers. Before the credit decisions; the customer is examined and evaluated with an analysis for factors that have affected its past, present and future performances and any other factors (financial and non-financial data) that may affect its past, present and future performances.

Credit risk is encountered when the counterparty is unable to fulfill its obligations defined with the agreement. All credit risk bearing banking products are managed with prudent credit policies and procedures in the Bank. The credit quality of the counterparty is evaluated with an internal rating score in all corporate, commercial and SME credit transactions. In order to monitor the credit risk, internal limits are determined on the basis of sector, maturity, customer and internal rating to avoid the risk of concentration.

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**XI. Explanations on risk management objectives and policies (continued)**

**Information on Credit Risk**

**General Qualitative Information on Credit Risk (continued):**

Credit risk management is a process in which credit risks are assessed and monitored in a consistent manner, besides all credit portfolios are included on a consolidated basis. Credit risk is managed on the basis of portfolios, risk / return balance and asset quality of the Bank, and the credit risk is governed by the principles contained in the policy documents. In addition, credit-based evaluation, underwriting and follow-up are carried out by the units in the Loans group within the framework of the relevant processes. Loans proposals are evaluated by the credit units of the Headquarters, if necessary, within the framework of the level of authority based on the determined amount and finalized the loan proposal by the Credit Committee and the Board of Directors.

The units carry out their risk management activities in accordance with the risk appetite and capacity of the Bank through the use of risk measurement and management tools within the policies established by the Board of Directors. In this context, the organizational structure for credit risk management and control functions is detailed as follows the units included in the scope of Credit Risk Management are Corporate Loans, Commercial Loans Allocation, Credit Monitoring and Collection Department and Risk Analysis Department. Decisions on credit policies are taken by the Credit Committee.

Allocated credit limits and usages, exceeded limits, assessments of large risks and overdue loans are regularly reported to the senior management.

In the course of credit risk management, the Risk Management Department conducts monitoring and reporting of internal concentration limits. It is ensured that the policies related to the concentration risk management are prepared and processed within the policies of allocation, monitoring, limit monitoring and management. Regular reporting on the cost of the loan and the development of the following loans is made. In addition, stress test and scenario analysis studies related to the loan portfolio are carried out within the scope of ICAAP.

The evaluation of the internal systems established to cover all branches and units and the maintenance of the continuity of functioning, competence and efficiency are among the highest priorities of the Bank's Board of Directors. Within the scope of internal systems, the duties and responsibilities of the Board of Directors, Internal Audit, Internal Control and Operational Risk and Risk Management activities are carried out by the Audit Committee.

**Credit Quality of Assets**

Current Period	Gross carrying values in accordance with Turkish Accounting Standards (TAS) in financial statements prepared in accordance with statutory consolidation		Allowances/ amortisation and impairments	Net value
	Defaulted	Non-defaulted		
1 Loans	665.426	39.053.803	1.290.271	38.428.958
2 Debt securities Off-balance sheet	--	12.532.845	3.766	12.529.079
3 exposures	22.751	10.387.761	19.290	10.391.222
<b>4 Total</b>	<b>688.177</b>	<b>61.974.409</b>	<b>1.313.327</b>	<b>61.349.259</b>

Prior Period	Gross carrying values in accordance with Turkish Accounting Standards (TAS) in financial statements prepared in accordance with statutory consolidation		Allowances/ amortisation and impairments	Net value
	Defaulted	Non-defaulted		
1 Loans	888.713	22.114.721	890.878	22.112.556
2 Debt securities Off-balance sheet	--	5.496.047	4.768	5.491.279
3 exposures	7.468	9.050.838	9.566	9.048.740
<b>4 Total</b>	<b>896.181</b>	<b>36.661.606</b>	<b>905.212</b>	<b>36.652.575</b>



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XI. Explanations on risk management objectives and policies (continued)

General Qualitative Information on Credit Risk (continued):

Changes in stock of default loans and debt securities

	Current Period	Prior Period
1 Defaulted loans and debt securities at end of the previous reporting period	888.713	619.425
2 Loans and debt securities defaulted since the last reporting period	454.480	953.927
3 Receivables back to non-defaulted status	--	--
4 Amounts written off(*)	104.059	269.476
5 Other changes (**)	(573.708)	(415.163)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	665.426	888.713

(\*) Sales of non-performing loan portfolios are disclosed.

(\*\*) Other changes include collections during the period.

Breakdown of receivables by geographical area, sectors and outstanding maturity:

Breakdown by geographical area:

Loans and Other Receivables	Current Period	Prior Period
Domestic	38.551.629	21.552.903
European Union (EU) Countries	502.042	450.844
OECD Countries	--	5
Off-Shore Banking Regions	--	104.073
USA, Canada	--	9
Other Countries	132	6.887
<b>Total</b>	<b>39.053.803</b>	<b>22.114.721</b>

Sectoral Breakdown:

Loans and Other Receivables	Current Period	Prior Period
<b>Agriculture</b>	<b>1.394.845</b>	<b>449.607</b>
Farming and Stockbreeding	925.980	359.691
Forestry	468.865	89.916
Fishery	--	--
<b>Manufacturing</b>	<b>8.740.445</b>	<b>4.350.293</b>
Mining and Quarrying	2.857.387	864.797
Production	5.271.172	2.596.190
Electricity, Gas and Water	611.886	889.306
<b>Construction</b>	<b>2.029.716</b>	<b>1.123.870</b>
<b>Services</b>	<b>15.613.289</b>	<b>9.085.066</b>
Wholesale and Retail Trade	8.195.690	2.552.502
Accommodation and Dining	2.715.220	3.281.593
Transportation and Telecommunication	1.522.818	1.929.154
Financial Institutions	1.326.208	170.321
Real Estate and Rental Services	461.397	241.486
Self-Employment Services	826.260	452.823
Educational Services	88.028	112.896
Health and Social Services	477.668	344.291
<b>Others</b>	<b>11.275.508</b>	<b>7.105.885</b>
<b>Total</b>	<b>39.053.803</b>	<b>22.114.721</b>

Breakdown by outstanding maturity:

Breakdown by outstanding maturity:

	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 years and over	Total
Current Period	9.004.336	11.493.171	12.981.981	4.194.502	1.379.813	39.053.803
Prior Period	3.387.990	4.667.221	7.093.417	5.765.699	1.200.394	22.114.721

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

XI. Explanations on risk management objectives and policies (continued)

Exposures provisioned against by major regions and sectors and write-offs:

Current Period	Non-performing loans	Specific Provisions	Write-offs
Domestic	665.426	498.895	104.130
European Union (EU) Countries	--	--	--
OECD Countries	--	--	--
Off-Shore Banking Regions	--	--	--
USA, Canada	--	--	--
Other Countries	--	--	--
<b>Total</b>	<b>665.426</b>	<b>498.895</b>	<b>104.130</b>

Prior Period	Non-performing loans	Specific Provisions	Write-offs
Domestic	888.713	382.736	269.476
European Union (EU) Countries	--	--	--
OECD Countries	--	--	--
Off-Shore Banking Regions	--	--	--
USA, Canada	--	--	--
Other Countries	--	--	--
<b>Total</b>	<b>888.713</b>	<b>382.736</b>	<b>269.476</b>

Current Period	Non-performing loans	Specific Provisions	Write-offs
<b>Agriculture</b>	<b>26.467</b>	<b>19.997</b>	<b>712</b>
Farming and Stockbreeding	19.614	14.565	703
Forestry	6.853	5.432	9
Fishery	--	--	--
<b>Manufacturing</b>	<b>91.812</b>	<b>76.608</b>	<b>84</b>
Mining and Quarrying	40.172	36.253	19
Production	46.143	35.206	62
Electricity, Gas and Water	5.497	5.149	3
<b>Construction</b>	<b>161.495</b>	<b>98.015</b>	<b>1.048</b>
<b>Services</b>	<b>205.357</b>	<b>173.960</b>	<b>1.858</b>
Wholesale and Retail Trade	95.367	73.614	895
Accommodation and Dining	4.429	3.665	26
Transportation and Telecommunication	85.054	80.305	204
Financial Institutions	12	12	3
Real Estate and Rental Services	6.143	5.996	8
Self-Employment Services	2.923	2.274	--
Educational Services	2.258	1.404	5
Health and Social Services	9.171	6.690	717
<b>Others</b>	<b>180.295</b>	<b>130.315</b>	<b>100.428</b>
<b>Total</b>	<b>665.426</b>	<b>498.895</b>	<b>104.130</b>

Prior Period	Non-performing loans	Specific Provisions	Write-offs
<b>Agriculture</b>	<b>31.828</b>	<b>22.219</b>	<b>10.198</b>
Farming and Stockbreeding	26.330	18.154	7.940
Forestry	5.498	4.065	2.258
Fishery	--	--	--
<b>Manufacturing</b>	<b>66.876</b>	<b>51.553</b>	<b>35.450</b>
Mining and Quarrying	28.422	22.391	3.445
Production	33.454	24.928	30.726
Electricity, Gas and Water	5.000	4.234	1.279
<b>Construction</b>	<b>448.364</b>	<b>118.952</b>	<b>27.530</b>
<b>Services</b>	<b>235.429</b>	<b>128.128</b>	<b>130.664</b>
Wholesale and Retail Trade	63.362	50.459	60.082
Accommodation and Dining	10.622	7.820	4.456
Transportation and Telecommunication	141.349	52.943	17.440
Financial Institutions	245	141	73
Real Estate and Rental Services	7.026	6.916	2788
Self-Employment Services	617	610	1160
Educational Services	2.318	1424	35.260
Health and Social Services	9.890	7.815	9.405
<b>Others</b>	<b>106.216</b>	<b>61.884</b>	<b>65.634</b>
<b>Total</b>	<b>888.713</b>	<b>382.736</b>	<b>269.476</b>

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XI. Explanations on risk management objectives and policies (continued)

Aging analysis:

	Current Period	Prior Period
Days past due	Amount	Amount
0-30	38.886.680	22.009.583
31-60	110.379	66.760
61-90	56.744	38.379
90+	665.426	888.713
<b>Total</b>	<b>39.719.229</b>	<b>23.003.434</b>

Breakdown of restructured receivables based on whether or not provisions are allocated:

Current Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	--	--	10.298
Not provisioned (*)	--	2.896.777	--
<b>Total</b>	<b>--</b>	<b>2.896.777</b>	<b>10.298</b>

(\*) The Bank calculates stage 1 provisions for performing loans and stage 2 provisions for loans under follow-up.

Prior Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	--	--	4.363
Not provisioned (*)	--	2.929.219	--
<b>Total</b>	<b>--</b>	<b>2.929.219</b>	<b>4.363</b>

(\*) The Bank calculates stage 1 provisions for performing loans and stage 2 provisions for loans under follow-up.

Credit risk mitigation techniques-Overview

Current Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1 Loans	36.198.209	1.465.877	1.459.541	6.336	6.336	--	--
2 Debt Securities	12.529.079	--	--	--	--	--	--
<b>3 Total</b>	<b>48.727.288</b>	<b>1.465.877</b>	<b>1.459.541</b>	<b>6.336</b>	<b>6.336</b>	<b>-</b>	<b>-</b>
4 Of which defaulted	144.986	21.545	21.545	--	--	--	--

(\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

Prior Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1 Loans	19.158.552	1.462.995	1.445.712	17.283	17.283	--	--
2 Debt Securities	5.491.279	--	--	--	--	--	--
<b>3 Total</b>	<b>24.649.831</b>	<b>1.462.995</b>	<b>1.445.712</b>	<b>17.283</b>	<b>17.283</b>	<b>-</b>	<b>-</b>
4 Of which defaulted	386.231	119.746	119.746	--	--	--	--

(\*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

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XI. Explanations on risk management objectives and policies (continued)

Credit risk exposure and credit risk mitigation techniques

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Risk classes						
1 Exposures to sovereigns and their central banks	19.579.534	--	19.585.870	--	--	0,0%
2 Exposures to regional and local governments	73.361	--	73.361	--	36.681	50,0%
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	0,0%
4 Exposures to multilateral development banks	--	--	--	--	--	0,0%
5 Exposures to international organizations	--	--	--	--	--	0,0%
6 Exposures to banks and brokerage houses	5.000.917	23.345	5.000.917	11.530	1.059.106	21,1%
7 Exposures to corporates	14.953.706	609.176	14.952.128	282.578	14.550.935	95,5%
8 Retail exposures	19.984.899	3.686.930	19.980.667	800.867	16.868.862	81,2%
9 Exposures secured by residential property	18.613	72	18.613	14	6.520	35,0%
10 Exposures secured by commercial property	149.509	2.618	149.509	2.618	125.262	82,3%
11 Past-due items	4.321.488	7.278	4.321.488	3.639	6.895.391	159,4%
12 Exposures in high-risk categories	--	--	--	--	--	0,0%
13 Exposures in the form of bonds secured by mortgages	171.714	--	171.714	--	34.343	20,0%
14 Securitization positions	--	--	--	--	--	0,0%
15 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	0,0%
16 Exposures in the form of coll. investment undertakings(*)	1.095.795	--	1.095.795	--	1.095.795	100,0%
17 Other exposures	2.801.387	4.491.985	2.801.387	98.618	1.357.958	46,8%
18 Equity share investments	14.496	--	14.496	--	14.496	100,0%
19 Total	69.301.788	8.827.689	69.301.788	1.203.863	42.689.960	60,5%

(\*)Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, table above contains final values that obtained by using the content methodology.

