Fibabanka

Annual Report 2022

Get Well, Türkiye

Esteemed Stakeholders,

This Annual Report summarizes our Bank's activities in 2022.

On February 6, 2023, as we were completing this Report, two massive earthquakes occurred in Türkiye, centered in Kahramanmaraş and severely affecting 10 provinces across our country. Tens of thousands of our citizens lost their lives in this disaster; hundreds of thousands of our citizens were injured. The earthquakes were among the greatest natural disasters to have taken place in the history of our Republic.

We wish mercy upon our citizens who perished in the earthquake and we extend our sincerest condolences to their families. We send our utmost hopes to those injured for their recovery.

Our wounds are still fresh and our pain is beyond measure...

We would like to share some information regarding the actions we undertook for the earthquake zone in February 2023.

Under the leadership of the Fiba Group, Fibabanka has carried out activities to meet the needs of the region since the first moment of the disaster. We are allocating a fund of TL 100 million, in the first stage, to restore the regions damaged in the earthquake and support our earthquake-affected citizens in rebuilding their lives. Within the scope of this fund, we are providing TL 75 million for container cities to be established in the region, which we will send in cooperation with AFAD. We are also providing TL 25 million for permanent support projects that the Fiba Group will plan for needs that may arise in the region over time.

For our citizens in the earthquake zone, specifically:

- We have postponed the loan repayments of our individual customers and real person commercial enterprises in the cities and districts that suffered heavy damage for six months, and for one month, interest-free, in other provinces located in the earthquake zone.
- We are not conducting collections from our member workplaces regarding lost/damaged POS devices. We will not charge our member workplaces for POS fees during 2023.
- We are canceling the personal and commercial loan debts, including insurance payments remitted in respect of the loans, and the remaining debts of our customers who perished in the earthquake.
- Until the end of 2023, we will not charge fees or expenses for wire transfer, EFT and FAST remittances performed via the Bank's branches and digital channels by our individual customers and real person commercial enterprises affected by the earthquake.
- We do not charge fees for transactions performed at shared ATM Network terminals.
- We will not charge our credit card holders interest on late payments.
- For our contactless cards, we have arranged for the contactless feature to be activated following the first transaction using the password.

We truly believe that we will overcome all difficulties together #WithOurFullStrength

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Contact and Branches

Pioneer in change

We are developing pioneering applications that will provide added value to the digital banking field, and we present alternative payment methods with our advanced technological infrastructure. We provide our customers with all the banking services they need, especially financing, in a practical, fast and easy-to-understand way. We make life easier by producing solutions that work for our customers.

We lead the way in the sector by adapting quickly to innovative transformations; and we swiftly align these transformations into our business processes. We are expanding the number of our customers every day by providing them with a unique service experience. We continue to add benefits to financial life by providing Service Banking operations reinforced by our banking expertise, our qualified human resources and our financial technologies.



We combine
the traditional and the digital

We assume an important role in the sector by synthesizing the understanding of digital banking and traditional banking. We constantly add new products and services to our digital banking channels so that our customers can access all their needs from a single point, thus we support our customers throughout all their financial journeys.

1.7 million
Number of digital customers

We strengthen the spirit of entrepreneurship

With venture activities aligned with our innovation-oriented approach, we invest today in the technologies of the future. While implementing innovative products and services, we adopt an approach of "rapid understanding and resolution". We support startup ventures with Finberg, an investment and financial technology initiative, develop innovative financial products together with entrepreneurs, and establish a FinTech ecosystem.

Startup-friendly company award





We are changing
the perception of payment

Thanks to our agile information technologies and data analysis organization, along with end-to-end digitally designed products and services, and the strength we gain from our leading role in the sector, we move forward with confident steps. We are becoming the pioneer of change in the Türkiye's banking sector. We challenge the speed of change with our own speed of service, implementing the short-term consumer financing method known as "Buy Now, Pay Later (BNPL)" with the 'Alışgidiş' brand.

TL 17.6 billion
Shopping loan

We support
the career process

Fibabanka continues activities directed towards creating happy and satisfied employees. We support our employees' career process via carefully planned trainings. In this context, we increase the number of happy employees through the Finnish Future Talent Program, an innovative recruitment program that we developed to train the technologists, engineers and leaders of the future, and we continue to expand our family.

75%

Employee engagement rate in 2022

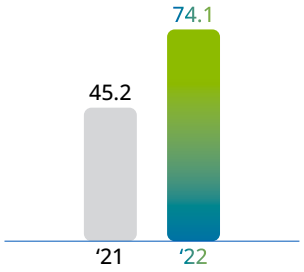
FINTERN
FUTURE TALENT PROGRAM



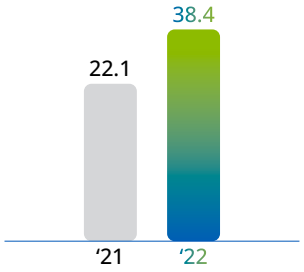
FIBABANKA IN FIGURES

Continuing its technology investments without slowing down, Fibabanka increased the number of its digital customers to 1.7 million in 2022.

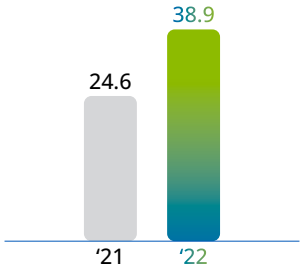
Assets (TL Billion)



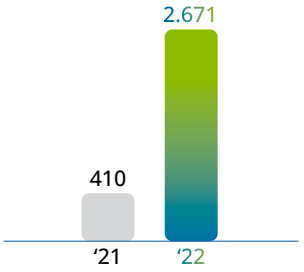
Loans (TL Billion)



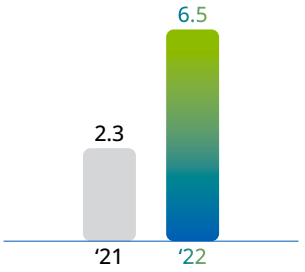
Customer Deposit (TL Billion)



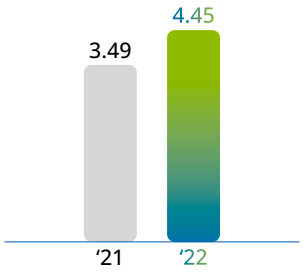
Net Profit (TL Million)



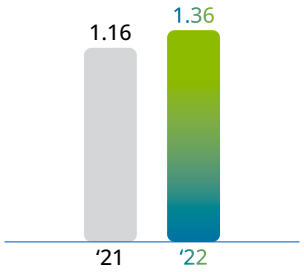
Equity (TL Billion)



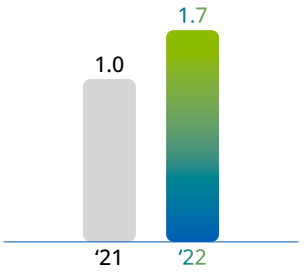
Total Number of Customers (Million)



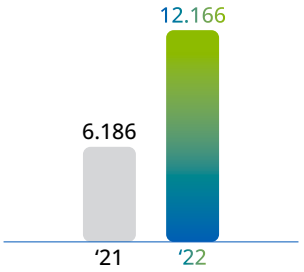
Number of Active Customers (Million)



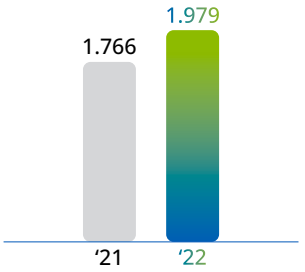
Number of digital customers (Million)



Number of Alışgidiş Points



Total Number of Employees



SIGNIFICANT DEVELOPMENTS IN 2022

Thanks to its investments in technology and its widespread banking understanding, Fibabanka continued to attain significant achievements in the banking sector during 2022.

Fibabanka implemented 'Alışgidiş', the new generation payment system that provides consumers with instant loan opportunities during their purchases, and has come to the fore as the largest practitioner and player in the **"Buy Now, Pay Later (BNPL)"** financing model in Türkiye.

Thanks to the business partnerships developed with 55 corporate brands operating across 15 different sectors, Fibabanka **reached 100 online and 12,198 in-store points of sale.**

Through its investments in digital technologies of the future, Fibabanka expanded the number of Fibabanka Mobile Banking users by 76% to **1.7 million**, and the number of Internet Banking users by 54% to **217 thousand**, compared to the end of the previous year.

Fund Market, FX Market and Stock Market services, as well as Crypto Market, Global Stock Market, Eurobond and BES/Insurance services come under the **Financial Market** umbrella on the Fibabanka Mobile app, providing customers with quick and easy access to their investment and insurance products from a single point.

A partnership agreement was signed leaving 60% of the shares of **Fibaemeklilik**, operating under the umbrella of Fiba Group, to HDI Sigorta; and 40% to Fibabanka. In addition, HDI Sigorta and Fibabanka A.Ş. established a digital insurance company, **Fibasigorta**, which will operate in the elementary field with a 50%-50% partnership.

Within the scope of Service Banking, the www.servisbankaciligi.com API Portal website was put into operation and opened to the use of developers. Eventually, the website will offer **seven products and 300 API** financial services.

Fibabanka acquired **162 thousand new customers** via its Video Banking service.

Finberg made 23 new investments, increasing the number of companies in which it has invested to 41. The total investment amount is **USD 51 Million.**

ANNUAL REPORT COMPLIANCE OPINION

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the Shareholders of Fibabanka Anonim Şirketi

Qualified Opinion

We have audited the annual report of Fibabanka Anonim Şirketi (the "Bank") for the period between 1 January 2022 and 31 December 2022, since we have audited the complete set consolidated and unconsolidated financial statements for this period.

In our opinion, except for the effects of the matter described in the Basis For Qualified Opinion section of our report, the consolidated and unconsolidated financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent, in all material respects, with the audited complete set of consolidated and unconsolidated financial statements and information obtained during the audit and provides a fair presentation.

Basis for Qualified Opinion

As described in the Basis For Qualified Opinion section of Independent Auditor's Report on the complete set of audited consolidated and unconsolidated financial statements of the Bank for the period between 1 January 2022 and 31 December 2022 dated 20 February 2023; Due to the possible effects of adverse developments that may occur in the economy and the markets, the Bank's management has a free provision amounting to TL 1.320.000 thousand, of which TL 983.00 thousand in the current period and TL 337.00 thousand in previous periods, and 252.490 thousand TL over the said provision is current account. It includes deferred tax assets amounting to TL 330.000 thousand, of which TL 77.510 thousand was recorded as income in the current period and in previous periods.

We conducted our audit in accordance with "Regulation on Independent Audit of the Banks" published in the Official Gazette No.29314 dated 2 April 2015 by Banking Regulation and Supervision Agency ("BRSA Auditing Regulation") 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 Annual Report 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 (POA's Code of Ethics) and the ethical requirements in the regulations issued by POA that are relevant to audit of 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.

Auditor's Opinion on Complete Set of Consolidated and Unconsolidated Financial Statements

We have expressed an qualified opinion on the complete set of consolidated and unconsolidated financial statements of the Bank for the period between 1 January 2022 and 31 December 2022 on 20 February 2023.

Board of Directors' Responsibility for the Annual Report

In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 ("TCC") and Regulation on the Principles and Procedures Concerning the Preparation of and Publishing Annual Reports by the Bank ("Regulation") published in the Official Gazette dated 1 November 2006 and Numbered 26333, the Bank's management is responsible for the following regarding the annual report:

a) The Bank's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.

b) The Bank's management prepares its annual report in such a way that it reflects the operations of the year and the consolidated and unconsolidated financial position of the Bank accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Bank's consolidated and unconsolidated financial statements. The annual report shall also clearly indicates the details about the Bank's development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.

c) The annual report also includes the matters below:

- Significant events occurred in the Company after the reporting period,
- The Bank's research and development activities.
- Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

Auditor's Responsibility for the Audit of the Annual Report

Our objective is to express an opinion on whether the consolidated and unconsolidated financial information included in the annual report in accordance with the TCC and the Regulation, and analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent with the audited consolidated and unconsolidated financial statements of the Bank and the information obtained during the audit and give a true and fair view and form a report that includes this opinion .

We conducted our audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA. Those standards require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the consolidated and unconsolidated financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent with the consolidated and unconsolidated financial statements and the information obtained during the audit and provides a fair presentation.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güven, SMMM
Partner

28 February 2023
İstanbul, Türkiye

AGENDA OF ORDINARY GENERAL ASSEMBLY

1. Opening and formation of the Meeting Council,
2. Reading and discussion of the 2022 Annual Report prepared by the Board of Directors,
3. Reading and discussion of the Independent Auditor's reports,
4. Reading, discussion and approval of the Balance Sheet, Income Statements,
5. Release of Board Members and Independent Auditor,
6. Determination of the using way of the profit accrued according to the balance sheet of 2022, the ratios of profit and dividends to be distributed,
7. Determination of Board Member rights such as remuneration, attendance payment, premium and bonus,
8. Election of the Independent Auditor,
9. Reading and discussion of 2022 Affiliation Report,
10. Granting permission to Board Members, pursuant to Article 395 and 396 of TCC,
11. Wishes and closing remarks.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In 2022, Article 7 of the Bank's Articles of Association was amended as follows.

The Bank's capital is TL 1,357,722,553.25 (Onebillionthreehundredfifty-sevenmillionsevenhundredtwenty-twothousandfive hundredandfifty-threeTurkishLiratwenty-fiveKurus). This principal capital is divided into 135,772,255,325 shares, each of which is registered with a nominal value of 1 (one) Kurus. TL 941,160,553.25, which was the previous capital, had been paid in full.

The increased amount of TL 416,562,000.00 (fourhundredsixteenmillionfivehundredsixtytwothousand Turkish Liras) was entirely committed and paid in cash prior to the registration date.

ABOUT FIBA GROUP

Fiba Group, which has grown on a global scale with the rational investments it has made in the finance, retail, energy, real estate, and tourism sectors, continues its activities in order to generate more value for the world, society, and human beings.

The foundations of Fiba Group, which has the vision of producing more value for the world, society, and human beings, were laid in 1987 by business person Hüsnü Özyeğin with his first investment in banking. Today, the Group continues to create value with its diversified investment portfolio in the finance, retail, energy, real estate, and tourism sectors and more than 12 thousand employees from 43 different nations in 11 countries.

VALUES OF FIBA GROUP

Fiba Group's core values shape its growth road map:

Superior Service Quality

Fiba Group's success is largely due to the importance placed on providing excellent service in order to respond effectively to customer demands and needs.

Leadership and Authorization

The Fiba Group employs the most competent human resources and encourages and authorizes them to take initiative. It prioritizes training leaders from within the Group by giving importance to merit.

Society

Fiba Group invests in many areas of social development, especially education, both with its own foundations and through the foundations it supports. It prioritizes corporate volunteering and implements all the necessary practices and policies to encourage its employees.

Efficiency and Dynamism

Fiba Group employees are expected to be dynamic in adapting to rapidly changing business conditions as well as efficient and effective in their approaches to handling business matters.

Respect and Teamwork

The respect of those who work in the Fiba Group towards themselves and others is endless. Care is taken to create an environment that encourages teamwork and growth within the group.

Transparency

Fiba Group assumes the responsibility for actions, decisions, products and services that may affect its shareholders.

DIFFERENTIATING BUSINESS AREAS

Fiba Group's investments in the financial sector include banking, asset management, leasing, factoring, pension, and life insurance, asset management. Its non-financial investments are retail, real estate investments, renewable energy, mining, and hotel investments. Operating in the service sector, Fiba Group is focused on business development activities in new areas with growth potential in addition to creating value through mergers and acquisitions with a professional management approach.

12 thousand+
Number of Employees in 2022

ABOUT FIBA GROUP

Fiba Group develops leading brands in the sectors where it operates with more than 12 thousand employees from 43 different nations in 11 countries with its qualified human resources and the importance it attaches to digital infrastructure.

MAJOR INVESTMENTS OF FIBA GROUP IN THE FINANCIAL SERVICES SECTOR

Banking
Fibabanka A.Ş., Credit Europe Bank N.V. (Netherlands), Credit Europe Bank Ltd. (Russia), Credit Europe Bank (Romania) S.A. (Romania), Credit Europe Bank (Suisse) S.A. (Switzerland), Public Joint Stock Company Credit Europe Bank (Ukraine)

Portfolio Management
Fiba Portföy Yönetimi A.Ş.

Leasing
Credit Europe Leasing LLC (Russia), Auto Partners LLC (Russia)

Factoring
Fiba Faktoring A.Ş.

Pension and Insurance
Fiba Emeklilik ve Hayat A.Ş.,
Insurance Company Credit Europe Life (Russia)
Fiba Sigorta A.Ş.

Asset Management
Gelecek Varlık Yönetim A.Ş., Credit Plus Gulf (Dubai)

Other
Ofishane

MAJOR INVESTMENTS OF FIBA HOLDING IN NON-FINANCIAL SERVICES

Retail
Marks & Spencer (Türkiye, Russia, Ukraine), GAP (Türkiye, Russia, Ukraine)

Real Estate Investments
Shopping Malls in Türkiye, Romania, Moldova and China

Renewable Energy
Fiba Yenilenebilir Enerji Holding A.Ş. (Wind Power and Solar Power)

Mining
Polyak Eynez Enerji Üretim Madencilik Sanayi ve Ticaret A.Ş.

Hotel Investment
Swissotel the Bosphorus, Istanbul

Transportation
Fiba Air Türkiye

OVERVIEW OF FIBA GROUP'S INVESTMENTS IN 2022

Fiba Group aims to develop brands that carry out pioneering activities in the sector in the fields where it operates and grow these brands steadily with the importance it attaches to qualified human resources and digital infrastructure.

Fiba Renewable Energy, which is one of the leading companies in Türkiye in the wind and solar power with its 550MW installed capacity, has started the power plant permit processes by taking an investment decision in Romania. Fiba Commercial Real Estate, which is the largest Turkish real estate investor in China, Romania, and Moldova, has made a serious breakthrough in the field of shopping center management in Türkiye by taking the management of two large shopping center projects in Bursa and Antalya.

Fiba Group aims to expand its digitalization and ecosystem-oriented banking approach in the field of finance in the future in its initiatives in other countries where it operates.

The Group plans to continue to focus on start-up investments and strategic business partnerships, where it can create a growth and leverage effect in all sectors in which it participates and support the entrepreneurial ecosystem at a global level.

In 2022, Fiba Group strengthened its future vision through the work it carried out in the fields of corporate communication, human resources, and sustainability.

Focusing on controlled growth with rational investments, Fiba Group continues its activities in order to ensure the continuity of its contribution to society and social investments.

The Permanent Value Created for Türkiye
Fiba Group remains the biggest supporter of the educational and social development projects of the Hüsnü Özyeğin Foundation and the Mother and Child Education Foundation following the sayings of its Founder and Honorary President Hüsnü Özyeğin that "The most important investment is the investment in people". Özyeğin University, the largest social investment of the group, is among the best universities in Türkiye.

ABOUT FIBA GROUP

In 2022, Fiba Group strengthened its future vision through the work it carried out in the fields of corporate communication, human resources, and sustainability.

Hüsnü M. Özyeğin Foundation (HMÖV)

Established in 1990, the Hüsnü M. Özyeğin Foundation operates with the goal of social and economic development. The Foundation carries out activities in the fields of education, empowerment of young girls, rural development, health, and culture. As a strategic priority, the Foundation gives support to institutions that will provide the infrastructure needed for social transformation. Since its founding, HMÖV has built schools and dormitories for girls in disadvantaged areas in addition to rehabilitation centers while also carrying out restoration works to protect Türkiye's cultural heritage. To date, the Foundation has helped establish or develop 64 institutions across the country. It contributes to the access of approximately 14,000 girls to education every year through schools and dormitories. The academic, social, and personal development of girls is supported via mentoring, digital literacy, academic support, and scholarship programs provided in secondary school girls' dormitories. With the Rural Development Program, which reached a total of 4,000 people in 14 villages of Bitlis and Kilis, the Foundation also contributed to social and economic development in rural areas.

Mother Child Education Foundation (AÇEV)

Since its founding in 1993, Mother Child Education Foundation has strived to ensure that every child in Türkiye is safe, healthy, happy and learning. AÇEV develops and implements scientific educational programs for children, parents and young women in need across Türkiye. Reaching 1,154,260 people with the support of 14,154 volunteer teachers, AÇEV aims to provide equal opportunities through early childhood interventions and protective activities with research. In addition to educational programs and fieldwork, AÇEV conducts social awareness campaigns and engages in protective activities. AÇEV places particular emphasis on quality education in early childhood, the role of families in future generations, gender equality and lifelong learning – all of which are highlighted in the United Nations Global Development Goals. Parents are informed on the importance of the immediate environment in children's development to create a better environment that will contribute to the well-being of the country's youth. As one of the founders of the global Early Childhood Peace Consortium (ECPC), AÇEV continues to contribute to the development of policies in this area by collaborating with global networks including stakeholders such as the World Forum Alliance, UNESCO, ECOSOC, The Consultative Group on Early Childhood Care and Development, Yale University Child Study Center and Harvard University Center on the Developing Child.

Özyeğin University (OzU)

Özyeğin University was founded in 2007 by Hüsnü M. Özyeğin with the aim of providing world-class higher educational opportunities. OzU is committed to producing, developing and spreading knowledge while innovating to benefit humanity and society. The University serves as a model institution for Türkiye and the region with its innovative structure, industry-oriented educational approach, original course programs, and academic research activities. Boasting the first LEED Gold Certified buildings in Türkiye, OzU Istanbul Çekmeköy Campus was built on an area spanning 221,220 square meters. OzU has been operating with a total of 8,966 students; 23 undergraduate, 36 graduate, 10 doctorate and 23 sub-branch programs under six faculties; two academies; and three institutes. In line with its mission to be accessible to talented and successful young people, the scholarship rate of undergraduate students enrolled at Özyeğin University in the 2022-2023 academic year was 90.87%. Under the Equal Opportunity in Education Scholarship Program (EFEB), launched by Özyeğin University in 2015 to provide equal opportunities in education to every student, a total of 177 students were awarded EFEB scholarships in the 2022-2023 academic year.



ABOUT FIBABANKA

With the strategy of becoming a technology company with a banking license, Fibabanka focuses on providing a unique customer experience by digitalizing banking services.

1,979
Number of Employees

Fibabanka's journey of success started on December 27, 2010, within the Fiba Group. Specialized in Corporate, Commercial, Supply Chain, Ecosystem and Platform Banking, Deposit Investment Products, and Private Banking business lines, Fibabanka makes a difference against its competitors with its qualified and dynamic human resources consisting of 1,979 employees in total and 44 branches at the end of 2022.

STRATEGY

Designing effective business processes for its customers with the vision of "Be the most beloved bank in Türkiye" and the approach of "We understand quickly, we solve quickly", Fibabanka continues its efforts towards the strategy of becoming a bank that has 10 million customers and provides services to its customers mainly through digital channels within 3 years.

The Bank, on the one hand, focuses on designing the financial solutions that customers will need today with its investments in future technologies and providing a unique banking experience by digitalizing all banking services and, on the one hand, increases its service points and rapidly develops its customer portfolio with its collaborations with Türkiye's leading brands within the scope of Ecosystem and Platform Banking.

Fibabanka has based its strategy on 3 pillars: customer satisfaction, high employee engagement, and high return on equity. By implementing this strategy successfully, it aims to become the "Best Business Place in Türkiye".

ABOUT FIBABANKA



OUR VISION

Be the most beloved bank in Türkiye.

OUR MISSION

Provide the fastest banking service that will make people's lives easier.

OUR VALUES

As an organization, we embrace Corporate Governance Principles such as responsibility, transparency, accountability and fairness. We are also:

Respectful;
To the environment
To society
To all differences (ethnicity, language, religion and gender)

Genuine;
Open and straightforward
Sincere
Friendly

Result-oriented;
We are aware of our targets,
We know the value of time,
We take action.