(\*\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Risk classes						
1 Exposures to sovereigns and their central banks	11.739.653	--	11.756.936	--	--	0,0%
2 Exposures to regional and local governments	122.086	--	122.086	--	61.043	50,0%
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	0,0%
4 Exposures to multilateral development banks	--	--	--	--	--	0,0%
5 Exposures to international organizations	--	--	--	--	--	0,0%
6 Exposures to banks and brokerage houses	2.882.895	6.306	2.882.895	3.128	788.234	27,3%
7 Exposures to corporates	8.116.462	681.162	8.115.126	373.654	8.366.967	98,6%
8 Retail exposures	8.568.478	1.934.238	8.555.929	477.812	7.266.790	80,4%
9 Exposures secured by residential property	30.647	645	29.832	210	10.724	35,7%
10 Exposures secured by commercial property	1.288.589	8.708	1.286.006	5.251	908.778	70,4%
11 Past-due items	502.548	2.466	502.548	2.466	609.187	120,6%
12 Exposures in high-risk categories	2.325.009	1.115	2.325.009	558	3.485.032	149,9%
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	0,0%
14 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	0,0%
15 Exposures in the form of coll. investment undertakings(*)	536.922	--	536.922	--	536.922	100,0%
16 Other exposures	1.869.867	4.603.996	1.869.867	101.998	1.012.185	51,3%
17 Equity share investments	11.444	--	11.444	--	11.444	100,0%
18 Total	37.994.600	7.238.636	37.994.600	965.077	23.057.306	59,2%

(\*)Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, table above contains final values that obtained by using the content methodology.

(\*\*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

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XI. Explanations on risk management objectives and policies (continued)

Exposures by asset classes and risk weights

Current Period													Total Risk Amount (**)
Risk classes/ Risk weight	0%	10%	20%	35%(*)	50%	50%(*)	75%	100%	150%	200%	2%	500%	
1 Exposures to sovereigns and their central banks	19.585.870	--	--	--	--	--	--	--	--	--	--	--	19.585.870
2 Exposures to regional and local governments	--	--	--	--	73.361	--	--	--	--	--	--	--	73.361
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--	--	--	--	--
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organizations	--	--	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to banks and brokerage houses	736.402	--	3.584.503	--	681.558	--	--	1.252	--	--	8.732	--	5.012.447
7 Exposures to corporates	683.771	--	--	--	--	--	--	14.550.935	--	--	--	--	15.234.706
8 Retail exposures	2.129	--	--	--	--	--	15.642.172	5.137.233	--	--	--	--	20.781.534
9 Exposures secured by residential property	--	--	--	18.627	--	--	--	--	--	--	--	--	18.627
10 Exposures secured by commercial property	--	--	--	--	--	990.462	--	149.380	--	--	--	--	1.139.842
11 Past-due items	--	--	--	--	67.708	--	--	70.442	13.977	--	--	--	152.127
12 Exposures in high-risk categories	22	--	--	--	17.256	--	--	3.462	3.489.808	808.102	--	6.477	4.325.127
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--	--	--	--	--
14 Securitization positions	--	--	171.714	--	--	--	--	--	--	--	--	--	171.714
15 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--	--	--	--	--	--
16 Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	1.095.795	--	--	--	--	1.095.795
17 Equity share investments	--	--	--	--	--	--	--	14.496	--	--	--	--	14.496
18 Other Exposures	1.542.047	--	--	--	--	--	--	1.357.958	--	--	--	--	2.900.005
19 Total	22.550.241	--	3.756.217	18.627	839.883	990.462	15.642.172	22.380.953	3.503.785	808.102	8.732	6.477	70.505.651

(\*) After CCF and GRM  
(\*\*) Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, final value obtained by using the content methodology.  
(\*\*\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

Prior Period													Total Risk Amount (**)
Risk classes/ Risk weight	0%	10%	20%	35%(*)	50%	50%(*)	75%	100%	150%	200%	2%	500%	
1 Exposures to sovereigns and their central banks	11.756.936	--	--	--	--	--	--	--	--	--	--	--	11.756.936
2 Exposures to regional and local governments	--	--	--	--	122.086	--	--	--	--	--	--	--	122.086
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--	--	--	--	--
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organizations	--	--	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to banks and brokerage houses	412.624	--	1.504.968	--	962.381	--	--	6.050	--	--	--	--	2.886.023
7 Exposures to corporates	121.812	--	--	--	--	--	--	8.366.968	--	--	--	--	8.488.780
8 Retail exposures	1.299	--	--	--	--	--	7.062.607	1.969.835	--	--	--	--	9.033.741
9 Exposures secured by residential property	--	--	--	29.720	--	--	--	322	--	--	--	--	30.042
10 Exposures secured by commercial property	--	--	--	--	--	764.959	--	526.298	--	--	--	--	1.291.257
11 Past-due items	--	--	--	--	100.279	--	--	96.109	308.626	--	--	--	505.014
12 Exposures in high-risk categories	--	--	--	--	2.604	--	--	1.429	2.321.534	--	--	--	2.325.567
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--	--	--	--	--
14 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--	--	--	--	--	--
15 Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	536.922	--	--	--	--	536.922
16 Equity share investments	--	--	--	--	--	--	--	11.444	--	--	--	--	11.444
17 Other Exposures	959.680	--	--	--	--	--	--	1.012.185	--	--	--	--	1.971.865
18 Total	13.252.351	--	1.504.968	29.720	1.187.350	764.959	7.062.607	12.527.562	2.630.160	--	--	--	38.959.677

(\*) After CCF and GRM  
(\*\*) Content management methodology is used in calculating the risk-weighted amount of investments in the nature of a collective investment organization, and the final value obtained using the content method methodology is included in the table.  
(\*\*\*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 250 business days from the calculation date.

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XI. Explanations on risk management objectives and policies (continued)

Information on credit risk mitigation techniques

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation technique; only financial collaterals consisting of cash blockages are used.

Applications related to the valuation and management of collaterals are defined as follows: Appraisals for the mortgages that are received as collaterals are only performed by the firms that have been approved by the BRSA and licensed by the Capital Markets Board (“CMB”). Appraisal reports for the real estates that are received as collaterals for commercial loans, are renewed each year as long as the risk continues. As a rule, each year a different appraisal firm is preferred. Management of the appraisal process is carried out by the Appraisal & Real Estate Project Finance Unit. Vehicle pledges are followed through their insurance values. Regular investigations are performed for the cheques and bills that are received as collaterals and in case of any negative finding the Bank seeks to replace the collateral.

The Bank’s collaterals are mainly composed of cheques, notes, mortgages, guarantees, vehicle pledges and deposit pledges. The Bank’s credit risk concentration mainly consists of corporate receivables and are followed by receivables that are collateralized with mortgage, SME and retail receivables, respectively.

Exposure Categories *	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Current Period				
Receivables from Central Governments	19.585.870	--	--	6.336
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	73.361	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	--	--	--	--
Receivables from Banks and Brokerage Houses	5.012.447	736.402	--	--
Corporate Receivables	15.234.706	683.933	--	--
Retail Receivables	20.781.534	5.418	--	--
Receivables that are Collateralized by Residential Property	1.158.469	--	1.009.089	--
Past due Receivables	152.127	--	14.342	--
Receivables Defined in High Risk Category by BRSA	4.325.127	22	--	--
Securities Collateralised by Mortgages	--	--	--	--
Securitization positions	171.714	--	--	--
Short-term Receivables from Banks, Brokerage Houses and Corporates	--	--	--	--
Investments Similar to Collective Investment Funds	1.095.795	--	--	--
Equity Share Investment	14.496	--	--	--
Other Receivables	2.900.005	--	--	--
Total	70.505.651	1.425.775	1.023.431	6.336

(\*) Non-cash risks presented above after credit conversion.

(\*\*) Other / Physical Collaterals are shown with full amounts which are possible to be used, in line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques.

Exposure Categories *	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Prior Period				
Receivables from Central Governments	11.756.936	--	--	17.283
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	122.086	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	--	--	--	--
Receivables from Banks and Brokerage Houses	2.886.023	412.624	--	--
Corporate Receivables	8.488.780	121.812	--	--
Retail Receivables	9.033.741	2.629	--	--
Receivables that are Collateralized by Residential Property	1.321.299	--	794.679	--
Past due Receivables	505.014	--	69.184	--
Receivables Defined in High Risk Category by BRSA	2.325.567	--	--	--
Securities Collateralised by Mortgages	--	--	--	--
Short-term Receivables from Banks, Brokerage Houses and Corporates	--	--	--	--
Investments Similar to Collective Investment Funds	536.922	--	--	--
Equity Share Investment	11.444	--	--	--
Other Receivables	1.971.865	--	--	--
Total	38.959.677	537.065	863.863	17.283

(\*) Non-cash risks presented above after credit conversion.

(\*\*) Other / Physical Collaterals are shown with full amounts which are possible to be used, in line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques.

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XI. Explanations on risk management objectives and policies (continued)  
Counterparty credit risk (CCR) approach analysis

Current Period		Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post- CRM	RWA
1	Standardised Approach - CCR (for derivatives)	603.856	386.549	--	1	1.386.567	954.626
2	Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	--	--
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	3.276.997	1.778.344
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	--	--
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	--	--	--	--	--	--
6	<b>Total</b>	<b>603.856</b>	<b>386.549</b>	<b>--</b>	<b>1</b>	<b>4.663.564</b>	<b>2.732.970</b>
(*)As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.							
Prior Period		Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post- CRM	RWA
1	Standardised Approach - CCR (for derivatives)	703.298	215.125	--	(1,4)	918.423	573.135
2	Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	--	--
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	622.641	42.003
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	--	--
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	--	--	--	--	--	--
6	<b>Total</b>	<b>703.298</b>	<b>215.125</b>	<b>--</b>	<b>(1,4)</b>	<b>1.541.064</b>	<b>615.138</b>
(*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.							

Capital requirement for credit valuation adjustment (CVA)

	Current Period		Prior Period	
	EAD post-CRM	RWA	EAD post-CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation	--	--	--	--
1 (i) VaR component (including the 3×multiplier)	--	--	--	--
2 (ii) Stressed VaR component (including the 3×multiplier)	--	--	--	--
3 All portfolios subject to the Standardised CVA capital obligation	4.654.832	736.891	918.423	144.593
4 <b>Total subject to the CVA capital obligation</b>	<b>4.654.832</b>	<b>736.891</b>	<b>918.423</b>	<b>144.593</b>
As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.				

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XI. Explanations on risk management objectives and policies (continued)

CCR exposures by risk class and risk weights - standardised approach

Current Period

Risk weights	0%	10%	20%	50%	75%	100%	150%	2%	Other	Total Credit Risk
Exposures to sovereigns and their central banks	185.667	--	--	--	--	--	--	--	--	185.667
Exposures to regional and local governments	--	--	--	--	--	--	--	--	--	--
Exposures to adm. bodies and non-commercial Associates	--	--	--	--	--	--	--	--	--	--
Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--
Exposures to international organizations	--	--	--	--	--	--	--	--	--	--
Exposures to banks and brokerage houses	736.402	--	467.437	463.774	--	--	--	8.732	--	1.676.345
Exposures to corporates	388.302	--	--	--	--	2.326.004	--	--	--	2.714.306
Retail exposures	--	--	--	--	65.936	--	--	--	--	65.936
Exposures secured by residential property	--	--	--	--	--	--	--	--	--	--
Past-due items	--	--	--	--	--	--	--	--	--	--
Exposures in high-risk categories	--	--	--	--	--	--	21.310	--	--	21.310
Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--	--
Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--	--	--
Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	--	--	--
Equity share investments	--	--	--	--	--	--	--	--	--	--
Other exposures	--	--	--	--	--	--	--	--	--	--
Other assets	--	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>1.310.371</b>	<b>--</b>	<b>467.437</b>	<b>463.774</b>	<b>65.936</b>	<b>2.326.004</b>	<b>21.310</b>	<b>8.732</b>	<b>--</b>	<b>4.663.564</b>

As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

Prior Period

Risk Weights	0%	10%	20%	50%	75%	100%	150%	2%	Other	Total Credit Risk
Exposures to sovereigns and their central banks	7.993	--	--	--	--	--	--	--	--	7.993
Exposures to regional and local governments	--	--	--	--	--	--	--	--	--	--
Exposures to adm. bodies and non-commercial Associates	--	--	--	--	--	--	--	--	--	--
Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--
Exposures to international organizations	--	--	--	--	--	--	--	--	--	--
Exposures to banks and brokerage houses	412.624	--	271.477	566.685	--	--	--	--	--	1.250.786
Exposures to corporates	--	--	--	--	--	263.232	--	--	--	263.232
Retail exposures	29	--	--	--	19.024	--	--	--	--	19.053
Exposures secured by residential property	--	--	--	--	--	--	--	--	--	--
Past-due items	--	--	--	--	--	--	--	--	--	--
Exposures in high-risk categories	--	--	--	--	--	--	--	--	--	--
Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--	--
Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--	--	--
Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	--	--	--
Equity share investments	--	--	--	--	--	--	--	--	--	--
Other exposures	--	--	--	--	--	--	--	--	--	--
Other assets	--	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>420.646</b>	<b>--</b>	<b>271.477</b>	<b>566.685</b>	<b>19.024</b>	<b>263.232</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1.541.064</b>

(\*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.