A SHORT HISTORY OF THE BANK

The Bank's history dates way back to Sitebank A.Ş. The Bank was transferred to SDIF with its shares thereafter being sold to Novabank in 2002. The name of the Bank was changed to Bank Europe Bankası A.Ş. in 2003. In 2006, shares owned by Novabank S.A. were transferred to Millennium BCP; the Bank's name was changed to Millennium Bank A.Ş.

SHAREHOLDER STRUCTURE

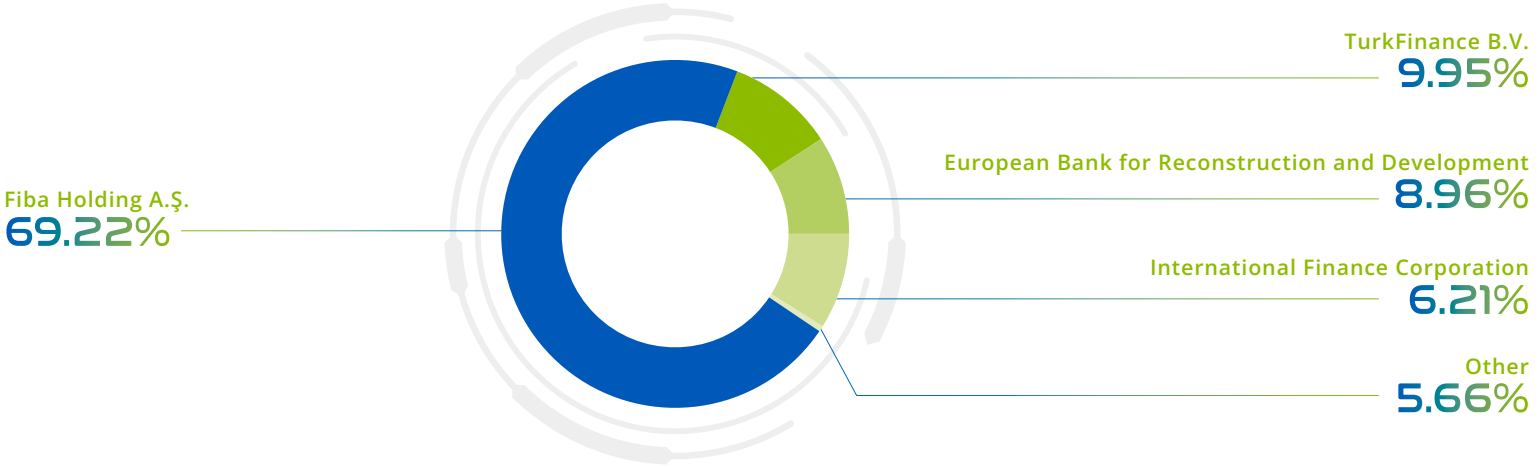
A strong partnership structure is at the basis of Fibabanka's sustainable growth.

Bank's Shareholding Structure

After necessary permissions were obtained upon Fiba Group's application to the Banking Regulation and Supervision Agency (BRSA), Millennium Bank A.Ş. received the name of Fibabanka A.Ş. following the extraordinary General Assembly held on April 25, 2011. Later on, Fibabanka has taken steps to consolidate its partnership structure to strengthen its growth trend along with Fiba Holding A.Ş., Fiba Faktoring Hizmetleri A.Ş., Girişim Varlık Yönetimi A.Ş., Fiba Kapital Holding A.Ş. and Fiba Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. companies under Fiba Group. In 2015, the International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD), two leading international finance institutions, have invested in the Bank. In 2016, TurkFinance B.V. has also invested in and became a partner of Fibabanka. Following these investments, the Bank's capital reached TL 1,357,722,553,25. Fiba Group continues to retain the majority stake in Fibabanka, with 69.22% of the Bank's share capital as of year-end 2022. The share ratio of the International Finance Corporation (IFC) is 6.21%, the share ratio of the European Bank for Reconstruction and Development (EBRD) is 8.96%, and the share ratio of TurkFinance B.V. is 9.95%.

Shareholders	Amount of Capital (TL)	Number of Shares	Share Ratio (%)
Fiba Holding A.Ş.	939,778,222.12	93,977,822,212	69.22
TurkFinance B.V.	135,093,394.05	13,509,339,405	9.95
European Bank for Reconstruction and Development	121,651,601.34	12,165,160,134	8.96
International Finance Corporation	84,327,750.28	8,432,775,028	6.21
Other	76,871,585.46	7,687,158,546	5.66
Total	**1,357,722,553.25**	**135,772,255,325**	**100.00**

The Chairman and Members of the Board of Directors, General Manager, Assistant General Managers, and other executives currently hold 7,687,158,546 equity shares in the Bank, amounting to TL 76,871,585.46 as of the end of 2022.



SUBSIDIARIES AND AFFILIATES

Two new associates have joined by the partnerships made with HDI Sigorta in the field of insurance.

USD
150+
Finberg Fund Size

The Bank also provides high-quality services to its customers through Fiba Portföy Yönetimi A.Ş., Fiba Emeklilik ve Hayat A.Ş, Fiba Sigorta A.Ş., and Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., which are the subsidiary and associate investments.

FINBERG ARAŞTIRMA GELİŞTİRME DANIŞMANLIK YATIRIM HİZMETLERİ A.Ş.

Fibabanka's corporate venture capital firm Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. (Finberg) has invested approximately USD 51 million in a 4-year period since its establishment in 2018. Finberg, which has reached a fund size of more than USD 150 million as of the end of 2022, has 31 active venture investments and 7 fund investments.

Founded to support Fibabanka's ecosystem banking platform and to be closer to entrepreneurs, Finberg has transformed into a structure defined as a "Multi-Fund Management Company" that manages 4 different venture capital investment funds by updating its strategy in accordance with the opportunities and goals that have emerged over the years.

Finberg focuses on ventures with an innovative business model and experienced management teams operating in financial technology (fintech), retail technologies, and the areas where the Turkish venture ecosystem is strong, in line with the strategic priorities of the different venture capital investment funds it manages. Finberg, who also invests in venture and investment funds abroad, has also made steps into areas such as educational technologies and cyber security, which are at the focus of the investment sector.

Working very closely with entrepreneurs, Finberg also provides support not only for capital and cooperation, but also for critical needs for entrepreneurs such as strategic consulting, marketing & business development support, and human resources, using the opportunities provided by Fiba Group, especially Fibabanka.

In addition to the successful investments it has made and cooperation development projects it has carried out, Finberg also provides coordination and ecosystem support to Fiba Idea Factory, the in-house entrepreneurship program of Fiba Group Companies, especially Fibabanka, in order to equip Fiba Group employees with an entrepreneurial vision.

FIBA PORTFÖY YÖNETİMİ A.Ş.

While Fiba Portföy Yönetimi A.Ş. established in 2013 to manage the mutual funds offered by Fibabanka to its customers was managing only 4 mutual funds in its establishment, it has diversified its product range over time, transformed into a multi-asset company structure managing 24 mutual funds, 13 pension funds, and 40 individual portfolios ranging from stocks to foreign securities, Eurobonds to blockchain, sold on the basis of foreign currency and TL.

Fiba Portföy also offers special portfolio management services for individual and corporate investors. The Company, which develops distribution channels as well as product diversity, operates with contracted banks, investment institutions, and its own marketing consultants through the TEFAS platform, in addition to Fibabanka.

As of December 31, 2022, the size of the funds managed by Fiba Portföy was TL 17.7 billion, its total assets was TL 84.2 million, and its net profit was TL 45.9 million. As of the end of 2022, the Company ranks 14th in the sector with a 1.13% share with the total portfolio size it manages, according to the CMB data.

KEY FINANCIAL AND OPERATIONAL INDICATORS

Fibabanka has maintained its steady growth with its successful financial and operational performance in 2022.

UNCONSOLIDATED FINANCIAL RESULTS

(TL Million)	31.12.2020	31.12.2021	31.12.2022	Increase (%)
Assets	27,225	45,162	74,109	64%
Loans (Net)	18,796	22,113	38,429	74%
Customer Deposit	16,667	24,614	38,886	58%
Equity	1,874	2,346	6,517	178%
Net Profit	230	410	2,671	552%

CONSOLIDATED FINANCIAL RESULTS

(TL Million)	31.12.2020	31.12.2021	31.12.2022	Increase (%)
Assets	27,238	45,185	74,188	64%
Loans (Net)	18,796	22,113	38,429	74%
Customer Deposit	16,667	24,614	38,886	58%
Equity	1,884	2,364	6,582	178%
Net Profit	237	418	2,721	550%

KEY OPERATIONAL INDICATORS

	31.12.2020	31.12.2021	31.12.2022	Increase (%)
Number of Employees	1,550	1,766	1,979	12%
Number of Branches	50	47	44	-6%
Number of ATMs	58	56	47	-16%
Number of Active Customers (thousand)	850	1,161	1,364	17%
Total Number of Customers (thousand)	2,478	3,495	4,450	27%

SUSTAINABILITY APPROACH

In 2022, Fibabanka became a signatory of the Women's Empowerment Principles (WEPs) of the United Nations, which carries out works to strengthen the social presence of women.

Fibabanka operates in line with its Social and Environmental Responsibility Policy. This framework includes the basic principles of the Bank's social and environmental management system and the Bank sets its business procedures in accordance with this policy. Seeing sustainability as a key part of adding value to society, Fibabanka monitors and manages risks and opportunities related to significant environmental, social, ethical and economic issues that may arise in its products, services, and operations. Fibabanka has also carried out works that generate value for the economy, society, and the environment with a comprehensive sustainability approach in 2022.

The Bank established the Social and Environmental Risk Management Unit in November 2022 in order to manage social and environmental risks more comprehensively. In the Social and Environmental Risk Management system used within the Bank, all segments that are the subject of the loan offer, except the individual segment, undergo an effective evaluation regardless of the amount. Companies undergo these assessments with the integration of the system formed by the question sets determined from the IFC Performance Standards and the EBRD Performance Standards.

Fibabanka aims to minimize its negative social and environmental impact with this assessment.



Responsible and Transparent Management

Fibabanka aims to ensure sustainable growth, improve the quality of its banking services, use resources in the best way, and prevent unfair competition. Toward these ends, Fibabanka conducts its business operations by maintaining ethical relations with other banks and institutions, as well as with its customers, shareholders, and employees.

Management of Environmental Impacts

Fibabanka continues its operations with the aim of continuously increasing the value it provides to its customers, stakeholders, employees, society and the environment. The Bank acts in accordance with an inclusive strategy that encompasses all its employees, suppliers and customers in this process.

As part of waste management efforts at the Bank, recyclable paper, plastic, metal and glass wastes are collected by licensed companies. Fibabanka prefers recyclable packaging for consumer products. Fibabanka successfully passed the audit of the Ministry of Environment and Urbanization of the Republic of Türkiye in 2022 and received the "Zero Waste Certificate".

Social Investments

Based on the mission adopted by Hüsnü M. Özyeğin, the Chairman of the Board, Fibabanka consistently supports investments in areas that benefit society, particularly education. As an active supporter of the Mother Child Education Foundation (AÇEV), one of Türkiye's leading educational foundations, Fibabanka has implemented numerous joint social responsibility initiatives.

Fibabanka Women's Working Group (SheBa)

SheBa, established by Fibabanka to emphasize gender equality, is a volunteer women's working group that aims to create environments where Fibabanka employees can work safely. This innovative effort sets an example for other institutions with its exceptional career and development programs. SheBa aims to provide a business environment where the place of women and men in social and business life is more balanced and equitable. With the works of SheBa within the institution, Fibabanka received the Equal Opportunity (FEM) Certificate of the Association of Women Entrepreneurs of Türkiye (KAGİDER), a non-governmental organization aiming at the empowerment of women through entrepreneurship, in 2022.

"İşimiz Eşitlik" Ambassadors

Fiba Group launched a working platform under the name "İşimiz Eşitlik." This platform includes volunteer employees from all companies within the Group and defends the principle of justice and equality in all areas of society. Challenging gender-based discrimination, the working platform supports equality of opportunity and aims to implement initiatives that will be developed and managed by employees. The ambassador group established by Fibabanka under this umbrella develops in-house projects and initiatives in cooperation with AÇEV.

Within the scope of the efforts of the İşimiz Eşitlik ambassadors, Fibabanka became one of the signatories of the Women Empowerment Principles (WEPs) of the United Nations in 2022.

OUR AWARDS

Fibabanka was awarded for its successful practices and projects on national and international platforms in 2022 as well.

Award from Happy Place to Work to Fibabanka

Fibabanka, the young and dynamic bank of the sector, received the Excellent Employee Experience Award at world standards in the Happiest Workplaces Survey of Türkiye.

Fibabanka Received the Bank of the Year Award

Fibabanka was awarded the "Bank of the Year" award at the Boğaziçi Business World Awards organized by the Boğaziçi University Engineering Club (ENSO).

Fibabanka Received 2 Awards from the Entrepreneurial Institutions

Platform Corporate Entrepreneurship Awards! At the Entrepreneurial Institutions Platform Corporate Entrepreneurship Awards, held annually to encourage new initiatives by institutions and collaborations with new initiatives, Fibabanka was awarded in the categories of "Startup Friendly Companies" and, with its Figopara collaboration, "The Most Effective Enterprise & Venture Collaboration".

4 Awards for Fibabanka Human Resources Practices at the Brandon Hall Group Excellence Awards

Fibabanka Human Resources practices were awarded 4 awards at the Brandon Hall Group 2022 Excellence Awards, which have long been existing and having a position near the top among the most prestigious global awards in the field of human capital management.

- Fibabanka's Leadership Academy Program received the Silver Award in the "Best Use of Blended Learning" category
- The Fintern Future Talent Program received a Bronze Award in the "Best Advance in Talent Acquisition Process" category
- The Excellent Onboarding Program received a Bronze Award in the "Best New Hire Onboarding Program" category
- The Equality & Inclusion Works received Bronze Award in the "Best Diversity, Equity & Inclusion Strategy" category

Fibabanka 2021 Annual Report received Bronze Award from the ARC Awards

Fibabanka 2021 Annual Report received the Bronze Award in the "Online PDF Reports" category at the 36th ARC Awards in 2022. This global competition is organized by the independent award organization MerComm which recognizes the world's best annual reports for their excellence.

Second Place in the TOP100 Talent Program 2022

Fintern Future Talent Program, an innovative recruitment application developed by Fibabanka in order to train future technologists, engineers, and leaders, was ranked 2nd in the "Banking and Finance" category in the TOP100 Talent Program 2022, where Türkiye's most acclaimed talent programs are evaluated.

2 Awards to Fibabanka from IDC Financial

Technologies Awards Fibabanka Asset Management Project was awarded the 1st prize and Fibabanka Mobile Marketplace Project the 2nd prize at the Financial Technologies Awards 2022 organized by IDC Türkiye.

Award to Fibabanka from IDC Türkiye CIO Summit

Fibabanka BTPanel Project won the 3rd prize in the "Future of Work-Metrics & KBIs" category and Agile Delivery & DevOps Project won the 3rd prize in the "Future of Work-Borderless Organization" category at IDC Türkiye CIO Summit 2022.

Award from the Academy of Interactive & Visual Arts for the Fibabanka Symphony Mobile

Application Fibabanka was awarded the excellence award for its in-house mobile application Symphony Mobile in the "Mobile /Business" category of the Communicator Awards organized by the Academy of Interactive & Visual Arts.



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Fibabanka continues to contribute to the Turkish economy and its real sector with pioneering products and services in the banking sector.

Dear Stakeholders,

Although we started the year 2022 with relatively positive expectations, it turned out to be a year of unpredictable events and uncertainties prevailing in the economy, politics, health, and many other areas. The pandemic which caused significant upheaval and change in our lives, continued to stay on the global agenda while its impact started to diminish. The war waged by Russia against Ukraine – and the devastating social, economic and political consequences of this war – adversely affected most of the world, as both countries are critical exporters of energy and food. Following the outbreak of the war, the inflation, which rose even higher due to climbing energy and food prices, pressured the global economy to an extent not seen in decades. The tight financial conditions applied in most countries, in order to combat high inflation, caused the debt burden to increase rapidly, placing additional stress on economic growth and raising concerns for a recession in 2023. International financial institutions have also pointed out potential risks on growth and made downward revisions to their growth expectations for 2023.

The high inflation, rising much faster than anticipated, and the swift actions of the central banks, especially in developed countries, to ensure monetary tightening, were on the agenda throughout 2022. By the end of the year, the inflation began to decline from its peak levels in many countries with improvements in the supply chain restrictions, lower food and energy costs, and tight monetary policies. Although unexpected shocks still present a constant risk for higher inflation, the major risk in the current circumstances is the inflation to persist at levels much higher than long-term averages. While central banks are signaling the continuation of tight monetary policies and avoidance of premature easing in order to eliminate this risk, the slowdown in economic activity is becoming more apparent. It should not be surprising to see the recession and high inflation to be the top topics of 2023 and the negative risks for both to weigh more.

On the other hand, the outlook of the Turkish economy diverged from that of the global economy and markets. In Türkiye, high inflation and high growth were recorded along with loose financial conditions, while the risk appetite in the other parts of the world was volatile due

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Due to the strong growth performance especially in the first half of the year, it is anticipated that the Turkish economy will grow by around 5% in 2022.

TL 74.1 billion
Assets

4.45 million
Total Number of Customers

59%
Return on Equity

to the tight monetary policies of the central banks and recession concerns. Following the implementation of foreign currency protected deposit scheme in December 2021 in Türkiye, foreign exchange deposits diminished and the exchange rate stayed almost flat especially in the last quarter of the year. While the current account deficit rose rapidly due to the soaring global energy and commodity prices and expanding foreign trade deficit, the opening-up after the pandemic supported the service revenues, especially tourism, to remain high. The budget deficit remained below that of the previous year as well as the expectations, thanks to one-off revenues and temporary corporate tax collection. In August, the Central Bank of the Republic of Türkiye (CBRT) started interest rate cuts after drawing attention to negative economic conditions abroad. In order to maintain the positive growth momentum achieved in the Turkish economy, the CBRT decreased the policy interest rate by 500 bps in total until the end of 2022. Pursuing a growth-oriented monetary policy during this period, the CBRT also implemented macroprudential policies to fight inflation. The inflation, which was high throughout 2022, declined in the last two months of the year thanks, to the base effect. The inflation is expected to continue falling in 2023, reaching 40% at the end of the year. With strong growth observed especially in the first half of the year, it is projected that the Turkish economy will grow by around 5% in 2022. Due to wage increases and supportive policies to be implemented by the government prior to the May 2023 elections in the country, it is likely that the risks in inflation will remain on the upside and growth rate will be at around 5% in 2023. On the other hand, the financial policies to be implemented in the first half of the year are expected to put pressure on the budget balance, which had a positive performance in 2022.

Drawing strength from the synergy of the Fiba Group and its years of extensive experience in the financial sector, Fibabanka is moving forward with firm steps towards its vision of "Becoming Türkiye's Most Beloved Bank" in 2022 and the Bank continues to contribute to the Turkish economy and its real sector via its leading products and services in the banking sector.

We take this opportunity to extend our thanks to our valuable employees, our business partners, our customers, and all our stakeholders.

Best regards,



HÜSNÜ M. ÖZYEĞİN
Chairman of the Board

MESSAGE FROM THE GENERAL MANAGER



Fibabanka aims to provide a differentiated banking experience for customers with its high banking capability, qualified human resources and financial technology.

Dear Stakeholders,

While the world wide expectation for 2022 was normalization following the pandemic, we were under the shadow of geopolitical tensions and the grip of increasing inflationary pressures. In February, as Russia waged war on Ukraine, food and energy security issues were a primary concern on the international agenda. The war in Ukraine pushed food and energy prices to record highs and deepened supply chain disruptions precipitated by the pandemic. Major central banks continued tight monetary policies by applying high interest rates as the rising energy prices increased inflationary pressures on the global economy. Slower economic growth in the United States, the European Union and China – critical players in the global economy – implied the possibility of a global and suggested that the projected post-pandemic economic recovery might take more time.

In the face of this global economic picture, we witnessed an acceleration of digital transformation across the world, propelled by the impact of the pandemic period. Throughout this process, we observed that institutions with strong technological equipment and a solid organizational structure became more agile and successful in meeting consumers' swiftly changing expectations and needs. As a result of the rapid changes in technology, we see how digitalization is stretching further every day into every area of society, from individuals to institutions, in our country and our world.

Thanks to its investments in technology infrastructure, Fibabanka amplified its digital capabilities and competitiveness, continuing to meet the expectations of its customers and business partners with new generation financing solutions and products in 2022. We continued to expand our customer base by offering a brand-new customer-centered banking experience. This approach and our successful efforts during the 2022 financial period, were also reflected in our financial and operational results.

We achieved successful financial and operational results.

As of the end of 2022, Fibabanka reached an asset size of TL 74.1 billion and recorded a net profit of TL 2.671 million. We have supported the real economy and the trade business in our country while focusing on providing uninterrupted financing to all our customers. As a result, the Bank's loan size reached TL 38.4 billion with the share of loans in its total assets at 52%.

MESSAGE FROM THE GENERAL MANAGER

Focusing on providing continuous financing to all our customers in support of the real economy and trade business in our country, the Bank's loan portfolio size reached TL 38.4 billion.

Customer deposits, which accounted for 52% of the Bank's total liabilities at the end of 2022, increased by 58% compared to the previous year and reached TL 38.9 billion. The Foreign Currency Protected TL Deposit and Yuvam TL Term Deposit products, which were introduced by the Bank in 2022 to support customer deposit-based growth, as well as our Kiraz Account product, our customers' most preferred product, were effective in increasing the deposits.

In 2022, we increased the paid-in capital of the Bank by TL 416,562,000 up to TL 1,357,722,553 in total. Backed by the sound capital structure of our main shareholder, Fiba Holding, our Bank had a capital adequacy ratio of 19.4% with a return on equity of 59% as of end-2022.

We are accelerating the growth of our customer base.
In 2022, within the scope of ecosystem and platform banking activities, we completed the branding of our new generation payment system, 'Alışgidiş', which provides customers with an instant loan during their shopping, and made a difference in the market as the pioneering and strongest player of the financing model known as "Buy Now, Pay Later (BNPL)" in Türkiye. We have created a strong consumer financing network that is steadily expanding thanks to the business partnerships established with well-known brands in our country. We offer our loan products to consumers under the Alışgidiş umbrella at more than 12 thousand physical and online sales points belonging to more than 55 brands operating across 15 different sectors.

In 2022, we increased our total number of customers to 4.5 million by continuing to expand our customer base in line with our growth strategy based on ecosystem and platform banking. As a result of the decisive steps we took to digitalize our banking products and services, the number of Fibabanka Mobile users rose by 76% year-on-year to 1.7 million and the number of Fibabanka Internet Banking users rose by 54% year-on-year to 217 thousand.

We are increasing efficiency in our corporate and commercial banking activities.
In line with the Bank's strategy of expanding customer base and increasing customer productivity, we implemented new practices in our corporate and commercial banking activities in 2022. We increased the number of customers via the Chain Banking and BuTic Banking approach adopted in our Corporate Banking activities, and we significantly increased the non-interest revenues and demand deposit volume by mediating all cash flow transactions of customers, especially treasury transactions. Consequently, the share of the Corporate Banking non-interest income in the Bank's total income was 51% at the end of 2022, compared to 47% in the previous year.

In 2022, we took important steps in Commercial Banking in order to meet the financial needs of customers through digital channels. By effectively making non-branch channels available to our customers for their financial needs, we increased the number of loan customers, and raised the cash loan size fivefold to TL 15 billion. As of the end of 2022, the number of commercial customers using loans through non-branch channels reached 83% of the total Commercial Banking customers.