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**XI. Explanations on risk management objectives and policies (continued)**

**Collaterals Used for Counterparty Credit Risk**

	Collateral for derivative transactions				Collateral for other	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
<b>Current Period</b>						
Cash-local currency	--	--	--	--	--	--
Cash-foreign currency	1.682.713	--	166.879	--	1.124.703	--
Domestic sovereign debts	--	--	--	--	--	--
Other sovereign debts	--	--	--	--	--	--
Government agency debts	--	--	--	--	--	--
Corporate debts	--	--	--	--	--	--
Equity securities	--	--	--	--	--	--
Other collateral	--	--	--	--	--	--
<b>Total</b>	<b>1.682.713</b>	<b>--</b>	<b>166.879</b>	<b>--</b>	<b>1.124.703</b>	<b>--</b>

(\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

	Collateral for derivative transactions				Collateral for other	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
<b>Prior Period</b>						
Cash-local currency	--	--	--	--	--	--
Cash-foreign currency	29	--	--	--	412.624	--
Domestic sovereign debts	--	--	--	--	--	--
Other sovereign debts	--	--	--	--	--	--
Government agency debts	--	--	--	--	--	--
Corporate debts	--	--	--	--	--	622.641
Equity securities	--	--	--	--	--	--
Other collateral	--	--	--	--	--	--
<b>Total</b>	<b>29</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>412.624</b>	<b>622.641</b>

(\*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

**Explanations on market risk**

**Whether the bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk**

In order to hedge against the market risk within the context of the risk management objectives, the Bank sets its activities related with market risk management in accordance with "Regulations on Banks' Internal Control and Risk Management Systems" published in the Official Gazette no. 29057 dated 11 July 2014 and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette no. 29511 dated 23 October 2015.

Being exposed to market risk, Bank's Board of Directors have defined risk management strategies and policies about risk managements in line with application and recommendation of group and have led to follow-up strategies periodically. The limits of risks are identified and these limits are revised periodically. Board of Directors ensures that risk management group and executive managers should identify, measure, control and manage the Bank's risk.

Market risk arising from trading transactions is limited through the risk appetite policy approved by Board of Directors as "low" and measured by taking into consideration BRSA's standard methodology. Additionally Financial Control Department reports the market value andvns realized profit/loss of trading portfolio. The Risk Management and Asset Liability Committee continuously monitor compliance of trading transactions with the risk appetite policy. Market risk caused by mismatches of asset-liability maturities is also monitored through GAP reports.

Stress tests and scenario analysis are applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations; and also risk measurement methods such as cash flow projections and GAP analysis are also applied.

Capital to be kept for general market risk and specific risk are calculated by using a standard method in accordance with "Measurement and Assessment of Bank Capital Adequacy Regulation" and are reported monthly.

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XI. Explanations on risk management objectives and policies (continued)

Explanations on market risk (continued)

Whether the bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk (continued)

In the calculation of the value at credit risk for the derivative financial instruments, the receivables from counterparties are multiplied by the rates stated in the Article 21 and Appendix-2 of “the Regulation on Measurement and Assessment of Capital Adequacy of Banks”, reduced as per the “Regulation on Credit Risk Mitigation Techniques” following included in the relevant exposure category and weighted for a second time. The risk amount related to the Bank's derivative financial instruments are calculated using the “Fair Value Method”.

Market risk under standardised approach		
	Current Period	Prior Period
	RWA	RWA
Outright Products		
1 Interest rate risk (general and specific)	345.438	336.563
2 Equity risk (general and specific)	1.500	--
3 Foreign exchange risk	288.587	115.849
4 Commodity risk	234.850	49.138
Options		
5 Simplified approach	--	--
6 Delta-plus method	47.750	6.138
7 Scenario approach	--	--
8 Securitisation	--	--
9 Total	918.125	507.688

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XI. Explanations on risk management objectives and policies (continued)

Securitization disclosures

1. Securitization positions in banking accounts

	Founded by the bank			Sponsored by the bank			Invested by the bank		
	Conventional	Synthetic	Total	Conventional	Synthetic	Total	Conventional	Synthetic	Total
1 Retail (total)	..	..	..	..	..	..	171.714	..	171.714
2 Residential mortgage	..	..	..	..	..	..	..	..	..
3 Credit card	..	..	..	..	..	..	..	..	..
4 Other retail receivables	..	..	..	..	..	..	..	..	..
5 Re-securitisation	..	..	..	..	..	..	..	..	..
6 Corporate (total)	..	..	..	..	..	..	..	..	..
7 Corporate loans	..	..	..	..	..	..	..	..	..
8 Commercial mortgage	..	..	..	..	..	..	..	..	..
9 Lease and receivables taken over	..	..	..	..	..	..	..	..	..
10 Other corporate	..	..	..	..	..	..	..	..	..
11 Re-securitization	..	..	..	..	..	..	..	..	..

(\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

2. Securitization positions in banking accounts and their associated capital requirements - invested by the bank

	Position Amounts (based on RW intervals)				
	≤20% RA	>20% and 50% RA	>50% and 100% RA	>100% and <1250% RA	1250% RA
1 TOTAL RECEIVABLES	..	..	..	..	..
2 Traditional Securitization	..	..	..	..	..
3 Securitization	..	..	..	..	..
4 Retail	..	..	..	..	..
5 Corporate	..	..	..	..	..
6 Re-securitization	..	..	..	..	..
7 Senior	..	..	..	..	..
8 Non-senior	171.714	..	..	..	..
9 Synthetic Securitization	..	..	..	..	..
10 Securitization	..	..	..	..	..
11 Retail	..	..	..	..	..
12 Corporate	..	..	..	..	..
13 Re-securitization	..	..	..	..	..
14 Senior	..	..	..	..	..
15 Non-senior	..	..	..	..	..

(\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

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XI. Explanations on risk management objectives and policies (continued)

1. Quantitative information on counterparty risk

The counterparty risk amount is calculated in accordance with fair value measurement methodology stated in Appendix 2 and section 3 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

The replacement costs of the contracts with positive value are obtained by evaluating the contracts according to their fair value. The potential credit risk amount is calculated by multiplying contract or transaction amounts with certain ratios determined in accordance with days to maturity and contract type. The total of replacement cost and potential credit risk make up counterparty risk amount. Counterparty credit risk mitigation considers only cash collaterals.

Current Period	Value	Risk Weights					150%	Total RWA
		0%	20%	50%	75%	100%		
Interest-Rate Contracts (*)	--	--	--	--	--	--	--	--
Foreign-Exchange-Rate Contracts (**)	536.962	170.185	8.732	163.465	25.111	152.975	16.494	278.456
Commodity Contracts	4.207	--	--	1.895	--	2.312	--	3.260
Equity-Shares Related Contracts	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--
Gross Positive Fair Values	--	--	--	--	--	--	--	--
Netting Benefits	--	--	--	--	--	--	--	--
Net Current Exposure Amount	845.398	15.483	--	298.414	40.825	485.860	4.816	672.910
Collaterals Received	--	--	--	--	--	--	--	--
Net Derivative Position (***)	1.386.567	185.668	8.732	463.774	65.936	641.147	21.310	954.626

(\*) Repo transactions

(\*\*) Includes option, currency swap and forward contracts.

(\*\*\*) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.

(\*\*\*\*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

Prior Period	Value	Risk Weights					150%	Total RWA
		0%	20%	50%	75%	100%		
Interest-Rate Contracts (*)	--	--	--	--	--	--	--	--
Foreign-Exchange-Rate Contracts (**)	215.126	8.022	58.176	76.411	5.050	67.467	--	121.095
Commodity Contracts	--	--	--	--	--	--	--	--
Equity-Shares Related Contracts	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--
Gross Positive Fair Values	703.297	--	3.283	490.274	13.975	195.765	--	452.040
Netting Benefits	--	--	--	--	--	--	--	--
Net Current Exposure Amount	--	--	--	--	--	--	--	--
Collaterals Received	29	--	--	--	--	--	--	--
Net Derivative Position (***)	918.423	8.022	61.459	566.685	19.025	263.232	--	573.135

(\*) Repo transactions

(\*\*) Includes option, currency swap and forward contracts.

(\*\*\*) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.

(\*\*\*\*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

Explanations on operational risk

The value at operational risk is calculated according to the "basic indicator approach". Value at operational risk amount is calculated by using the last 3 years' (2021, 2020, 2019) gross income, in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" issued on Official Gazette dated September 6, 2014 numbered 29111, "Calculation of Operational Risk". 15% of average gross income which is TL 218.046 (31 December 2021: TL 173.535) represents also the minimum capital requirement to recover the risk amount.

Current Period	31/12/19	31/12/20	31/12/21	Total/ No. of		Rate (%)	Total
				Years of Positive	Gross Income		
Gross Income	1.149.263	1.286.849	1.924.812		1.453.641	15	218.046
Value at Operational Risk (Total*12,5)							2.725.578

Prior Period	31/12/18	31/12/19	31/12/20	Total/ No. of		Rate (%)	Total
				Years of Positive	Gross Income		
Gross Income	1.034.587	1.149.263	1.286.849		1.156.900	15	173.535
Value at Operational Risk (Total*12,5)							2.169.187

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SECTION FIVE

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosure related to the assets

1. Information on cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL /Foreign Currency	170.869	1.850.512	81.974	886.314
Balances with the Central Bank of Turkey	925.454	12.070.692	854.653	11.091.719
Other	--	--	--	--
<b>Total</b>	<b>1.096.323</b>	<b>13.921.204</b>	<b>936.627</b>	<b>11.978.033</b>

1.1 Information related to the account of the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	925.454	1.864.462	832.804	1.239.945
Unrestricted Time Deposits	--	6.575.320	21.849	6.996.263
Restricted Time Deposits	--	3.630.910	--	2.855.511
<b>Total</b>	<b>925.454</b>	<b>12.070.692</b>	<b>854.653</b>	<b>11.091.719</b>

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

2.1 Information on financial assets at fair value through profit or loss given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	107	--	94	--
<b>Total</b>	<b>107</b>	<b>--</b>	<b>94</b>	<b>--</b>

Trading securities given as collateral represent those collaterals given to the Central Bank of Turkey, and Istanbul Clearing and Custody Bank (Takasbank) for interbank money market, foreign exchange market and other transactions, as of balance sheets dates.

As of 31 December 2022, the amount of financial assets at fair value through profit or loss not given as collateral or not blocked is TL 329.383 (31 December 2021: TL 192.376).

**Loans recognized at fair value through profit or loss**

As of 31 December 2022, there are no loans at fair value through profit or loss (31 December 2021: None).

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

### I. Explanations and disclosure related to the assets (continued)

#### 2.2 Information on financial assets at fair value through profit or loss subject to repurchase agreements

None.

#### 2.3 Positive differences relating to derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	620.810	--	278.218	--
Swap Transactions	373.350	--	722.661	--
Futures Transactions	--	--	--	--
Options	91.169	24.338	267.575	3.406
Other	--	--	--	--
<b>Total</b>	<b>1.085.329</b>	<b>24.338</b>	<b>1.268.454</b>	<b>3.406</b>

### 3. Information on Banks

#### 3.1 Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	256.395	1.521.325	397.803	658.294
Foreign	2.926	700.465	557	443.657
Foreign head-offices and branches	--	--	--	--
<b>Total</b>	<b>259.321</b>	<b>2.221.790</b>	<b>398.360</b>	<b>1.101.951</b>

#### 3.2 Due from foreign banks

Balances	Current Period		Prior Period	
	Unrestricted Balances	Restricted Balances	Unrestricted Balances	Restricted Balances
EU Countries	251.827	12.528	35.651	3.039
USA and Canada	134.160	--	329.485	--
OECD Countries (*)	115.976	158.103	22.820	44.066
Off-Shore Banking Regions	--	--	--	--
Other	30.797	--	9.153	--
<b>Total</b>	<b>532.760</b>	<b>170.631</b>	<b>397.109</b>	<b>47.105</b>

### 4. Information on Financial Assets Valued at Fair Value Through Other Comprehensive Income

#### 4.1 Financial assets valued at fair value through other comprehensive income subject to repurchase agreements and provided as collateral blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	1.474.786	1.391.824	196.700	944.749
Other	--	--	--	--
<b>Total</b>	<b>1.474.786</b>	<b>1.391.824</b>	<b>196.700</b>	<b>944.749</b>

As of 31 December 2022, the amount of financial assets at fair value through other comprehensive income not given as collateral or not blocked is TL 2.274.300 (31 December 2021: TL 936.304).

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**I. Explanations and disclosure related to the assets (continued)**

**4.2 Details of financial assets valued at fair value through other comprehensive income**

	Current Period	Prior Period
Debt instruments	5.148.865	2.098.634
Quoted on Stock Exchange	4.763.287	1.832.634
Unquoted on Stock Exchange	385.578	266.000
Share certificates	4.897	4.897
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	4.897	4.897
Impairment provision (-)	12.852	25.778
<b>Total</b>	<b>5.140.910</b>	<b>2.077.753</b>

**5. Information on Loans**

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Loans to Shareholders	--	--	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
Indirect Loans to Shareholders	--	--	--	--
Loans to Employees	11.478	--	6.805	--
<b>Total</b>	<b>11.478</b>	<b>--</b>	<b>6.805</b>	<b>--</b>

**5.2 Information on Standard Loans, Loans Under Close Monitoring and Loans Under Close Monitoring That Are Restructured**

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Non-restructured	Restructured	
			Revised Contract Terms	Refinanced
<b>Loans</b>	<b>35.805.335</b>	<b>351.691</b>	<b>2.896.777</b>	<b>--</b>
Working Capital Loans	5.754.254	42.780	2.308.362	--
Export Loans	--	--	--	--
Import Loans	--	--	--	--
Loans to Financial Sector	1.469.786	--	--	--
Consumer Loans	9.267.415	185.501	103.062	--
Credit Cards	15.857	491	--	--
Others	19.298.023	122.919	485.353	--
Specialization Loans	--	--	--	--
Other Receivables	--	--	--	--
<b>Total (*)</b>	<b>35.805.335</b>	<b>351.691</b>	<b>2.896.777</b>	<b>--</b>

(\*) Factoring receivables amounting to TL 186.790 (31 December 2021: TL 74.064) are included.

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-months Expected Credit Losses	340.842	--	159.887	--
Significant Increase in Credit Risk	--	450.534	--	348.256
<b>Total</b>	<b>340.842</b>	<b>450.534</b>	<b>159.887</b>	<b>348.256</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2022 - 31 DECEMBER 2022**

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

**I. Explanations and disclosure related to the assets (continued)**

**5.2 Information on Loans under Close Monitoring that are restructured with Standard Loans and Close Monitoring Loans (continued)**

***The overdue analysis of close monitoring loans***

Current Period	Commercial Loans	Consumer Loans	Total
1-30 days	9.576	43.733	53.309
31-60 days	8.926	79.116	88.042
61-90 days (*)	10.294	38.965	49.259
<b>Total</b>	<b>28.796</b>	<b>161.814</b>	<b>190.610</b>

Prior Period	Commercial Loans	Consumer Loans	Total
1-30 days	7.031	25.446	32.477
31-60 days	7.748	56.310	64.058
61-90 days	7.887	30.488	38.375
<b>Total</b>	<b>22.666</b>	<b>112.244</b>	<b>134.910</b>

***Maturity analysis of cash loans***

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring	
	Loans and Other Receivables	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
<b>Short-term Loans and Other Receivables</b>	<b>27.455.414</b>	<b>218.135</b>	<b>13.816</b>
Loans	27.455.414	218.135	13.816
Specialized Loans			
Other Loans			
<b>Medium and Long-term Loans and Other Receivables</b>	<b>8.349.921</b>	<b>133.555</b>	<b>2.882.962</b>
Loans	8.349.921	133.555	2.882.962
Specialized Loans			
Other Loans			



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

**I. Explanations and disclosure related to the assets (continued)**

**5.3 Information on consumer loans, individuals credit cards and credit cards given to personnel**

	Short-Term	Medium or Long Term	Total
Consumer Loans-TL	3.887.193	5.285.125	9.172.318
Mortgage Loans	--	108.238	108.238
Vehicle Loans	632	1.224	1.856
General Purpose Loans	3.886.561	5.175.663	9.062.224
Other	--	--	--
Consumer Loans-Indexed to FC	--	261	261
Mortgage Loans	--	261	261
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Consumer Loans-FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	12.574	--	12.574
With Installment	2.716	--	2.716
Without Installment	9.858	--	9.858
Individual Credit Cards-FC	241	--	241
With Installment	--	--	--
Without Installment	241	--	241
Loans Given to Employees-TL	3.822	6.883	10.705
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	3.822	6.883	10.705
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Personnel Credit Cards - TL	773	--	773
With Installment	164	--	164
Without Installment	609	--	609
Personnel Credit Cards - FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Overdraft Loans-TL (Real Persons)	372.694	--	372.694
Overdraft Loans-FC (Real Persons)	--	--	--
Total	4.277.297	5.292.269	9.569.566

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

I. Explanations and disclosure related to the assets (continued)

5.4 Information on commercial loans with installments and corporate credit cards

	Short-Term	Medium or Long Term	Total
Installment Commercial Loans - TL	1.750.342	933.159	2.683.501
Real Estate Loans	--	--	--
Vehicle Loans	734	7.787	8.521
General Purpose Loans	1.749.608	925.372	2.674.980
Other	--	--	--
Installment Commercial Loans - Indexed to FC	--	30.619	30.619
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	30.619	30.619
Other	--	--	--
Installment Commercial Loans - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards - TL	2.759	--	2.759
With Installment	739	--	739
Without Installment	2.020	--	2.020
Corporate Credit Cards - FC	1	--	1
With Installment	--	--	--
Without Installment	1	--	1
Overdraft Loans-TL (Legal Associates)	216.103	--	216.103
Overdraft Loans-FC (Legal Associates)	--	--	--
Total	1.969.205	963.778	2.932.983

5.5 Distribution of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	39.053.803	22.114.721
Total (*)	39.053.803	22.114.721

(\*) Factoring receivables amounting to TL 186.790 (31 December 2021: TL 74.064) are included.

5.6 Distribution of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	38.575.281	21.552.903
Foreign Loans	478.522	561.818
Total (*)	39.053.803	22.114.721

(\*) Factoring receivables amounting to TL 186.790 (31 December 2021: TL 74.064) are included.

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

**I. Explanations and disclosure related to the assets (continued)**

**5.7 Loans granted to subsidiaries and associates**

The Bank has loans granted to subsidiaries and associates amounting to TL 267.036 as of 31 December 2022 (31 December 2021: TL 60.114).

**5.8 Provisions provided against loans (third stage)**

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	93.007	37.132
Loans and Receivables with Doubtful Collectability	70.418	157.932
Uncollectible Loans and Receivables	335.470	187.672
<b>Total</b>	<b>498.895</b>	<b>382.736</b>

**5.9 Information on non-performing loans (Net)**

**5.9.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled**

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period</b>	<b>2.429</b>	<b>745</b>	<b>7.123</b>
Gross Amounts before Provisions	--	--	--
Restructured Loans and Other Receivables	2.429	745	7.123
<b>Prior Period</b>	<b>--</b>	<b>2.872</b>	<b>1.491</b>
Gross Amounts before Specific Provisions	--	--	--
Restructured Loans and Other Receivables	--	2.872	1.491

**5.9.2 Movement on non-performing loans**

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Balances at the End of Prior Period</b>	<b>61.679</b>	<b>524.861</b>	<b>302.173</b>
Additions (+)	421.547	7.049	25.884
Transfers from Other Categories of Non-Performing Loans (+)	--	246.826	579.874
Transfers to Other Categories of Non-Performing Loans (-)	246.826	579.874	--
Collections (-)	94.570	39.279	439.859
Write-offs (-) (**)(***)	5.772	1.396	2.493
Sold (-)(*)	3.938	59.454	31.006
Corporate and Commercial Loans	8	709	2.755
Retail Loans	3.930	58.745	28.251
Credit Cards	--	--	--
Other	--	--	--
<b>Balances at End of the Period</b>	<b>132.120</b>	<b>98.733</b>	<b>434.573</b>
<b>Provisions (-)</b>	<b>93.007</b>	<b>70.418</b>	<b>335.470</b>
<b>Net Balance on Balance Sheet</b>	<b>39.113</b>	<b>28.315</b>	<b>99.103</b>

(\*) Consists of loans with 100% provision at the relevant date.

(\*\*) As of 31 December 2022, the loan amounting to TL 94.398 was written off by transferring and selling to asset management companies (31 December 2021: TL 209.290). When the calculation is made considering the loans sold, the Bank's NPL ratio is measured as 1,68% (31 December 2021: 3,86%) instead of 1,91% (31 December 2021: 4,73%).

(\*\*\*) All of them are due to sales of NPLs.

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

I. Explanations and disclosure related to the assets (continued)

5.9.3 Information on expected loss provisions set aside for loans

	Stage 1	Stage 2	Stage 3
Beginning of period (1 January 2022)	159.887	348.256	382.736
Loans and movements added during the period	115.394	11.693	52.601
Loans and movements moved out during the period	(31.342)	(31.535)	(32.154)
<b>Movements of Stage 1 and Stage 2</b>			
Stage 1 Loans in two periods	98.032	--	--
Transfers from Stage 1 to Stage 2	(2.167)	55.267	--
Stage 2 Loans in two periods	--	99.777	--
Transfers from Stage 2 to Stage 1	1.427	(23.904)	--
<b>Movements of Stage 3</b>			
Transfers from Stage 1 to Stage 3 (*)	(142)	--	125.612
Transfers from Stage 2 to Stage 3	--	(5.109)	26.919
Stage 3 Loans in two periods (amount and parameter change)	--	--	(14.469)
Write-offs	--	--	--
Sold	(245)	(3.912)	(42.350)
Period end (31 December 2022)	340.842	450.534	498.895

5.9.4 Information on non-performing loans and other receivables in foreign currencies

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period</b>			
Balance as of Period End	--	--	224.039
Provisions (-)	--	--	173.182
<b>Net Balance on Balance Sheet</b>	--	--	50.857
<b>Prior Period</b>			
Balance as of Period End	1.935	457.522	86.790
Provisions (-)	1.623	167.758	28.102
<b>Net Balance on Balance Sheet</b>	312	289.764	58.688

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

I. **Explanations and disclosure related to the assets (continued)**

5.9.5 **Information regarding gross and net amounts of non-performing loans with respect to debtor groups**

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	39.113	28.315	99.103
Loans Granted to Real Persons and Legal Associates (Gross)	132.120	98.733	434.573
Provisions (-)	93.007	70.418	335.470
Loans Granted to Real Persons and Legal Associates (Net)	39.113	28.315	99.103
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior Period (Net)	24.547	366.929	114.501
Loans Granted to Real Persons and Legal Associates (Gross)	61.679	524.861	302.173
Provisions (-)	37.132	157.932	187.672
Loans Granted to Real Persons and Legal Associates (Net)	24.547	366.929	114.501
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

5.10 **Information on interest accruals, valuation differences and related provisions calculated for non-performing loans by the banks which reserves provision according to TFRS 9**

The Bank does not calculate interest accruals for non-performing loans (31 December 2021: The Bank does not calculate interest accruals for non-performing loans).

5.11 **Explanations about write-off policy**

In the event that the conditions stated in the law related to the unworthiness of the receivable arise, whole provisions are set aside for all of these loans and the loans are written off from the assets by the board decision.

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

I. Explanations and disclosure related to the assets (continued)

6. Information on financial assets measured at amortized cost

6.1 Information on securities subject to repurchase agreement and given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	1.868.108	4.665.807	59.880	2.888.813
Other	--	--	--	--
Total	1.868.108	4.665.807	59.880	2.888.813

6.2 Information on government securities in financial assets measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	2.140.658	4.651.692	190.594	3.015.309
Treasury Bill	--	--	--	--
Other Debt Securities	--	--	--	--
Total	2.140.658	4.651.692	190.594	3.015.309

6.3 Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt instruments	7.067.342	3.230.721
Quoted on Stock Exchange	7.067.342	3.230.721
Unquoted on Stock Exchange	--	--
Share certificates	--	--
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
Total	7.067.342	3.230.721

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

I. Explanations and disclosure related to the assets (continued)

6.4 Information on the movement of financial assets measured at amortized cost during the period

	Current Period	Prior Period
Balance at the beginning of period	3.230.721	1.207.902
Foreign Exchange Difference in Monetary Assets	1.269.703	719.494
Revaluation adjustments	65.975	34.657
Purchases during the year	2.500.943	1.268.668
Disposals through Sales and Redemptions	--	--
Impairment provision (-)	--	--
<b>Total</b>	<b>7.067.342</b>	<b>3.230.721</b>

7. Information on associates

As of 31 December 2022, the Bank has associates amounting to TL 841.588 in total (31 December 2021: None).

Company Name	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)
Fiba Sigorta A.Ş.	İstanbul	50%	50%
Fiba Emeklilik ve Hayat A.Ş.	İstanbul	40%	40%

Fiba Emeklilik ve Hayat A.Ş. started its activities in the life insurance and personal accident branches in January 2013. By July 2013 reinsurance operations related to these insurances and in December 2013 its activities in the pension branch was started.

As of 20 December 2022, 8.000.000 shares of Fiba Emeklilik ve Hayat A.Ş. representing 40% of its capital share was transferred to Fibabanka A.Ş. for TL 746.588.

A company with the title Fiba Sigorta A.Ş was established by the Bank and HDI Sigorta A.Ş. with a 50% - 50% partnership share to operate in elementary branches. The bank's participation amount is TL 95.000.

Company Name	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
Fiba Sigorta A.Ş.	190.135	190.102	--	135	--	102	--	--
Fiba Emeklilik ve Hayat A.Ş.	8.437.260	185.180	42.708	31.462	25.391	99.706	--	--

(\*) Fixed assets include tangible and intangible assets.