We are amplifying the use of digital channels in our investment products.
In 2022, we restructured our Treasury Department to increase synergy with the other business lines of the Bank. We also continued to diversify our investment products and gathered all investment products under the Financial Market umbrella on Fibabanka Mobile. Thanks to the synergistic transactions created by the Bank's Treasury Department, the Private & Prestige Banking services provided through customer representatives at the branches, and the higher investment transaction volume performed by customers through digital channels resulted in a significant increase of non-interest income related to treasury and investment products bought by our Private & Prestige Banking customers.

We launched our API Portal website within the scope of Service Banking.
We swiftly adapted to the transformation of traditional banking in line with our country's legal regulations for digital and service banking. In 2022, by implementing our API Portal website, developed within the scope of service banking, which is an important component of our innovation and entrepreneurship strategy, we started to offer a fast, easy, and secure integration and product development opportunity to institutions and platforms that seek to provide e-financial services via API by using the services of our Bank.

MESSAGE FROM THE GENERAL MANAGER

In 2022, Fibabanka launched a new partnership with HDI Sigorta with an agreement on the purchase of the shares of Fibaemeklilik, which operates in the fields of private pension, life insurance and health insurance under the Fiba Group.

Finberg has grown by more than doubling its investments.
Finberg, our corporate venture capital company established in 2018 as a fully-owned subsidiary of the Bank, is today one of Türkiye's leading and fastest-growing mutual capital fund management companies due to its prudent investment strategy. Finberg continued to move forward successfully in line with the goal of investing in startups that will add value to all Fiba Group companies, especially Fibabanka, and growing by developing business together and creating synergies.

Finberg invested in a total of 23 new startups including financial technology (fintech), retail technology (retail tech), cyber security, e-commerce and investment funds in 2022, and increased its total investment size to USD 51 million through the 41 investments made since its establishment. Fibabanka plans to transfer know-how via its venture capital investments made abroad through Finberg, as well as to support our local startups to expand and receive investments abroad. In the coming period, one of our priorities is to take an active role in the emergence of new unicorns in the region through our Finberg investments.

We launched a strong, long-term partnership in the field of insurance.
In 2022, Fibabanka entered into a new partnership with HDI Sigorta, augmenting our existing long-term cooperation within the scope of reinsurance services, and we agreed on the purchase of shares of Fibaemeklilik, which operates in the fields of private pension, life insurance and health insurance under Fiba Group. Under this agreement that unites Fibabanka's new generation digital banking infrastructure and HDI Insurance's international experience, we are extremely pleased that Fibaemeklilik will continue its operations under the umbrella of the Fibabanka and HDI Insurance partnership going forward. In addition, we established a new digital insurance company with an equal-share partnership within the scope of the strong strategic cooperation we enjoy with HDI Sigorta.

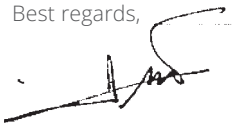
Our digital transformation journey continues unabated.
Our R&D Center, approved by the Ministry of Industry and Trade, is at the center of the Bank's innovative studies that add value to the banking and finance sector and our digital transformation journey. The R&D Center continues to expand the number of projects developed within the framework of university-industry collaborations, reinforced by a strong staff that reached 450 people by the end of the year. We inaugurated our Focus In-House Entrepreneurship Program in 2022 to generalize our innovation studies, which we consider a complementary element of the R&D process, throughout our Bank. We support all Fibabanka employees who have an entrepreneurial spirit in implementing their innovative and creative ideas.

In 2022, we continued to strengthen our big data and data science technology infrastructure, with new investments in parallel to global developments. Via the works of the Data Management Office, established at the Bank within the scope of the data transformation program launched in 2019, we continued to accelerate our data-based decision-making processes and boost our efficiency by using new-generation business intelligence tools. In addition to the modernization of the big data system, we commenced the Data Analyst certification program for employees in cooperation with Özyeğin University Finance Center, thus generalizing data literacy and improving our employees' competencies in deploying data-based information.

Fibabanka's goal is to become a technology company with a banking license. We are taking confident steps towards this objective, thanks to our strong shareholder structure, agile information technologies and data analysis organization, our end-to-end digitally designed products and services, and the strength we consistently gain from our pioneering and leading position in ecosystem and platform banking.

After a productive year in which we reaped the fruits of steps taken in line with our consistent growth strategy, I would like to express my gratitude to our colleagues, who contributed to the successful financial and operational results of our Bank; to our shareholders, who have supported us unconditionally; and to our customers, for their interest and trust in our products and services.

Best regards,



ÖMER MERT
General Manager and Member of the Board of Directors

CORPORATE BANKING

Fibabanka increases its profitability by taking part in the entire cash flow cycle of corporate customers, especially treasury transactions, with the BuTic Banking and Chain Banking approach it adopts.

CORPORATE BANKING

Fibabanka Corporate Banking develops fast and solution-oriented services in order to establish long-term relationships with its customers. Aiming to meet all the financial needs and expectations of customers in the most effective way with a customer-centered perspective, the Corporate Banking offers products such as cash and non-cash loans; financial consulting on investment financing; mergers & acquisitions; and project finance loans; solution proposals for financing foreign trade, treasury and derivative products to mitigate interest and exchange rate exposure, in addition to deposit, fund and cash management services.

51%
Share of Non-Interest Income in Total Profit

There are 8,198 registered customers in the Corporate Banking portfolio. In 2022, the loan size of the Corporate Banking, which continues to support the Turkish real sector, was TL 14.2 billion.

The Corporate Banking, in line with the Bank's strategy, has created a new business model under the name of BuTic Banking in the last quarter of 2022 with the aim of increasing the number of customers it offers services to and increasing non-interest profitability by mediating all cash flow transactions of its customers, especially their treasury transactions. 64% of the revenues of BuTic Banking customers consist of non-interest income (demand deposit and treasury).

The share of the number of customers receiving services in the Corporate Banking business line within the scope of BuTic Banking, which aims to support its customers in all their financial needs with its experienced expert staff and continuity-based service approach, is 9.64%, however, the share it receives from treasury revenues has reached 83% and the share it receives from demand deposit TL revenues has reached 54% at the end of 2022.

Fibabanka restructured the Chain Banking Unit, which it established in 2021 within the Corporate Banking to attract new customers, offer complementary products to customers' existing products, support demand for Turkish Lira deposits, and conduct activities aimed at bringing customers' out-of-bank cash savings back to the Bank, in 2022 in such a way to serve all of the Bank's profit centers in order to increase the effectiveness and efficiency of its activities.

The Chain Banking Unit directs its activities with customer behavior analysis and conducts product development and infrastructure works with a proactive approach to maximize customer satisfaction in changing market conditions. Chain Banking also supports the infrastructure works required to examine cash flow transactions, which are rapidly transforming in the global and local markets and becoming more digital and transparent day by day, increase their efficiency, and make changes that will provide operational convenience.

As a result of all these successful works, Corporate Banking has achieved its goals in line with the Bank's strategy.

The customer concentration, which was 71.6% over the average cash risk as of the end of 2021, was realized at 55% at the end of 2022 within the framework of the policy of spreading to the base. The share of the Corporate Banking non-interest income in total profit increased to 51% at the end of 2022, while it was 47% at the end of 2021.

CORPORATE BANKING

Offers new payment options to its customers thanks to its cooperation with Wise and Mastercard, the leading companies of international money transfer and payment technologies.

CASH MANAGEMENT AND FOREIGN TRADE

Continuing its work with the motto of providing the best and most accurate banking solutions to its customers in the field of Cash Management and Foreign Trade, Fibabanka has provided innovative services that make the lives of its customers easier with the cooperation it has established in 2022.

In order to support the working capital management of its supplier customers and ensure faster access to financing sources, Fibabanka mediated the payment of invoices of TL 525 million through its supplier financing system and TL 583 million through its e-invoice financing product in 2022.

Paying attention to taking part in the cash flow cycle of its customers, Fibabanka increased its check-book volume by 46% in 2022 compared to the previous year. It increased the volume of invoice payments and payments to institutions by 145% compared to the previous year.

Innovative Solutions for International Money Transfers

Fibabanka leads the sector with its investments in financial technologies and offers innovative solutions that make life easier for its customers. In 2022, Fibabanka launched two new products through Mobile and Internet Banking channels as an alternative to traditional foreign money transfer methods.

Fibabanka is the first bank in Türkiye to carry out foreign money transfer transactions to its own application within the scope of its cooperation with Wise, a technology company that offers and manages one of the best international money transfer solutions in the world. Thanks to the integration implemented by Wise through the strategic partnership established with Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş., which is the service provider in Türkiye, the Bank offers its customers the opportunity to make international money transfers through Fibabanka Mobile and Internet Banking channels quickly, easily, and affordably.

Fibabanka has also expanded the options it offers to its customers in this field with the international money transfer facility with Mastercard solution under the name of Global Transfer through Fibabanka Mobile and Internet Banking channels by establishing a cooperation with Mastercard, the leading payment technology company.

Foreign Trade Volume of USD 1.97 Billion

Fibabanka supports its customers to carry out import and export transactions quickly and easily with the practical solutions and banking products it offers and makes available the opportunity to carry out the financing of foreign trade without interruption with its expert staff with international certificates. The Bank, which resolutely continues its support to the real sector, mediated foreign trade transactions of USD 1.97 billion in 2022.



COMMERCIAL BANKING

The size of cash loans has increased by 5 times and reached TL 15 billion as of the end of 2022.

Innovative and Customer-Oriented Approach

The Commercial Banking has demonstrated a solution-oriented approach by offering fast and innovative solutions to its customers in 2022 as well. Placing the satisfaction of customers at its focus, it has determined their financial needs on time, adapted rapidly to changing conditions with its flexible mobility, and taken important steps towards meeting the financial needs of commercial customers through digital channels.

Sustainable Growth

The Commercial Banking aims to become the closest solution partner of its customers by rapidly adapting to changing market conditions and business practices. Fibabanka supports its customers with cash management products and services that will make the life of companies easier, such as cash and non-cash loans, treasury transactions for currency and commodity fluctuations, deposits and investment products, and especially credit funding that it offers.

The Commercial Banking continued its efforts to increase the productivity of existing customers as well as gain new customers in 2022 in line with its growth strategy of expanding the base. The Commercial Banking reached TL 15 billion by increasing the number of loan customers and the size of cash loans by 5 times as of the end of 2022. The market share of check-secured loans, which is one of the services provided by the Commercial Banking to its customers, increased to 48% at the end of December 2022, while it was 23% in January 2022.

The Path Taken During the Digitalization Process

In line with its sustainable growth target, the Fibabanka Commercial Banking has implemented analytical methods for the early detection of customers' financial needs from open and accessible sources and for identifying potential customers that comply with the Bank's strategy and improved its processes in this direction.

Fibabanka has enabled commercial customers to use loans on maturities they set within their approved limits through digital channels by effectively making available non-branch alternative financial service channels aimed at increasing efficiency in 2022.

The number of commercial customers taking loans through non-branch channels has reached 83% of the total Commercial Banking portfolio as of the end of 2022. The Bank aims to continue its projects aimed at developing digital channels in a way to meet all the needs of commercial customers in 2023.

83%

Ratio of Loan Grants Through Non-branch Channels

SUPPLY CHAIN BANKING

Fibabanka established strategic business partnerships and developed innovative products in 2022 to offer them through physical stores, e-commerce sites, and online platforms for all financing needs of small businesses and farmers.

TL 10 million
Instant Store Agricultural Loan Daily Grant Volume

Supply Chain Banking

Fibabanka established the Supply Chain Banking Unit in 2021 for the purposes of improving its commercial customer portfolio, increasing the gain of legal entity customers through non-branch channels, and expanding the use of the Corporate Mobile Banking. The Unit continued its efforts in 2022 to develop credit products and strategic business partnerships in order to offer the Bank's end-to-end digital experience to its customers in physical stores, e-commerce sites, and online platforms for financing all the needs of small businesses and farmers.

Fibabanka successfully completed the test applications for Agricultural and Commercial Store Loan products, which were developed for the first time in Türkiye through non-branch channels specifically for businesses and farmers who are not existing bank customers, in 2022. Fibabanka Instant Store Agricultural Loan product has been tested in pilot stores of Tarfin, a fintech company that makes sales on credit to farmers in 700 stores. The works to disseminate the product were carried out in the stores of the Türkiye Pancar Ekicileri Kooperatifi Birliği (Türkiye Beet Planters Cooperative Association), Trakya Yağlı Tohumlar Tarım Satış Kooperatifleri Birliği (Trakya Oilseeds Agricultural Sales Cooperative Association), and Agricultural Sales Cooperative Associations, which supply agricultural inputs to farmers through their strong agricultural store chains. Test processes are carried out with the leading institutions of the sector to finance the needs of farmers for fuel oil, fertilizer, electricity, spraying, and technological products. The number of grant per day of Fibabanka Instant Store Agricultural Loan has reached to 200 and the daily grant volume has reached to TL 10 million as of the end of 2022.

By completing the tests of the Instant Legal Entity Store Loan product developed to finance the needs of small businesses, Fibabanka plans to start its generalization efforts in 2023. The Bank plans to complete the integration operations within the scope of the business partnerships it has established with companies providing electronic money and payment services to SMEs and offer Instant Store Loan product to businesses and farmers through Netahsilat, Paynet, and Ozan platforms that have a widespread customer network.

The Supply Chain Banking, which quickly moves its services and products to digital channels, has made it possible for small businesses and farmers to become Bank customers through the Video Banking channel without visiting the Bank branches as a result of the infrastructure works carried out in 2022 and made Agricultural Loan and Legal Entity Kiraz Account products available through the corporate website and digital channels.

The Supply Chain Banking aims to reach more businesses, improve the legal entity customer portfolio served, and increase the number of the Corporate Mobile Banking use by increasing the number of non-branch channels with the cooperations it has established, in 2023. In addition, it plans to offer all loan, deposit, insurance, and investment products to its legal entity customers through the Corporate Mobile Banking channel with functions that customers can act based on their needs, and complete the work aimed at enriching the customer experience.

ECOSYSTEM AND PLATFORM BANKING

Fibabanka stands out as the largest implementer of the "Buy Now, Pay Later" consumer financing model in Türkiye by institutionalizing its payment on credit system for consumers under the Alışgidiş brand.

Fibabanka has established a separate structure under the name of Ecosystem and Platform Banking within its organization, for the first time in Türkiye, in 2021. The Ecosystem and Platform Banking has managed to meet consumers' shopping expectations and financing needs on a single platform by concluding agreements with well-known national brands in Türkiye and widespread dealer networks of these brands in order to meet the needs of consumers on the spot.

Thanks to its capability to focus on digital technology and integrate new systems quickly, Fibabanka responded quickly to the changing financial needs of its customers and business partners in 2022. Having developed effective projects very quickly after closing deals with its business partners, the Bank has become preferred for both business partners and clients.

Strong Consumer Financing Network Created with Business Partnerships

By increasing the cooperations it carries out within the scope of its Ecosystem and Platform Banking strategy, Fibabanka is moving forward with determination by having the widest consumer loan sales network in Türkiye. Thanks to Fibabanka producing alternatives other than credit card for purchases made in both physical and online stores of major retail brands, Türkiye's leading brands offer their customers the opportunity to make payments with fast and easy shopping loans from their stores.

In addition to the cooperation it has established with e-commerce platforms and shopping platforms, Fibabanka continues to expand its ecosystem with partnerships it has developed with wallet companies and the companies such as Paycell, Belbim, Iyzico, which are among the companies offering next-generation payment tools with high-tech tendencies.

Fibabanka continues to expand its consumer finance network by integrating into the e-commerce platforms established with the infrastructure of the companies such as T-soft and IdeaSoft, the most important players in the e-commerce sector offering ready-made e-commerce infrastructures to businesses that want to expand their activities by moving to an online platform within the scope of the cooperations it has established with these companies.

A Smart Way of Shopping: Alışgidiş Time!

By increasing the cooperations it carries out within the scope of its Ecosystem and Platform Banking strategy, Fibabanka is moving forward with determination by having the widest consumer loan sales network in Türkiye.

In 2022, the Bank combined all its shopping loan products under one umbrella and introduced them to consumers and business partners with the motto "Smart Way of Shopping" under the brand name 'Alışgidiş'. Alışgidiş offers a payment based on cash price with deferred payment option up to 36 without interest to consumers through easy and instant credit facility without credit card and without being bound by card limits and visiting the bank. Fibabanka stands out as an important implementer of the consumer financing model known as 'Buy Now, Pay Later' in the world in Türkiye.

Fibabanka brings its customers together with the widest loan sales network in Türkiye with Alışgidiş limit it offers at more than 12 thousand physical and online points belonging to more than 55 brands from 15 sectors as of the end of 2022.



Adding more than 500 new Alışgidiş Points to this network every month, the Bank aims to reach more than 10 million consumers at 25 thousand Alışgidiş Points in a 3-year period.

Thanks to collaborations with Türkiye's leading brands, Fibabanka continues to improve its shopping loan services offered to its customers.

ECOSYSTEM AND PLATFORM BANKING

Fibabanka offers innovative solutions to the changing financial needs of both customers and business partners with its digital focus and integration capability.

In this context, Fibabanka has gathered services such as shopping with a loan from its contracted business partner store, purchasing compulsory traffic insurance, and purchasing second-hand products with loans based on customer scores, which it offers through the Digital Market on Mobile and Internet Banking channels, under the umbrella of Alışgidiş.

Fibabanka brings its customers together with the widest loan sales network in Türkiye with Alışgidiş limit it offers at more than 12 thousand physical and online points belonging to more than 55 brands from 15 sectors as of the end of 2022. Adding more than 500 new Alışgidiş points to this network every month, the Bank aims to reach more than 10 million consumers at 25 thousand Alışgidiş points in a 3-year period.

The bank achieved approximately 1.3 million shopping loans in 2022 and extended loans of more than TL 17.5 billion.

Financial Supermarket Services with Fibabanka Service Banking

Fibabanka has adapted to the transformation of traditional banking without wasting time with the regulations made for digital banking and service banking in Türkiye. The Bank implements successful projects in the field of digital banking by investing in financial technologies and continues to be a solution to financial needs anytime and anywhere by bringing the Bank to the doorstep of customers.



With the infrastructure it has developed for Service Banking, Fibabanka offered the opportunity to institutions, platforms, and applications that want to provide financial services to their customers to quickly and securely complete their integration and offer Fibabanka financial supermarket services to their customers.

Fibabanka launched the www.servisbankaciligi.com API (Application Programming Interface) Portal website, which it has developed within the scope of Service Banking, which is one of the important elements of its innovation and entrepreneurship strategy, in 2022. Fibabanka offers integration and product development opportunities to developers who want to provide e-financial services with the API Portal very quickly, easily, and securely using the Bank's services. There are 300 APIs on the Fibabanka API Portal for 7 product categories, including digital onboarding, login operations, account movements, card information, credit grant, money transfers, and investment transactions (foreign exchange and precious metals trading).

ECOSYSTEM AND PLATFORM BANKING

The Fibabanka roof limit structure offers customers the opportunity to use cash in parts or use it for purchases made with contracted business partners without being obliged to use it all up to their defined limits at once.

Loans For All Needs is at Fibabanka!

Fibabanka develops innovative products and services to meet the cash needs of its individual customers and extends personal finance loans through Fibabanka Mobile and Internet Banking channels, the call center, and branches. In 2022, the Bank completed the Roof Limit project, gathering customers' credit limits in a single center. The Fibabanka roof limit structure offers customers the opportunity to use cash in parts or use it for purchases made with contracted business partners without being obliged to use it all up to their defined limits at once. Under the roof limit, it will also be possible to use an installment overdraft account in January 2023.

By launching the Ekstra Kazan ("Win Extra") application in 2022, the Bank made available advantageous interest rates for customers who met the defined monthly targets for both consumer loans and shopping loans.

In 2022, the Bank's personal loan disbursements reached daily 1,900 grants and TL 64 million and monthly 45,000 grants and TL 1.4 billion. 85% of the personal loan disbursements were made through Fibabanka Mobile. With this growth, it has increased its market share by 21% as of the end of 2022.

Instant Solution to Customers' Urgent Cash Needs: Overdraft Account

With its digital-oriented approach and the mission of providing the fastest banking service that will make life easier for customers, Fibabanka continues to develop loan products through its digital channels. In this context, the number of defined Overdraft Accounts ("OA") increased by 77% as of the end of 2022 compared to the previous year and exceeded 900 thousand in number, and the risk balance increased by 1.7 times reaching TL 363 million in the same period. The balance of the Installment Overdraft Account product offered by the Bank to its customers starting 2021 exceeded 10% of the total risk balance of Overdraft Accounts in 2022 and continues to grow.

The Digital Way of Payment "Fibabanka Hızlı Kart"

Developing solutions that add value to its customers and the industry with its technological infrastructure, Fibabanka offers its customers the opportunity to make banking and shopping transactions quickly and reliably with its Hızlı Kart ("Fast Card") product, which can be used physically and digitally. Fibabanka allows customers to pay up to TL 750 quickly and easily without entering a password with the Hızlı Kart contactless feature, register their cards in the Masterpass and make purchases from e-commerce businesses registered in the Masterpass without entering their card information, benefit from monthly campaigns, and easily spend the rewards they gain from the campaign whenever they want. The Bank increased card activation and strengthened customer loyalty with the contribution of campaigns offered to existing cardholders in 2022 as well.

As of the end of 2022, Fibabanka achieved 1,123 thousand digital Hızlı Kart holders and 129 thousand physical Hızlı Kart holders. In 2022, Hızlı Kart holders made shopping transactions of TL 433.9 million, increasing by 1.130% compared to the previous year. As of the end of 2022, the internet turnover size of Fibabanka Hızlı Kart exceeded TL 106 million, and the share of its internet purchases in total spending was 20.2%, outperforming the sector average of 18.1%.

Merchant

Fibabanka enriches the long-standing relationships it has established with its merchant customers with innovative services that it has developed. As of the end of 2022, Fibabanka's POS turnover increased by 12% compared to the previous year and reached TL 530 million.

Fibabanka has increased the number of merchants with virtual POS, which is one of the indispensable elements of e-commerce and allows enterprises to sell over the internet and collect sales prices securely from credit cards, by 138% compared to the previous year to 50 merchants by the end of 2022. Fibabanka's virtual POS transactions account for 48% of the Bank's total POS turnover.

Fibabanka virtual POS merchants allow Masterpass registered customers to make transactions with their cards registered in the Masterpass infrastructure. In addition, the Fibabanka virtual POS product infrastructure has also proven its effectiveness in new customer acquisition processes in the field of Video Banking services. In this context, an average of 13% of customer acquisitions per month was achieved through Virtual POS in 2022.

DEPOSIT AND INVESTMENT PRODUCTS

As of the end of 2022, the number of customers holding Kiraz Accounts has exceeded 850 thousand increasing by 137% compared to the previous year, and the Kiraz Account balance has raised to TL 14.5 billion.

DEPOSIT AND INVESTMENT PRODUCTS

With its professional staff, Fibabanka offers a wide variety of products and channels compatible with the investment expectations of customers so that they can invest their savings in Turkish Lira and foreign currency. Customers can access Fibabanka's deposit and investment products with different risk distributions and interest rates around-the-clock through digital channels, branches and the call center. Fibabanka aims to provide the services of the highest quality to its customers who want to invest with their savings in all investment instruments including deposit products, brokerage for trading of mutual funds, domestic/international stock transactions, foreign exchange and precious metals trading transactions, Eurobond transactions, and derivative products.

The Most Preferred Deposit Product: Kiraz Account

Kiraz Account, which offers Fibabanka's customers the opportunity to carry out all banking transactions by taking advantage of the liquidity advantage of the current account and acquire overnight term returns, was also among the most preferred deposit products of the Bank in 2022.

Bank customers are able to open a Kiraz Account through Fibabanka Mobile and Internet Banking, corporate website, Video Banking, Call Center, and all Fibabanka branches. The Bank also offers the option to open a Kiraz Account through the digital banking channel to customers acquired through the store channel during shopping transactions.