(\*\*) It has been prepared on the basis of the 31 December 2022 consolidated financial statements, which have not been independently audited.

	Current Period	Prior Period
Balance at Beginning of Period	--	--
Movements during the Period	--	--
Additions and Capital Increases (*)(**)	841.588	--
Bonus Shares Received	--	--
Dividends from the Current Year Profit	3.296	--
Sales/Liquidations	--	--
Reclassification of shares	--	--
Balance at Beginning of Period	--	--
Currency Differences on Foreign Subsidiaries	--	--
Other	(388)	--
Balance at the End of Period	844.496	--
Capital Commitments	--	--
Share of Percentage at the end of Period (%)	--	--

(\*) As of December 20, 2022, Fiba Emeklilik ve Hayat A.Ş. 8.000.000 shares representing 40% of the capital share of FibaHolding A.Ş. by Fibabanka A.Ş. for TL 746.588 been transferred to . It includes the goodwill amount of TL 675.373.

(\*\*) HDI Sigorta A.Ş. and Fibabanka A.Ş. established Fiba Sigorta A.Ş. to operate in the elementary insurance branches with a 50% -50% partnership share. The bank's participation amount is TL 95.000.

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

- I. Explanations and disclosure related to the assets (continued)
7. Information on associates (continued)

	Current Period	Prior Period
Banks	--	--
Insurance Companies	841.588	--
Factoring Companies	--	--
Leasing Companies	--	--
Finance Companies	--	--
Other Subsidiaries	--	--

Associates listed on the stock exchange within the scope of consolidation

	Current Period	Prior Period
Valued by equity method	841.588	--
Valuation at fair value	--	--

Associates listed on the stock exchange within the scope of consolidation

None.

Information on associates

The Bank has TL 125.420 investment in associates as of 31 December 2022 (31 December 2021: TL 117.945).

*Non financial associates*

The Bank has TL 117.500 investment in a non-financial associates as of 31 December 2022 (31 December 2021: TL 112.500).

	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)
Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.	Istanbul	100%	100%

Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., was established with the purpose of providing entrepreneurship, creation of new business fields and technologies, investment in financial technology companies, mobile payment, income expenditure follow-up and money transfer consultancy services.

*Financial associates*

The Bank has TL 7.920 investment in a financial associates as of 31 December 2022 (31 December 2021: TL 5.445).

The Extraordinary General Assembly with the agenda of increasing the share capital of Fiba Portföy Yönetimi A.Ş. from TL 5.500 to TL 8.000 by internal sources of TL 2.500, was held on 20 January 2022 and announced in the Turkish Trade Registry Gazette dated 27 January 2022 and numbered 10504 on 27 January 2022.

Company Name	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)	Consolidation Type
Fiba Portföy Yönetimi A.Ş.	Istanbul	99,0%	99,0%	Full Consolidation

Fiba Portföy Yönetimi A.Ş. was established on 26 September 2013 with 99% share of Fibabanka A.Ş.

The financial information about Fiba Portföy Yönetimi A.Ş. as of 31 December 2022 is given below:

Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
84.157	69.947	224	-	--	12.688	3.119	--

(\*) Fixed assets include tangible and intangible assets.



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

I. Explanations and disclosure related to the assets (continued)

8. Information on subsidiaries (continued)

Movement table on consolidated financial subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	5.445	5.445
Movements during the Period	--	--
Additions and Capital Increases	--	--
Bonus Shares Received	2.475	--
Dividends from the Current Year Profit	--	--
Sales/Liquidations	--	--
Reclassification of shares	--	--
Increase / (Decrease) in Market Values	--	--
Currency Differences on Foreign Subsidiaries	--	--
Other	--	--
Balance at the End of Period	7.920	5.445
Capital Commitments	7.920	5.445
Share of Percentage at the end of Period (%)	99	99

\* Fiba Portföy Yönetimi A.Ş. was established on 26 September 2013 with the participation of Fibabanka A.Ş. by 99%.

Sectoral information on consolidated financial subsidiaries and the related carrying

	Current Period	Prior Period
Banks	--	--
Insurance Companies	--	--
Factoring Companies	--	--
Leasing Companies	--	--
Finance Companies	--	--
Other Subsidiaries	7.920	5.445

Valuation of investments made in subsidiaries within the scope of consolidation

	Current Period	Prior Period
Valuation with cost value	7.920	5.445
Valuation with fair value	--	--

Quoted consolidated investments in subsidiaries

None.

9. Information on joint ventures

The Bank does not have investments in joint ventures as of 31 December 2022.

10. Information on lease receivables

The Bank does not have lease receivables as of 31 December 2022.

11. Information on derivative financial assets held for hedging purposes

As of 31 December 2022, The Bank has no hedging derivative financial assets (31 December 2021: None).

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**I. Explanations and disclosure related to the assets (continued)**

**12. Information on tangible assets**

Current Period	Land and Buildings	Vehicles	Property Under Construction(**)	Other Tangible Assets (*)	Total
Cost					
Opening Balance, 1 January 2022	296.042	29.930	121.436	137.290	584.698
Additions	43.203	13.869	90.474	159.291	306.837
Disposals	--	--	--	3.788	3.788
<b>Closing Balance, 31 December 2022</b>	<b>339.245</b>	<b>43.799</b>	<b>211.910</b>	<b>292.793</b>	<b>887.747</b>
Accumulated Depreciation					
Opening Balance, 1 January 2022	(67.657)	(7.961)	--	(94.691)	(170.309)
Depreciation	(25.363)	(10.388)	--	(31.470)	(67.221)
Disposals	--	--	--	42.113	42.113
<b>Closing Balance, 31 December 2022</b>	<b>(93.020)</b>	<b>(18.349)</b>	<b>--</b>	<b>(84.048)</b>	<b>(195.417)</b>
<b>Net Book Value, 31 December 2022</b>	<b>246.225</b>	<b>25.450</b>	<b>211.910</b>	<b>208.745</b>	<b>692.330</b>

(\*) Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.

(\*\*) The investment item that is being progress includes the total capitalized project cost following the completion of the projects.

Prior Period	Land and Buildings	Vehicles	Property Under Construction(**)	Other Tangible Assets (*)	Total
Cost					
Opening Balance, 1 January 2021	290.917	19.539	62.911	116.854	490.221
Additions	58	10.391	58.525	24.229	93.203
Disposals	(5.067)	--	--	3.793	(1.274)
<b>Closing Balance, 31 December 2021</b>	<b>296.042</b>	<b>29.930</b>	<b>121.436</b>	<b>137.290</b>	<b>584.698</b>
Accumulated Depreciation					
Opening Balance, 1 January 2021	(51.717)	(3.166)	--	(75.570)	(130.453)
Depreciation	(15.940)	(4.795)	--	(21.171)	(41.906)
Disposals	--	--	--	2.050	2.050
<b>Closing Balance, 31 December 2021</b>	<b>(67.657)</b>	<b>(7.961)</b>	<b>--</b>	<b>(94.691)</b>	<b>(170.309)</b>
<b>Net Book Value, 31 December 2021</b>	<b>228.385</b>	<b>21.969</b>	<b>121.436</b>	<b>42.599</b>	<b>414.389</b>

(\*) Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.

(\*\*) The investment item that is being progress includes the total capitalized project cost following the completion of the projects.

**12.1 Disclosure for impairment losses or releases individually material for financial statements**

**12.1.1 Conditions for allocating/releasing any impairment**

None.

**12.1.2 Amount of impairment losses provided or released in financial statements during current period**

None.

**12.2 Other impairment losses provided or released in current period that are immaterial for the financial statements individually**

None.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

### I. Explanations and disclosure related to the assets (continued)

#### 13. Information on intangible assets

##### 13.1 Useful lives and depreciation rates

The useful life of an asset is determined by taking the asset's expected economic life, technical, technological or other kinds of obsolescence, and maintenance costs into account. The amortization rates used are in accordance with the useful lives of the underlying assets. The useful lives are determined as defined by TAS 38 "Intangible Assets".

The Bank's intangible assets consist of software programs and rights, and their useful lives range between 3 to 10 years.

##### 13.2 Depreciation methods

Depreciation for assets which are in balance sheet for less than one year is calculated by the straight line method by proportioning the duration of asset in the balance sheet to the predicted yearly depreciation amount.

##### 13.3 Movements of intangible assets at beginning and end of the current period

	Current Period	Prior Period
Cost		
Opening Balance, 1 January	236.894	185.417
Additions	192.921	52.243
Disposal	--	766
Closing Balance, 31 December	429.815	236.894
Accumulated Depreciation		
Opening Balance, 1 January	(130.363)	(94.440)
Amortisation Expense for Current Period (-)	(55.812)	(35.923)
Disposal	--	--
Closing Balance, 31 December	(186.175)	(130.363)
Net Book Value, 31 December	243.640	106.531

##### 13.4 Details for any individually material intangible assets

None.

##### 13.5 Intangible assets capitalised under government incentives at fair values

None.

##### 13.6 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates

None.

##### 13.7 Net book value of intangible asset that are restricted in usage or pledged

None.

##### 13.8 Commitments to acquire intangible assets

None.

##### 13.9 Disclosure on revalued intangible assets

None.

##### 13.10 Research and development costs expensed during current period

None.

##### 13.11 Goodwill

None.

#### 14. Information on investment properties

None.

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1 JANUARY 2022 - 31 DECEMBER 2022

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

I. Explanations and disclosure related to the assets (continued)

15. Information on deferred tax asset

15.1 Amount of deferred tax asset recognized in the balance sheet in respect of deductible temporary differences, unused tax losses and unused tax credits

As of 31 December 2022, the deferred tax asset amounting to TL 490.110 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2021: TL 308.819 deferred tax asset).

Deferred tax asset consists of deferred tax asset and liability items recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. The deferred tax assets and liabilities are presented as net in the accompanying financial statements.

	Current Period	
	Deferred Tax Base	Deferred Tax Asset/
Financial Assets Valuation	439.020	109.755
Unearned Commission Income/Prepaid Commission Expenses	113.049	28.262
Retirement Pay and Unused Vacation Provision	231.198	57.799
Tangible Assets Base Differences	(208.358)	(52.089)
Provisions	2.130.050	532.512
Other	(744.510)	(186.129)
Deferred Tax Asset/(Liability)	1.960.449	490.110

	Prior Period	
	Deferred Tax Base	Deferred Tax Asset/
Financial Assets Valuation	516.556	101.634
Unearned Commission Income/Prepaid Commission Expenses	113.656	24.783
Retirement Pay and Unused Vacation Provision	50.822	12.000
Tangible Assets Base Differences	(37.835)	(7.566)
Provisions	858.529	187.652
Other	10.944	(9.684)
Deferred Tax Asset/(Liability)	1.512.672	308.819

The movement of the current year and prior year deferred tax assets is shown below:

	1 January-31 December 2022	1 January - 31 December 2021
Deferred Tax Asset, 1 January	308.819	191.700
Deferred Tax Income / (Expense)	399.637	141.135
Deferred Tax Recognized Directly Under Equity	(218.346)	(24.016)
Deferred Tax Asset/(Liability) , Period End Balance	490.110	308.819

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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**I. Explanations and disclosure related to the assets (continued)**

**15.2 *Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in prior periods in the balance sheet***

None (31 December 2021: None).

**15.3 *Deferred tax asset resulting from the cancellation of the provision for impairment losses related to the deferred taxes***

None.

**16. Information on assets held for sale and non-current assets related to discontinued operations**

As of 31 December 2022, the Bank has TL 24.609 assets held for sale (31 December 2021: TL 182.161).

**17. Information on other assets**

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

**17.1 *Information on prepaid expenses, tax and similar items***

As of 31 December 2022, total prepaid expenses are TL 94.153 (31 December 2021: TL 41.115).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

II. Explanations and disclosures related to liabilities

1. Information on deposits

1.1 Information on maturity structure of deposits

Current period									
	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	829.765	--	5.843.018	11.407.352	178.965	12.680	45.739	--	18.317.519
Foreign Currency Deposits	3.644.610	--	4.778.777	1.302.016	13.376	34.656	281.593	--	10.055.028
Residents in Turkey	3.261.577	--	4.598.962	1.239.943	13.376	34.518	281.503	--	9.429.879
Residents Abroad	383.033	--	179.815	62.073	--	138	90	--	625.149
Public Sector Deposits	734	--	--	--	--	--	--	--	734
Commercial Deposits	1.380.856	--	1.902.199	2.990.905	93.110	34	48.087	--	6.415.191
Other Ins. Deposits	6.389	--	37.254	319.726	201	79	--	--	363.649
Precious Metal Deposits	2.138.258	--	1.595.782	--	--	--	--	--	3.734.040
Interbank Deposits	637.446	--	1.262.110	3.738.825	2.334.293	--	--	--	7.972.674
Central Bank of Turkey	34.005	--	23.260	3.738.825	2.334.293	--	--	--	6.130.383
Domestic Banks	26	--	1.231.968	--	--	--	--	--	1.231.994
Foreign Banks	603.415	--	6.882	--	--	--	--	--	610.297
Special Finan.Inst.	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>8.638.058</b>	<b>--</b>	<b>15.419.140</b>	<b>19.758.824</b>	<b>2.619.945</b>	<b>47.449</b>	<b>375.419</b>	<b>--</b>	<b>46.858.835</b>

(\*) As of 31 December 2022, the Bank has a total of TL 8.659.756 foreign exchange-protected deposit instrument of which TL 5.747.938 opened within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696, TL 2.911.818 opened within the scope of the announcement of the Ministry of Treasury and Finance ("Treasury") dated 24 December 2021. Currency valuation differences related to foreign exchange-protected deposit accounts are netted off in assets and liabilities and removed from the balance sheet.