As of the end of 2022, the number of customers holding Kiraz Accounts has exceeded 850 thousand increasing by 137% compared to the previous year, and the Kiraz Account balance has raised to TL 14.5 billion.

Fibabanka offers the freedom of liquidity offered by Kiraz Account to customers with high amounts of savings with the advantage of Kiraz Plus. With Kiraz Plus, customers, having a deposit amount between TL 2 million and TL 5 million, can invest 50% of their savings with a maturity between 32 and 60 days and remaining 50% in the overnight deposit.



Products Supporting TL Deposit-Based Growth from Fibabanka

Maintaining its leading position among the banks that adapt to developments in the financial markets in the fastest way, Fibabanka has improved its deposit volume while increasing customer satisfaction with the Currency Protected TL Deposit Account and Yuvam Term Deposit Account products it offers in line with its deposit-weighted growth strategy.

The bank has completed the integration of the Currency Protected TL Deposit Account product to digital channels, which it has put into practice as of the end of 2021, at the beginning of 2022. The Currency Protected TL Deposit Account for personal and non-personal customers settled in Türkiye with eligible savings has been among the outstanding products in 2022. The Currency Protected TL Deposit Accounts, which are effective in increasing the Bank's deposit volume and prolonging the term of deposits, showed an accelerated increase in 2022 and reached 10 thousand 544 customers and TL 8.66 billion deposit.

DEPOSIT AND INVESTMENT PRODUCTS

Fibabanka has gathered its investment services under the Financial Market umbrella of Fibabanka Mobile in order to enable its customers to manage different investment products easily and quickly from a single point.

Fibabanka has launched the Yuvam Time Deposit Account product in 2022 for citizens settled abroad who want to invest their foreign savings with the CBRT exchange rate protection guarantee and additional return opportunity.

The standard deposit product, with its new name e-Deposit Account, which the Bank also offers through Mobile and Internet Banking channels, provides an alternative for customers who want to invest their entire balance as a deposit with interest rates that vary according to the investment amount.

The Only Address for Easy and Fast Access to Investment Products: Financial Market

In addition to its deposit products, Fibabanka offers different investment products to its customers in different risk groups, where they can invest their savings.

Fibabanka has gathered its services such as Fund Market, FX Market, Eurobond, Crypto Market, Stock Exchange Market, and Global Stock Exchange Market under the umbrella of Financial Market in Fibabanka Mobile enabling its customers to manage different investment products easily and quickly from a single point in 2022. The increasing investor interest in the investment instruments in the Financial Market contributes to the transaction volumes mediated by the Bank and plays an important role in growing its non-interest income.

Fibabanka carries out mutual fund transactions and performance information on Fibabanka Mobile through the Fund Market, which it has launched in 2022. The total amount of investment funds sold by Fibabanka increased from TL 4.1 billion to TL 12.1 billion as a result of the works carried out in 2022. The size of two important funds managed by Fiba Portföy A.Ş. and with equity content has reached TL 2 billion. The total size of all funds managed by Fiba Portföy has increased by 133% compared to the previous year and reached TL 17.7 billion as of the end of 2022.

Fibabanka customers carry out currency and precious metal trading quickly, easily, and safely on the FX Market digital platform. Thanks to the increasing customer interest in trading precious metals in gold, silver, and platinum as well as foreign exchange transactions, the number of FX Market users exceeded 100 thousand in 2022.

Fibabanka offers its customers the opportunity to open investment accounts, send money to investment accounts 24/7, make stock trading transactions on Borsa Istanbul, and participate in public offerings online with the Borsa Market, which it has implemented on Fibabanka Mobile and Internet Banking channels in 2021. Fibabanka investment account holders customers are also able to monitor stock market news and Borsa Istanbul data live free of charge via Borsa Market. The number of investors of Borsa Market, which has attracted great attention since the product launch, has reached 24,500 by the end of 2022. Stock transaction revenues, which were TL 870 thousand in 2021, increased to TL 17.3 million in 2022.

Fibabanka is making a difference in the sector by offering its customers the opportunity to open an account from Fibabanka Mobile in order to invest in US stock exchanges and invest in the largest companies in the world with the Global Stock Market application, which it launched in 2022 in cooperation with Midas Menkul Değerler A.Ş.



DEPOSIT AND INVESTMENT PRODUCTS

Fibabanka creates synergies and diversifies its product range and distribution channels by establishing long-term strategic cooperations with organizations, which have deep-rooted experience in the sector, in the fields of private pension, life, and health insurances.



Fibabanka started to offer Eurobond trading service to its customers from Fibabanka Mobile in 2022 with the aim of offering all its products through Mobile Banking channels.

Fibabanka provides 24/7 direct transfer service to cryptocurrency platforms in Turkish lira to its customers with Kripto Market, which it offers through Fibabanka Mobile and Internet Banking channels.

Bancassurance Services from Fibabanka

Fibabanka creates synergies and diversifies its product range and distribution channels by establishing long-term strategic cooperations with organizations, which have deep-rooted experience in the sector, in the fields of private pension, life, and health insurances.

With the integration of legal entity loan products into Fibabanka Corporate Mobile, the insurance product range offered to the company's partners has been expanded. The Bank has increased the variety of global and corporate solution proposals for the elemental insurance needs of its corporate and commercial customers and expanded the scope of policies with additional guarantees.

In 2022, Fibabanka started to offer its insurance products without personal loan connections to its customers through Fibabanka Mobile. Customers can purchase compulsory traffic insurance and travel health insurance through Fibabanka Mobile and apply for complementary health insurance. For the insurance products available on Fibabanka Mobile, customers are also offered an advantageous payment option with 0% interest and 8 monthly installments from installment overdraft accounts.

The Bank, which has enabled the Individual Pension (BES) application procedures to be carried out from Fibabanka Mobile in 2022, has produced 6,400 contracts through Fibabanka Mobile. Individual Pension and other insurance transactions have been gathered under the Financial Market umbrella of Fibabanka Mobile and all insurance sales, application, current policy viewing transactions have been monitored through a single source.

As a result of the new applications implemented by Fibabanka, the bank insurance commission revenues increased by 116% compared to the previous year in 2022, reaching a market share of 2.6% in the Bank's production in the life and personal accident insurance premium production based on the sector data in November 2022.

In December 2022, the Bank signed a strong partnership with HDI Sigorta by purchasing the shares of Fibaemeklilik, which operates in the private pension and life insurance branches within Fiba Holding, together with HDI Sigorta. Fibabanka aims to enrich the services of Fibaemeklilik by combining its new generation digital banking infrastructure with the international experience of HDI Sigorta.

The Bank has also established a digital insurance company together with HDI Sigorta with 50%-50% partnership ratio under the name Fibasigorta, which will operate in the elementary field.

PRIVATE & PRESTIGE BANKING

The number of customers whom Fibabanka provides services within Private & Prestige Banking has reached 41 thousand, and the size of assets managed by Fibabanka TL 47 billion as of the end of 2022.

160
Private & Prestige Banking Customer Representatives

40,888
Private & Prestige Banking Customer Base



The Private & Prestige Banking continued its operations with the aim to offer tailor-made alternatives in line with the customer's risk profile and ROI expectations. The Bank is serving its customers through 160 Private & Prestige Banking customer representatives in 42 branches, 20 of which are in Istanbul, as of the end of 2022.

Sustainable Growth Strategy

Thanks to the cooperation established with Fiba Portföy, Fiba Pension, and OYAK Investment with the support of Private & Prestige Banking, Deposit and Investment Products Product Management, and Treasury units, it continues to operate by offering a wide range of products. Customers are able to invest in products such as time deposits, treasury bills, government bonds, private sector bonds/returns, mutual funds, foreign exchange protected deposits, pension funds, and stocks, while carrying out their foreign exchange and precious metal transactions quickly and easily and trading derivative products on over-the-counter markets.

The Private & Prestige Banking has successfully completed 2022 by increasing the number of active customers by 28% compared to the previous year from 32,020 to 40,888 customers, and the size of managed assets by 74% compared to the previous year to TL 47 billion.

In addition to the services provided by Private & Prestige Banking through customer representatives in branches, it also offers its customers the opportunity to make FX and domestic and international stock transactions at live prices through digital channels FX Market, Borsa Market, and Global Borsa Market.

CUSTOMER EXPERIENCE MANAGEMENT

With its customer-oriented approach, Fibabanka evaluates customer demands and expectations in line with the feedback it receives from all channels and improves the experience it offers to its customers every day.

Thanks to its banking capability, qualified human resources, and advanced technological infrastructure, Fibabanka facilitates the lives of its customers by developing appropriate and rational solutions for their financial needs. Continuing to invest in technological infrastructure with the aim to achieve the technology of the future, the Bank continued its product and service development and customer experience efforts in 2022 with the vision of providing a perfect banking experience.

Customer-Oriented Experience Design

Fibabanka designs customer experiences and produces intelligent solutions by taking into account customer research and feedback from all channels in line with the changing needs of customers. The Bank creates initiatives with the relevant product/channel owners and Information Technology teams to design experiences that are fed by customer feedback with a design-oriented thinking approach. With the NPS (Net Promoter Score) surveys, end-to-end tracking of more than 30 critical customer journeys has been provided during nearly



400 contacts. The Bank has increased its Net Promoter Score, which was 41 in 2019 when it started listening to the voices and learning the experiences of its customers through NPS surveys, to 63.1 as of the end of 2022.

In parallel with the launch of new services and products, Fibabanka continued the NPS survey measurements without slowing down in 2022 as well. In addition to the Alışgidiş cooperations, after making the innovative deposit and investment products such as Fund Market, Global Stock Market, and Crypto Market available to customers, the experiences gained during these trips were also measured momentarily. In 2022, Fibabanka did not content itself with transactional survey measurement only but aimed to listen to the voice of all its customers by increasing relational measurement points. With the relational NPS measured at the moments of activation in credit, deposit, and investment products, customer loyalty and the expectations and disruptions in their relationship with the Bank have been identified.

63.1
Net Promoter Score

Within the scope of the customer-oriented experience design implemented in all projects at Fibabanka, end-to-end experience maps of both new and existing customer journeys are produced. In these studies, first of all, different customer profiles are understood and all the steps that these profiles have taken in their experiences are revealed and the emotional states of the customers and the challenges involved in the customer experience are determined at each step through in-depth customer interviews. As it is the case with NPS feedback, actions that will improve the customer experience and provide the targeted emotional states for different profiles are determined from in-depth customer interviews and implemented.

CUSTOMER EXPERIENCE MANAGEMENT

Thanks to its data-centric approach and multi-channel infrastructure, Fibabanka Campaign Management continued its activities and infrastructure investments in 2022 in order to provide instant solutions to customer needs.

Customer Analytics and Campaign Management

Thanks to its data-centric approach and multi-channel infrastructure, Fibabanka Campaign Management continued its activities and infrastructure investments in 2022 in order to provide instant solutions to customer needs. The Bank has completed the infrastructure works in order to meet customer needs quickly by using the transactions performed by its customers in real time and analyzing their journeys on mobile. Continuing its data-based decision-making approach with new analytical models integrated into the campaign system, Fibabanka produces solutions with the right products and offers for customer needs. By updating its Marketing Platform, Fibabanka has developed new features, thereby increasing efficiency and system performance and thus improving its ability to understand customer needs in the fastest way and provide better service.

Easy Banking Transactions with Fibabanka Mobile

Fibabanka Mobile provides 24/7 service with features shaped by the feedback of its customers and will meet all their financial needs. For this purpose, Fibabanka continued its performance improvement efforts in 2022 and offered products and services that will make life easier for its customers through its interactive channels.

In 2022, innovative products and services such as Fon Market, Global Borsa Market, international money transfer with Wise, and Private Pension System/Insurance Market were offered to the customers under Fiba Mobile, and were gathered under one umbrella with the name Financial Market along with other investment products.