Prior Period (*)									
	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	534.553	--	4.744.646	2.312.448	57.937	155.230	91.456	--	7.896.270
Foreign Currency Deposits	4.093.791	--	7.803.817	1.044.716	155.771	5.035	207.983	--	13.311.113
Residents in Turkey	3.955.128	--	7.755.600	1.039.879	155.771	4.936	207.915	--	13.119.229
Residents Abroad	138.663	--	48.217	4.837	--	99	68	--	191.884
Public Sector Deposits	386	--	--	--	--	--	--	--	386
Commercial Deposits	633.695	--	138.081	366.682	1.021	14.724	125	--	1.154.328
Other Ins. Deposits	4.520	--	13.357	26.782	31	66	--	--	44.756
Precious Metal Deposits	1.182.332	--	1.024.849	--	--	--	--	--	2.207.181
Interbank Deposits	143.226	--	107.921	5.254.043	881.168	--	--	--	6.386.358
Central Bank of Turkey	--	--	152	5.229.130	881.168	--	--	--	6.110.450
Domestic Banks	25	--	70.026	--	--	--	--	--	70.051
Foreign Banks	137.477	--	37.743	24.913	--	--	--	--	200.133
Special Finan.Inst.	5.724	--	--	--	--	--	--	--	5.724
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>6.592.503</b>	<b>--</b>	<b>13.832.671</b>	<b>9.004.671</b>	<b>1.095.928</b>	<b>175.055</b>	<b>299.564</b>	<b>--</b>	<b>31.000.392</b>

(\*) As of 31 December 2021, the Bank has a total of TL 826.739 foreign exchange-protected deposit instrument of which TL 38.833 opened within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696, TL 787.546 opened within the scope of the announcement of the Ministry of Treasury and Finance ("Treasury") dated 24 December 2021. Foreign exchange revaluation differences amounting to TL 99.289 regarding the foreign exchange-protected deposit instrument calculated as of the balance sheet date are presented in other assets under assets and included in other liabilities under liabilities.

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**II. Explanations and disclosures related to liabilities (continued)**

**1.2 Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance**

	Under the Guarantee of Deposit		Exceeding	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	5.541.792	3.321.603	12.695.735	4.533.631
Foreign Currency Saving Deposits	3.313.362	2.893.560	8.076.182	9.124.125
Other Deposits in the Form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Insurance of Foreign Authorities	--	--	--	--
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	--	--	--	--
<b>Total</b>	<b>8.855.154</b>	<b>6.215.163</b>	<b>20.771.917</b>	<b>13.657.756</b>

(\*) In the first paragraph of Article 1 of the Regulation on Deposits and Participation Funds Subject to Insurance and Premiums to be Collected by the Savings Deposit Insurance Fund published in the Official Gazette dated 7/11/2006 and numbered 26339, the phrase "savings deposits and belonging to real persons" has been changed to "all deposits excluding those belonging to official institutions, credit institutions and financial institutions."

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, all deposit and participation funds, excluding those belonging to official institutions, credit institutions and financial institutions, have started to be insured. In this context, commercial deposits covered by the insurance amount to TL 419.991 and the said amount is not included in the footnote.

**1.3 Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad.**

**1.4 Saving deposits that are not under the guarantee of deposit insurance fund**

	Current Period	Prior Period
Deposits and Accounts in Branches Abroad	--	--
Deposits of Ultimate Shareholders and Their Close Families	6.773	8.595
Deposits of Chairman and Members of the Board of Directors and their Close Families		
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	95.245	52.423
Saving Deposits in Banks Established in Turkey Exclusively for Off	--	--
Shore Banking Activities	--	--

**2. Information on derivative financial liabilities held for trading**

**2.1 Information on negative differences relating to derivative financial liabilities held for trading**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	279.519	--	839.040	--
Swap Transactions	258.528	--	587.941	--
Futures Transactions	--	--	--	--
Options	82	23.811	248.017	3.398
Other	--	--	--	--
<b>Total</b>	<b>538.129</b>	<b>23.811</b>	<b>1.674.998</b>	<b>3.398</b>

**3. Information on banks and other financial institutions**

**3.1 Information on banks and other financial institutions**

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	--	--	--	--
From Domestic Banks and Institutions	--	--	15.646	251.020
From Foreign Banks, Institutions and Funds	--	3.179.212	--	256.911
<b>Total</b>	<b>--</b>	<b>3.179.212</b>	<b>15.646</b>	<b>507.931</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2022 - 31 DECEMBER 2022**

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

**II. Explanations and disclosures related to liabilities (continued)**

**3.2 Maturity analysis of borrowing**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	--	469.618	14.961	6.238
Medium and Long Term	--	2.709.594	685	501.693
<b>Total</b>	<b>--</b>	<b>3.179.212</b>	<b>15.646</b>	<b>507.931</b>

**3.3 Additional explanation related to the concentrations of the Bank’s major liabilities**

In the scope of banking operations, the Bank funds itself through the funds provided in the form of deposits, money market funds, bank borrowings and bond issuance.

**4. Information related to securities issued**

Current Period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	1.150.000	--	--	3.609.912
Book Value	1.108.379	--	--	3.702.499

Prior period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	--	--	--	2.579.975
Book Value	--	--	--	2.646.236

**5. Other Liabilities**

Other liabilities of balance sheet do not exceed 10% of the balance sheet total excluding the off-balance sheet items.

**6. Obligations under financial lease**

With the “TFRS 16 Leases” standard valid from 1 January 2019, the difference between operating leases and finance leases has been eliminated and the lease transactions have been expressed under the “Lease Payables” as liability by lessees.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	61.232	56.583	55.912	39.831
Between 1-4 Years	117.021	81.630	33.097	8.631
More than 4 Years	8.183	3.314	2.702	497
<b>Total</b>	<b>186.436</b>	<b>141.527</b>	<b>91.711</b>	<b>48.959</b>

**6.1 Additional explanations related to the changes in agreements and the additional liabilities brought by these changes**

None.



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II. Explanations and disclosures related to liabilities (continued)

7. Information on derivative financial liabilities for hedging purposes

As of 31 December 2022, there are no derivative financial liabilities for hedging purposes (31 December 2021: None).

8. Information on provisions

8.1 Foreign exchange losses on the foreign currency indexed loans

The foreign exchange losses on foreign currency indexed loans are netted off from the loans on the balance sheet. As of 31 December 2022, there is no provision of foreign exchange losses on the foreign currency indexed loans (31 December 2021: None).

8.2 The specific provisions provided for unindemnified non cash loan

As of 31 December 2022, the specific provision provided for unindemnified non cash loans is TL 14.192 (31 December 2021: TL 5.847).

8.3 Explanation on other provisions

8.3.1 Provisions for possible losses

	Current Period	Prior Period
Provisions for Possible Losses	1.320.000	337.000

8.3.2 The breakdown of the associate accounts if other provisions exceed 10% of the grand total provisions

None.

8.3.3 Explanations on reserves for employee benefits

As of 31 December 2022, reserves for employee benefits amounting to TL 231.197 (31 December 2021: TL 50.822) comprise of TL 68.149 reserve for employee termination benefits (31 December 2021: TL 23.976), TL 13.025 unused vacation pay liability (31 December 2021: TL 5.867) and TL 150.023 personnel bonus accrual (31 December 2021: TL 20.978).

	Current Period	Prior Period
Balance at the Beginning	23.977	19.659
Change in the period	7.810	6.303
Actuarial Loss/Profit Transferred to Equity	45.344	3.004
Paid in the Period	(8.982)	(4.990)
Balance at the End	68.149	23.976

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**II. Explanations and disclosures related to liabilities (continued)**

**9. Explanations on Tax Liability**

**9.1 Explanations on current tax liability**

**9.1.1 Explanations on *tax provision***

As of 31 December 2022, the Bank's current tax liability is TL 500.587 (31 December 2021: TL 288.652).

**9.1.2 Information on taxes payable**

	Current Period	Prior Period
Corporate taxes payable	346.992	198.273
Taxation on securities	20.648	15.179
Property tax	540	1.046
Banking and Insurance Transaction Tax (BITT)	40.065	20.516
Taxes on foreign exchange transactions	6.065	28.193
Value added taxes payable	8.268	3.707
Income tax ceased from wages	22.658	11.244
Other	16.009	1.818
<b>Total</b>	<b>461.245</b>	<b>279.976</b>

**9.1.3 Information on premium**

	Current Period	Prior Period
Social Security Premiums- Employee	16.655	3.664
Social Security Premiums- Employer	19.212	4.245
Bank Social Aid Pension Fund Premium- Employee	--	--
Bank Social Aid Pension Fund Premium- Employer	--	--
Pension Fund Membership Fees and Provisions- Employee	--	--
Pension Fund Membership Fees and Provisions- Employer	--	--
Unemployment Insurance- Employee	1.159	255
Unemployment Insurance- Employer	2.316	512
Other	--	--
<b>Total</b>	<b>39.342</b>	<b>8.676</b>

**9.2 Explanations on deferred tax liabilities**

There are no deferred tax liabilities after netting of deferred tax assets (31 December 2021: None).

**10. Information on liabilities regarding assets held for sale and discounted operations**

None (31 December 2021: None).

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

### II. Explanations and disclosures related to liabilities (continued)

#### 11. Explanations on subordinated loans

The additional Tier 1 capital with a nominal amount of 30 million USD was early redeemed on 1 March 2022 with the approval of the BRSA, and the redemption amount was used in the cash capital increase realized in April 2022.

	Current Period		Prior Period	
	TL (*)	FC	TL	FC
Debt instruments subject to common equity	100.000	--	100.000	399.981
Subordinated loans	--	--	--	--
Subordinated debt instruments*	100.000	--	100.000	399.981
Debt instruments subject to Tier 2 equity	--	4.543.945	--	3.390.167
Subordinated loans	--	--	--	--
Subordinated debt instruments	--	4.543.945	--	3.390.167
<b>Total</b>	<b>100.000</b>	<b>4.543.945</b>	<b>100.000</b>	<b>3.790.148</b>

(\*)Related debt instrument is shown in "Other Capital Reserves" account.

#### 12. Information on shareholders' equity

##### 12.1 Paid in capital

	Current Period	Prior Period
Common Stock	1.357.723	941.161
Preferred Stock	--	--

##### 12.2 Paid-in capital amount, explanation as to whether the registered share capital system is applied at the bank; if so the amount of registered share capital ceiling:

Registered share capital system is not applied.

##### 12.3 Information on share capital increases and their sources; other information on increased capital shares in current period

In the current period, with the decision taken at the Extraordinary General Assembly dated 14 April 2022, the paid-in capital of the Bank was increased by TL 416.562 to TL 1.357.723 by making a cash capital increase.

##### 12.4 Information on share capital increases from revaluation funds:

None.

##### 12.5 Information on capital commitments the purpose and the sources until the end of the fiscal year and the subsequent interim period:

The capital is totally paid in and there are no capital commitments.

##### 12.6 Indicators of the Bank's income, profitability and liquidity for the prior periods and possible effects of these future assumptions due to the uncertainty of these indicators on the Bank's equity:

None.

##### 12.7 Information on privileges given to stocks representing the capital

The Bank does not have any preferred shares.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

### II. Explanations and disclosures related to liabilities (continued)

#### 12. Information on shareholders' equity (continued)

##### 12.8 Common stock issue premiums, shares and equity instruments

Number of shares issued with premiums and the related share premiums are presented below.

	Current Period	Prior Period
Number of Shares (Thousand)	26.230.098	26.230.098
Number of Privileged Shares	--	--
Share Premium	128.678	128.678
Share Cancellation Profits	--	--
Other Equity Instruments	--	--

##### 12.9 Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates, and Entities				
Under Common Control (Joint Ventures)	--	--	--	--
Security Valuation Difference	1.245.199	(6.718)	129.399	(23.035)
Exchange Difference	--	--	--	--
<b>Total</b>	<b>1.245.199</b>	<b>(6.718)</b>	<b>129.399</b>	<b>(23.035)</b>

##### 12.10 Information on other capital reserves

The Bank issued a TL-denominated debt instrument on 20 March 2019 with nominal amount of TL 100.000 with a floating interest rate, which fulfills the conditions of 7th section-2nd paragraph of BRSA's "Regulation on Equities of Banks", has equity characteristics and will be added to Tier I capital calculations. The principal of debt instrument under "Other Capital Reserves" account and current year interest expense under "Prior Periods Profit or Loss" account.

##### 12.11 Information on revaluation reserve

None.

##### 12.12 Bonus shares of subsidiaries, associates and joint ventures

Fiba Portföy Yönetimi A.Ş., the financial subsidiary of the Bank, increased its capital by stock dividends by amount of TL 2.500 on 27 January 2022 (31 December 2021: None).

##### 12.13 Information on legal reserves

	Current Period	Prior Period
Legal Reserves	71.590	52.876
Special Reserves	--	--

##### 12.14 Information on extraordinary reserves

	Current Period	Prior Period
Reserves allocated by the General Assembly	926.300	654.616
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Capital Exchange Differences	--	--

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

### III. Explanations and disclosures related to off-balance sheet contingencies and commitments

#### 1. Information on off balance sheet commitments

##### 1.1 Nature and amount of irrevocable loan commitments

	Current Period	Prior Period
Asset Sale and Purchase Commitments	5.669.593	5.943.712
Credit Card Limit Commitments	36.319	25.488
Credit Card and Bank Trans. Promo. Guarantee	--	11
Commitments for Credit Allocation with the Guarantee of Usage	3.644.791	1.794.126
Export Commitments	31.761	36.399
Commitment for Cheques	276.368	248.984
Other Irrevocable Commitments	5.719	5.409
<b>Total</b>	<b>9.664.551</b>	<b>8.054.129</b>

#### 1.2 Possible losses and commitments related to off balance sheet items, including the ones listed below

##### 1.2.1 Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits

	Current Period	Prior Period
Letters of Guarantee TL	486.870	454.064
Letters of Guarantee FC	154.792	227.839
Letters of Credit	86.358	147.599
Bills of Exchange and Acceptances	17.941	174.675
<b>Total</b>	<b>745.961</b>	<b>1.004.177</b>

The Bank has set aside TL 15.197 of expected credit loss allowance for non-cash loans (31 December 2021: TL 7.930).

##### 1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	15.710	8.680
Irrevocable Letters of Guarantee	545.901	551.710
Letters of Guarantee Given in Advance	10.330	58.049
Letters of Guarantee Given to Customs	55.760	34.789
Other Letters of Guarantee	13.961	28.675
<b>Total</b>	<b>641.662</b>	<b>681.903</b>

#### 2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	3.098	7.078
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	3.098	7.078
Other Non-Cash Loans	742.863	997.099
<b>Total</b>	<b>745.961</b>	<b>1.004.177</b>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2022 - 31 DECEMBER 2022

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

III. Explanations and disclosures related to off-balance sheet contingencies and commitments (continued)

3. Information on sectoral risk concentration of non cash loans

	Current Period				Prior Period			
	TP	(%)	YP	(%)	TP	(%)	YP	(%)
<b>Agricultural</b>	<b>3.649</b>	<b>0,7%</b>	<b>--</b>	<b>0,0%</b>	<b>4.015</b>	<b>0,9%</b>	<b>63.946</b>	<b>11,7%</b>
Farming and raising livestock	3.224	0,7%	--	0,0%	2.230	0,5%	10.663	1,9%
Forestry	425	0,1%	--	0,0%	1.785	0,4%	53.283	9,7%
Fishing	--	0,0%	--	0,0%	--	0,0%	--	0,0%
<b>Manufacturing</b>	<b>114.853</b>	<b>23,6%</b>	<b>54.423</b>	<b>21,0%</b>	<b>132.769</b>	<b>29,1%</b>	<b>223.186</b>	<b>40,8%</b>
Mining	7.976	1,6%	--	0,0%	3.422	0,7%	--	0,0%
Production	104.720	21,5%	54.423	21,0%	126.190	27,6%	222.804	40,7%
Electric, gas and water	2.157	0,4%	--	0,0%	3.157	0,7%	382	0,1%
<b>Construction</b>	<b>107.153</b>	<b>22,0%</b>	<b>56.955</b>	<b>22,0%</b>	<b>114.846</b>	<b>25,2%</b>	<b>51.876</b>	<b>9,5%</b>
<b>Services</b>	<b>173.648</b>	<b>35,7%</b>	<b>135.228</b>	<b>52,2%</b>	<b>139.209</b>	<b>30,5%</b>	<b>177.294</b>	<b>32,4%</b>
Wholesale and retail trade	112.524	23,1%	80.783	31,2%	84.004	18,4%	57.091	10,4%
Hotel, food and beverage services	3.324	0,7%	4.984	1,9%	13.753	3,0%	54.312	9,9%
Transportation and telecommunication	8.838	1,8%	4.946	1,9%	10.060	2,2%	37.116	6,8%
Financial Institutions	35.310	7,3%	20.311	7,8%	13.197	2,9%	7.444	1,4%
Real estate and renting services	5.242	1,1%	--	0,0%	665	0,1%	--	0,0%
Self-employment services	3.850	0,8%	13.761	5,3%	4.498	1,0%	--	0,0%
Education services	1.223	0,3%	--	0,0%	4.111	0,9%	--	0,0%
Health and social services	3.337	0,7%	10.443	4,0%	8.921	2,0%	21.331	3,9%
<b>Other</b>	<b>87.567</b>	<b>18,0%</b>	<b>12.484</b>	<b>4,8%</b>	<b>65.725</b>	<b>14,4%</b>	<b>31.310</b>	<b>5,7%</b>
<b>Total</b>	<b>486.870</b>	<b>100,0%</b>	<b>259.091</b>	<b>100,0%</b>	<b>456.564</b>	<b>100,0%</b>	<b>547.613</b>	<b>100,0%</b>

4. Information on the first and second group of non-cash loans

Current Period	Stage I		Stage II	
	TL	FC	TL	FC
Letters of Guarantee	432.223	154.792	54.647	--
Bills of Exchange and Bank Acceptances	--	17.941	--	--
Letters of Credit	--	86.358	--	--
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties	--	--	--	--
<b>Non-Cash Loans</b>	<b>432.223</b>	<b>259.091</b>	<b>54.647</b>	<b>--</b>

Prior Period	Stage I		Stage II	
	TL	FC	TL	FC
Letters of Guarantee	396.404	223.431	57.660	4.408
Bills of Exchange and Bank Acceptances	2.500	172.175	--	--
Letters of Credit	--	146.797	--	802
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties	--	--	--	--
<b>Non-Cash Loans</b>	<b>398.904</b>	<b>542.403</b>	<b>57.660</b>	<b>5.210</b>

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**III. Explanations and disclosures related to off-balance sheet contingencies and commitments (continued)**

**5. Information related to derivative financial instruments**

	Current Period	Prior Period
<b>Types of trading transactions</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>117.786.955</b>	<b>53.187.119</b>
Forward Transactions	34.703.848	13.167.149
Swap Transactions	70.163.629	35.801.978
Futures Transactions	142.388	5.079
Option Transactions	12.777.090	4.212.913
<b>Interest Related Derivative Transactions (II)</b>	<b>1.747.146</b>	<b>4.895.510</b>
Forward Rate Transactions	--	--
Interest Rate Swap Transactions	1.747.146	4.895.510
Interest Option Transactions	--	--
Futures Interest Transactions	--	--
Other Trading Derivative Transactions (III)	2.372.802	415.032
<b>A. Total Derivative Transactions Held for Trading (I+II+III)</b>	<b>121.906.903</b>	<b>58.497.661</b>
<b>Types of hedging transactions</b>		
Fair Value Hedges	--	--
Cash Flow Hedges	--	--
Net Investment Hedges	--	--
<b>B. Total Derivative Transactions Held for Hedging Purposes</b>	<b>--</b>	<b>--</b>
<b>Total Derivative Transactions (A+B)</b>	<b>121.906.903</b>	<b>58.497.661</b>

**6. Information on the first and second group of non cash loans**

None.

**7. Information related to derivative financial instruments**

The Bank recognised a provision of TL 50.760 for the legal cases pending against the Bank where the cash out flows are probable (31 December 2021: TL 6.015).

**8. Custodian and Intermediary services**

The Bank provides trading and safe keeping services in the name and account of third parties. Such transactions are presented in off-balance statements.

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IV. Explanations and disclosures related to the statement of profit or loss

1. Interest income

1.1 Information on interest on loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans(*)	5.207.462	382.979	2.679.490	414.513
Short Term Loans	3.893.724	53.553	1.563.408	46.732
Medium and Long Term Loans	1.313.738	329.426	1.116.082	367.781
Interest on Non-Performing Loans	47.143	--	12.401	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
<b>Total</b>	<b>5.254.605</b>	<b>382.979</b>	<b>2.691.891</b>	<b>414.513</b>

(\*) Includes fees and commissions obtained from cash loans as well.

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	909	8.139	815	--
Domestic Banks	9.126	4.542	19.202	122
Foreign Banks	--	1.460	--	157
Branches and Head Office Abroad	--	--	--	--
<b>Total</b>	<b>10.035</b>	<b>14.141</b>	<b>20.017</b>	<b>279</b>

1.3 Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	31	143	2.644	112
Financial Assets at Fair Value Through Other Comprehensive	170.980	125.967	8.134	55.027
Financial Assets Measured at Amortized Cost	220.018	235.036	22.253	105.404
<b>Total</b>	<b>391.029</b>	<b>361.146</b>	<b>33.031</b>	<b>160.543</b>

1.4 Information on interest income received from associates and subsidiaries

Total interest income received from associates and subsidiaries is TL 13.800 (31 December 2021: TL 13.936).



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**IV. Explanations and disclosures related to the statement of profit or loss (continued)**

**2. Interest expense**

**2.1 Information on interest on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>833</b>	<b>21.739</b>	<b>3.037</b>	<b>13.925</b>
The Central Bank of Turkey	--	--	--	--
Domestic Banks	833	1.534	3.037	4.908
Foreign Banks	--	20.205	--	9.017
Branches and Head Office Abroad	--	--	--	--
<b>Other Institutions</b>	--	<b>349.464</b>	--	<b>197.812</b>
<b>Total</b>	<b>833</b>	<b>371.203</b>	<b>3.037</b>	<b>211.737</b>

(\*)Includes fees and commission expenses on borrowings, as well.

**2.2 Information on interest expenses to associates and subsidiaries**

Total interest expense given to associates and subsidiaries is TL 8.719 (1 January -31 December 2021: TL 12.353).

**2.3 Information on interest expenses to securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Marketable Securities	21.039	213.832	--	158.005

**2.4 Information on maturity structure of interest expenses paid for deposits**

Account Description	Demand Deposits	Time Deposits					Cumulative Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
Turkish Lira								
Bank Deposits	--	734.349	--	--	--	--	--	734.349
Saving Deposits	--	1.118.496	1.218.634	24.239	22.830	11.205	--	2.395.404
Public Sector Deposits	--	--	75	--	--	--	--	75
Commercial Deposits	--	153.632	149.866	6.828	13.444	37	--	323.807
Other	--	2.247	20.183	15	280	--	--	22.725
7 Days Notice	--	--	--	--	--	--	--	--
Total	--	2.008.724	1.388.758	31.082	36.554	11.242	--	3.476.360
Foreign Currency								
Foreign Currency Deposits	--	31.569	61.105	3.456	675	7.003	--	103.808
Bank Deposits	--	5.149	--	--	--	--	--	5.149
7 Days Notice	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	7.001	--	--	--	--	--	7.001
Total	--	43.719	61.105	3.456	675	7.003	--	115.958
Grand Total	--	2.052.443	1.449.863	34.538	37.229	18.245	--	3.592.318

**3. Information on dividend income**

For the period ended 31 December 2022, the Bank's dividend income from its subsidiaries is TL 200.000 (31 December 2021: 197.009).

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IV. Explanations and disclosures related to the statement of profit or loss (continued)

4. Information on net trading income / loss

	Current Period	Prior Period
Income	13.694.036	6.997.433
Gains on Capital Market Operations	95.213	52.902
Gains on Derivative Financial Instruments	2.983.347	1.934.648
Foreign Exchange Gains	10.615.476	5.009.883
Loss (-)	10.749.069	6.837.475
Losses on Capital Market Operations	40.427	9.109
Losses on Derivative Financial Instruments	4.036.350	2.528.456
Foreign Exchange Losses	6.672.292	4.299.910
Net Trading Income / ( Loss )	2.944.967	159.958

5. Information on other operating income

Other operating income mainly consists of profit from sale of assets, commissions on cheques and notes and costs recharged.

6. Provisions for Expected Losses

	Current Period	Prior Period
Expected Credit Losses	626.607	513.460
12 Months Expected Credit Losses (Stage 1)	185.888	4.111
Significant Increase In Credit Risk (Stage 2)	103.830	133.230
Impaired Credits (Stage 3)	336.889	376.119
Impairment Losses on Marketable Securities	--	--
Financial Assets Valued at Fair Value Through Profit or Loss	--	--
Financial Assets Valued at Fair Value Through Other Comprehensive Income	--	--
Impairment Losses on Associates, Subsidiaries and Joint Ventures	--	--
Associates	--	--
Subsidiaries	--	--
Joint-Ventures	--	--
Other (*)	1.026.806	187.587
Total	1.653.413	701.047

(\*) Current period figure includes possible loss provision expense of TL 983.000 and a provision expense legal case provision of TL 43.806 (Prior period: TL 186.000 of possible losses provision).

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**IV. Explanations and disclosures related to the statement of profit or loss (continued)**

**7. Information related to other operational expenses**

	Current Period	Prior Period
Provision for Employee Termination Benefits	--	1.313
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	27.898	19.213
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	55.812	35.923
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	--	--
Depreciation of Right to Use Assets	39.323	22.693
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	388.931	192.202
Operational leases expenses related with TFRS 16 exceptions (*)	292	1.039
Repair and Maintenance Expenses	4.704	2.373
Advertisement Expenses	109.315	24.356
Other Expenses	274.620	164.434
Losses on Sale of Assets(*)	290.070	2.985
Other (**)	386.840	149.215
<b>Total</b>	<b>1.188.874</b>	<b>423.544</b>

(\*) The portion of the Losses Arising from the Sale of Assets amounting to TL 289.893 relates to the loan sales made within the scope of asset backed securities.

(\*\*)The Other line includes TMSF expenses in the amount of TL 75.201, contractual power of attorney fee expenses in the amount of TL 35.457, audit expenses in the amount of TL 25.655 and audit and counseling and personnel bonus/ expenses in the amount of TL 146.238.

In 2022, a total of TL 3.687.877 loans were sold for the purpose of issuing asset-backed securities, and the difference between the discounted values of the relevant loans and their book values of TL 289.893 has been booked as loss on sale.

**8. Information on profit/loss before tax from continued and discontinued operations**

The Bank's profit/loss before tax is from its continued operations. The Bank has no discontinued operations.

	Current Period	Prior Period
Interest Income	6.522.214	3.411.084
Interest Expenses (-)	4.292.682	2.367.793
Net Fee and Commission income	588.925	260.202
Dividend Income	200.000	197.009
Trading Profit/Loss (Net)	2.944.967	159.958
Other Operating Income(*)	1.113.080	327.099
Provision for Impairment in Loans and Other Receivables	626.607	513.460
Other Provision Expenses (-)	1.026.806	187.587
Personnel Expenses (-)	832.589	391.454
Other Operating Expenses (-)	1.188.874	423.544
<b>Profit/(loss) Before Tax</b>	<b>3.401.628</b>	<b>471.514</b>

**9. Explanations on tax provision for resumed operations and discontinued operations**

**9.1 Current period taxation income or expense and deferred tax income or expense**

For the period ended 31 December 2022, the Bank provided current tax expense of TL 1.129.911 in the statement of profit/loss for the 12 months period (1 January - 31 December 2021: TL 202.682 net expense).

For the period ended 31 December 2022, the Bank provided net deferred tax income of TL 399.637 in the statement of profit/loss for the 12 months period (1 January - 31 December 2021: TL 141.135 net deferred tax expense).

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

IV. Explanations and disclosures related to the statement of profit or loss (continued)

10. Information on profit/loss from continued and discontinued operations

	Current Period	Prior Period
Profit/(Loss) Before Tax from Continuing Operations	3.401.628	471.514
Tax Benefit/(Charge) on Continuing Operations	(730.274)	(61.547)
Net Profit/(Loss) from Continuing Operations	2.671.354	409.967

11. Information on net profit/loss for the period

11.1 The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period

In the current and prior periods, the Bank's income from ordinary banking transactions is interest income from loans and marketable securities and other banking service income. Main expenses are interest expense on deposits and similar debt items which are funding resources of loans and marketable securities.

11.2 Changes in estimations made by the Bank with respect to the financial statements items do not have a material effect on profit/loss

11.3 As there is no minority share in shareholders' equity, there is no profit or loss attributable to the minority shares

12. If "other" lines of the statement of profit or loss exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items

In the current period, "other" items recognised in "fees and commissions received" majorly comprised of commissions such as valuation commissions, insurance commissions, contracted merchant commissions, and credit card commissions.

In the current period, "other" items recognised in "fees and commissions paid" majorly comprised of commissions to correspondent banks, credit card commissions and commissions on issuance of securities.

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

- V. Explanations and disclosures related to statements of changes in consolidated shareholders' equity**
- 1. Information on inflation adjustment difference of shareholders' equity**
- As per the circular issued by the BRSA on 28 April 2005 and the decision of BRSA No: 1623 on 21 April 2005, the inflation accounting applied in banking system has been decided to be ceased as at 1 January 2005.
- In accordance with the circular, TL 17.416 inflation adjustments to paid-in-capital until 31 December 2005 have been transferred to "Other Capital Reserves" account which was formerly recognized in "Inflation Adjustment to Paid-in-Capital" account. Mentioned inflation adjustment was used in the capital increase from TL 426.650 to TL 550.000 together with TL 9.502 profit from the disposal of real estate and TL 96.432 cash contribution of Fiba Holding A.Ş. in accordance with the Board of Directors decision dated 25 February 2013. Legal procedures were completed on 29 May 2013 and capital increase was accounted for in the financial statements.
- 2. Information on profit distribution**
- The decision relating to distribution of 2022 profit will be made at the General Assembly.
- At the General Assembly meeting held on 28 March 2022, 2021 profit of the Bank was decided to be distributed as follows:
- |                           |                |
|---------------------------|----------------|
| <b>Profit or Loss</b>     | <b>409.967</b> |
| A - Prior Periods Losses  | 35.683         |
| B- Legal Reserves         | 18.714         |
| C- Special Funds          | 83.886         |
| D- Extraordinary Reserves | 271.684        |
- 3. Information on foreign exchange difference**
- None.
- 4. Information on financial assets measured at fair value through other comprehensive income**
- Fair value gains and losses on financial assets measured at fair value through other comprehensive income are not reflected to profit and loss but recognized in equity under "Securities Valuation Reserve" account until such equity securities are sold, redeemed, disposed of or impaired; recognised as "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" for such equity securities. In case the related assets are debt securities, they are recognized under in the account "Accumulated Other Comprehensive Income or Loss to be Reclassified Through Profit or Loss" under equity.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2022 - 31 DECEMBER 2022

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

### VI. Explanations and disclosures related to the consolidated statement of cash flows

#### 1. Information on cash and cash equivalents

Cash and cash equivalents components and accounting policies defining these components:

Cash, foreign currency, money in transfer, purchased bank cheques and deposits in all banks including Central Bank of Turkey are defined as "Cash", interbank money market placements with original maturity less than 3 months and investments onmarketable securities are defined as "Cash equivalents".

##### a) Cash and cash equivalents at the beginning of the period:

	1 January 2022	1 January 2021
Cash	968.288	336.603
Banks and Other Financial Institutions	10.544.067	2.081.666
Money Market Placements	128.720	412.231
<b>Total Cash and Cash Equivalent Assets</b>	<b>11.641.075</b>	<b>2.830.500</b>

##### b) Cash and cash equivalents at the end of the period:

	31 December 2022	31 December 2021
Cash	2.021.381	968.288
Banks and Other Financial Institutions	11.675.716	10.544.067
Money Market Placements	1.636.551	128.720
<b>Total Cash and Cash Equivalents Assets</b>	<b>15.333.648</b>	<b>11.641.075</b>

#### 2. Information on cash and cash equivalent assets of the Bank that is not available for free use due to legal restrictions or other reasons

In the current period, demand deposits of TL 170.631 which is blocked at foreign banks as the guarantee of derivative transactions and required reserves at the Central Bank of Turkish Republic are not included in cash and cash equivalents (31 December 2021: TL 47.105).

#### 3. Information on other item in cash flow statement and the effect of the exchange rate change on cash and cash equivalents

"The other items" in the amount of TL (853.559) included in the "operating profit/(loss) before changes in assets and liabilities" subject of banking activity consists of other operating expenses and realized derivative transaction profit/ (loss) (31 December 2021: TL 51,562).

"Net increase/decrease in other liabilities" amounting to TL 3.940.892 in "Changes in operating assets and liabilities" consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2021: TL 1.347.169).

"Net increase/decrease in other assets" amounting to TL 142.720 (in "Changes in operating assets and liabilities" consists of changes in sundry receivables, other receivables (31 December 2021: TL (334.178)).

"Other" amounting to TL 183.493 in "Net cash flows from investment activities" consists of purchases of intangible assets (31 December 2021: TL (93.218)).

"The effect of exchange rate changes on cash and cash equivalents" is the amount arising from conversion of the cash and cash equivalents denominated in foreign currencies with the average of the exchange rates effective at the beginning and at the end of the related periods and is TL 3.553.222 for the current period (1 January- 31 December 2021: TL (1.786.611)).

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VII. Explanations and disclosures on the risk group of the Bank

1. Information on the volume of transactions with the Bank’s risk group, lending and deposits outstanding at Period end and income and expenses in the current period

1.1 Information on the volume of transactions with the Bank’s risk group

Current Period

Bank’s Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholder		Other Real Persons and Legal Associates in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	--	--	--	--	--	--
Balance at the Beginning of the Period	60.114	--	--	--	465.991	67.861
Balance at the End of the Period	267.036	483	--	--	627.604	76.715
Interest and Commission Income Received	13.797	3	23	--	79.962	299

(\*) Described in article 49 of the Banking Act No: 5411.

(\*\*) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

Prior Period

Bank’s Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholder		Other Real Persons and Legal Associates in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	635.851	70.760
Balance at the End of the Period	60.114	--	--	--	465.991	67.861
Interest and Commission Income Received	13.936	--	--	--	54.949	590

(\*) Described in article 49 of the Banking Act No: 5411.

(\*\*) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

1.2 Information on deposits of the Bank’s risk group

Bank’s Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholder		Other Real Persons and Legal Associates in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	224.393	2.561	2.204	18.479	399.459	512.953
Balance at the End of the Period	250.223	224.393	1.249.692	2.204	1.150.446	399.459
Deposit Interest Expense	8.719	12.353	13.920	1.112	41.535	36.759

(\*) Described in article 49 of the Banking Act No: 5411.

1.3 Information on funds obtained from the Bank’s risk group

As of 31 December 2022, the Bank has non-deposit funds of TL 334.411 from real and legal persons included in the Bank’s risk group. (31 December 2021: None).

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

VII. Explanations and disclosures on the risk group of the Bank (continued)

<b>1.4 Information on forward and option agreements and similar agreements made with Bank's risk group</b>						
Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in 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 the Beginning of the Period	--	--	--	--	404.723	585.484
Balance at the End of the Period	--	--	75.012	--	1.502.471	404.723
Total Income/Loss	--	--	--	--	32.588	54.382
Transactions for Hedging Purposes:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--
(*) As described in the Article 49 of Banking Act no.5411.						
<b>2. Information on transactions with the Bank's risk group</b>						
<b>2.1 Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties</b>						
The terms of related party transactions are equivalent to those that prevail in arm's length transactions only if such terms can be substantiated regarding the limits exposed by the Banking Act. Adopted Bank policy is that assets and liabilities will not be dominated by the risk group and the balances with the risk group will have a reasonable share in the total balance sheet.						
<b>2.2 In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other</b>						
As of 31 December 2022, the ratio of the loans and other receivables to the risk group to total loans and receivables is 2,36% (31 December 2021: 2,11%), the ratio of the deposits from the risk group to total deposits is 5,66% (31 December 2021: 2,02%) and the ratio of funds from the risk group to the total borrowings is 10,52% (31 December 2021: None).						
In the current period, benefits such as salaries and bonuses, provided to the key management are TL 50.863 (1 January - 31 December 2021: TL 27.131).						
<b>2.3 Total of similar type of transactions together, unless a separate disclosure is required to present the effect of the transactions on financial statements</b>						
None.						
<b>2.4 Transactions accounted for under equity method</b>						
None.						
<b>2.5 Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agency contracts, finance lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts</b>						
None.						



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VIII. Explanations on the Bank’s domestic, foreign, off-shore branches or investments in associates and foreign representative offices

1. Information related to the Bank’s domestic and foreign branch and representatives

	Number	Number of Employees			
Domestic Branch	44	1.979			
			Country of Incorporations		
Foreign Reprasantation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

IX. Fees for services received from Independent Auditor / Independent Audit firms

The fee information regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the KGK dated 26 March 2021 is given in the table below.

	Current Period	Prior Period
Independent Audit Fee	4.889	807
Tax Consultancy Fee	--	--
Other Assurance Services Fee	--	--
Other Fee For Non-Audit Services	--	--
<b>Total</b>	<b>4.889</b>	<b>807</b>

(\*) Excluding VAT.

X. Events after balance sheet date

In accordance with the Official Gazette numbered 32098, dated, 8 February 2023 it was decided to declare state of emergency for three months in Adana, Adıyaman, Diyarbakır, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye and Şanlıurfa due to the negativities caused by the earthquakes that took place in Kahramanmaraş on 6 February 2023.

The developments regarding the natural disaster are being closely monitored and studies continue to determine the situation.

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SECTION SIX

I. Other disclosures on activities of the Bank

Summary information of Bank’s risk ratings by international rating agencies:

Fitch Ratings	
Long term FC and TL Rating	B-
Short term FC and TL Rating	B
Viability Rating	b-
Support Rating	unrated
Long term National Scale Rating	A (tur)-
Subordinated Debt Rating	CCC-
Outlook	Negative

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
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**SECTION SEVEN**

**DISCLOSURES ON AUDIT REPORT**

**I. Disclosures on audit report**

The unconsolidated financial statements of the Bank as of 31 December 2022, have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (The Turkish member firm of KPMG International Cooperative) and a audit report is presented before the accompanying financial statements.

**II. Disclosures and footnotes prepared by independent auditors**

None.