Video Banking

In line with its digitalization strategy, Fibabanka offers its customers with Fibabanka Mobile the opportunity to become a Bank customer without requiring documents and signature via Video Banking from wherever they wish. Bank customers can also carry out their get a new password/ I forgot my password, FibaAnahtar determination, phone update, and SIM card unblocking operations with Fibabanka Mobile via self-service or Video Banking customer representative. With technological integrations aimed to be made in the future, Fibabanka aims to expand its transactional diversity and increase the number of customer acquisitions via Video Banking. According to the monthly statistics of the Association of Banks of Türkiye on customer acquisition via video banking channel, the rate of transfer to this channel of Fibabanka customers was 6% higher than the industry average and its market share reached 5% in 2022.

Corporate Mobile Banking

Fibabanka has implemented an intensive development program in the field of Corporate Mobile and Internet Banking in 2022 in order to enable business owners to meet their basic banking and financial needs digitally.

The Fibabanka Video Banking channel has enabled farmers and individual companies to become Fibabanka customers without visiting a branch, and those who are already Bank customers can easily get their digital banking passwords.

The Bank has launched the use of Discount and Installment Commercial Loans through the Corporate Mobile Banking application in order to meet the increasing funding needs of enterprises quickly and effectively and has developed tools for the transmission of images of checks to be taken as loan collateral to the Bank easily. Thanks to the Corporate Mobile and Internet Banking solutions offered by the Bank, the share of installment commercial loans granted through digital channels was 57% in 2022.



In 2022, the number of active Corporate Mobile Banking users increased by 24% compared to the end of the previous year and reached 8 thousand, and digital penetration in enterprises was 72%.

CUSTOMER EXPERIENCE MANAGEMENT

Fibabanka has increased the number of its Call Center staff by 30% in order to ensure that customers who want to receive services through non-branch channels can reach the Bank in a short time.

Fibabanka regularly performs NPS monitoring for Corporate Mobile and Internet Banking channels. Aiming to provide the best experience to its customers, the Bank plans to develop new products and services that dynamically meet the needs of businesses in 2023 as well.

Call Center

Fibabanka Call Center continued to provide remote services with the expansion of the equipment provided during the pandemic. Receiving a monthly average of 170 thousand calls from its customers, who prefer to receive services through the Fibabanka Call Center and Video Banking channels on Fibabanka Mobile in 2021, Fibabanka continued its services by receiving a monthly average of 196 thousand calls in 2022 as well. The response rate of the calls received was 97% in 2022.

The Customer Demand Management team serving in the Call Center is careful to finalize customer requests and complaints within an average of 1 day.

The Call Center has expanded the range of services it offers with its Video Banking team, established in 2021 and supported customer acquisition by making more than 255 thousand video calls since its establishment. In addition to customer acquisition, 92 thousand calls were received in transactions made through the Video Banking channel in 2022.

The Call Center has started to provide services with more functional systems by updating the user screen and voice response system in order to improve the customer and employee experience and finalize all customer requests during the call.

Fibabanka has increased its Call Center staff by 30% in order to allow customers who tend to receive services from non-branch banking channels to access these channels in a shorter time. As of the end of 2022, a total of 265 people, along with the Video Banking team, are working in the Call Center.

Just a Click Away at fibabanka.com.tr!

Fibabanka provides 24/7 service on its corporate website fibabanka.com.tr. The Bank implemented improvements aimed at a perfect customer experience, including an easily accessible mobile menu, updated homepage, and updated branch and ATM contact pages, and put into practice works in relation to contents that will answer all the questions that users were curious about on the web in 2022.

Brain Box Chat Assistant: Fi'bot

Fi'bot, the chat assistant of Fibabanka, has been developing and learning by itself with artificial intelligence technology since 2019 when it started to provide services. The Bank's corporate website www.fibabanka.com.tr and Fi'bot, which can be accessed via the Fibabanka Mobile application, provides users with information about banking products and is able to make transactions and, in response to customers' questions, directs them to the right channels.

Fi'bot has started to support customers in making money transfers at Fibabanka Mobile with the improvements made in 2022. In addition, with the Live Assistant Support, which was also activated in 2022, the questions of customers and potential customers who want to contact the customer representative between 09.00 and 17.00 on weekdays about creating a FibaAnahtar, SIM card blockage, Kiraz Account, and other deposit products have started to be answered directly through the representatives.



A Wide ATM Network thanks to the Cooperations

As of the end of 2022, Fibabanka has a total of 47 ATMs, including 6 outside the branch and 41 inside the branch.

Thanks to the joint ATM agreement cooperation made to expand and enrich the ATM network in 2022, the Bank has provided its customers with the opportunity to perform banking transactions quickly and easily at approximately 15 thousand ATMs. 30% of the ATMs in Türkiye can be used by Fibabanka customers.

COMMUNICATION ACTIVITIES

Fibabanka has continued its marketing communication activities uninterruptedly in order to establish sincere and close relations with its customers and business partners in 2022 as well.



Pursuing the Vision of Becoming the "Most Loved Bank of Türkiye"

Fibabanka aims to provide uninterrupted banking services to its customers anytime and anywhere they need with its advanced technological infrastructure. Working always with a "respectful", "sincere", and "result-oriented" approach for its customers, the Bank has shared this vision by making intensive and regular communications with TV, radio, outdoor, and digital advertisements.

Marketing Communication Activities

Fibabanka has continued its marketing communication activities uninterruptedly in order to establish sincere and close relations with its customers and business partners in 2022 as well. In order to increase brand awareness and promote its products and services effectively, the Bank has carried out regular communication activities with TV, radio, outdoor, and digital advertisements throughout the year and announced outstanding projects and innovative applications through press releases, interviews, and press conferences it has organized.

The advertising film "Your Investments in Fibabanka Mobile are in a Single Point!", which explains that customers can make their investments through Fibabanka Mobile from a single application, was broadcast on national channels and news and economy channels in 2022, and also appeared on outdoor and digital channels to support TV ads.

Alışgidiş, which started its journey by being supported by the power and trust of Fibabanka and which is the largest loan sales network in Türkiye, was announced to the public by Fibabanka with a press conference held in October 2022 as the equivalent of the 'Buy Now, Pay Later' model in the financial world, where the paradigms have been shifted with digitalization, in Türkiye.

DIGITAL TRANSFORMATION

Fibabanka's ministry-approved R&D Center is at the center of digital transformation with its innovative works that add value to the banking and finance sector.

Robust Operations with Operational Excellence

In order to provide uninterrupted service to its customers and be aware of any problem in the system immediately, Fibabanka established integrated monitoring and warning platforms. Renewing all information technologies processes with the best practices that are globally accepted, Fibabanka operates these processes effectively with new tools and operational models. Realizing a technological and cultural transformation in Information Technologies, Fibabanka continues to handle system outages, change management processes, and root cause analysis while providing permanent solutions in line with the best practices.

Transparency and Traceability

Acting always with the principle of prioritizing its customers, Fibabanka determines service commitments for Information Technology operations that touch customers and are of strategic importance and applies a transparent management approach, in which compliance with these commitments is monitored internally.

Agility With DevOps and Automation

Establishing the DevOps infrastructure and conducting automation studies to meet the expectations of its customers in the fastest and highest quality manner, Fibabanka continues its product and service developments along with technology platforms, test automations, performance tests and agile delivery process.

R&D Activities

Fibabanka's R&D Center, approved by the Ministry of Industry and Technology, continues its activities, which it has started with 84 people in 2018 as the fourth R&D Center of the banking and finance sector, with a strong R&D staff of 450 people as of the end of 2022.

Fibabanka R&D Center focuses on digital transformation by conducting innovative research that will serve the banking and finance sectors and develops more and more projects every day within the framework of university-industry collaborations.

In 2022, the Center, with the advisory support of academics from Boğaziçi University, Sabancı University, Özyeğin University, Istanbul Technical University, and Yıldız University, implemented successful projects in the fields of behavior forecasting, credit scoring, text analytics, internet of things, big data, artificial intelligence, microservice architecture, customer experience, payment systems, open banking, and gamification, and made TL 22.7 million R&D expenditure in total.

Fibabanka R&D Center has filed 3 patent applications and published 8 academic publications during the activity period in order to ensure the protection of intellectual property rights of the project outputs and benefit from the competitive advantage of the products.

The R&D Center closely follows the project funding sources and participates in different consortia in order to provide easy and fast access to new technologies, develop research capabilities on a national and international scale, work with partners having leading positions in their field, and get into new markets. In addition to its project approved within the scope of the TÜBİTAK 2244 Industrial PhD Program, Fibabanka applied for 4 national and 1 international project funding programs within the scope of TÜBİTAK 1509 International Industrial R&D Projects Support, TÜBİTAK 1505 University-Industry Cooperation Support, and CELTIC programs, as well as TÜBİTAK 1711 Artificial Intelligence Ecosystem Call, in 2022.

Fibabanka continues to produce value-added outputs by increasing its R&D investments with new opportunities and business associations.

DIGITAL TRANSFORMATION

Fibabanka has launched the Focus In-House Entrepreneurship Program, which supports employees to implement their innovative and creative ideas in order to disseminate the innovation culture.

Innovation Studies

Fibabanka has taken important steps, in particular the in-house entrepreneurship program, in order to generalize innovation efforts, which are an integral element of the R&D process, throughout the Bank in 2022. Fibabanka's in-house entrepreneurship programs also provide an opportunity for innovation-oriented R&D projects to create input for the R&D Center by enabling employees to implement their innovative ideas freely.

In 2022, Fibabanka implemented the Focus In-House Entrepreneurship Program, which is designed to be open for 365 days in order to make it continuous to go beyond the existing and usual ones and gain new experiences. All Fibabanka employees who have the spirit of entrepreneurship can participate in Focus with the focus areas of independent commercial enterprise, new product/service development, process improvement, and social responsibility in order to put into practice their innovative and creative ideas. Within this scope, the Bank supported 45 internal entrepreneurs to receive lean enterprise methodology training and benefit from the experiences of 13 internal mentors.

Other important steps taken to spread the innovation culture at Fibabanka in 2022 include innovation bulletins, where news from the innovation ecosystem is shared, idea workshops organized to generate ideas and mature existing ones, internal competitions, and seminars, where guest in-house entrepreneurs are invited and allowed to share their experiences.

CRM and Quality Management Studies

Fibabanka increased its efficiency by combining customer complaints from all channels in a single platform and is able to respond to customer problems more quickly. Following the Data Transformation program it started in 2019, Fibabanka focused on Information Technologies transformation in 2020 with the aim of supporting business model transformation.

Thus, Fibabanka both stands out in the sector with its applications and infrastructure compatible with new technologies and increases customer satisfaction with the products and services it offers with its fast and efficient processes.

Deepening and diversifying its work in the field of data in 2022, Fibabanka has completed infrastructure works to ensure that customers are offered personalized offers and that all transactions/communications carried out by the customer in a single session starting from the contact with the bank are tracked with a single key using the 'Countly' analytical data that keeps the customer's footprints on digital platforms within the scope of the Transaction Data Center Project. Fibabanka is now able to better identify the customer's needs by following the customer's footprints on digital platforms and offer them real-time and more accurate product recommendations.

Modernization of the Big Data System and Data Virtualization

In order to modernize the Big Data system and generalize the use of these technologies, Fibabanka Data Management Office has added the Starburst Enterprise (Trino) product to the ecosystem of Data Platforms Solution Architectures, and the platform gained Data Virtualization technological capability.

The Big Data system, especially Web Analytics and NoSQL data structures, has been started to be used together with the Corporate Data Warehouse, so that the data can be easily analyzed by using common analytical media such as DecisionStudio and MLStudio and accessible from the moment of creation of the data.

Generalization of Data Literacy

Fibabanka organizes "Data Analyst" trainings for Bank employees in cooperation with Özyeğin University Finance Center in order to generalize data usage and literacy among the employees. The participants, who have completed in-class training within the scope of the program, develop projects using real-life problems and real Fibabanka data and environments determined in accordance with the suggestions of the employees under the guidance of the academics. The program aims that the employees participating in the project work and training understand the life cycle of real analytical problems, get to know the data and banking processes closely, and contribute to the solution of the problems by implementing the theoretical knowledge they have acquired.

DIGITAL TRANSFORMATION

Data Management Office created the opportunity to advance some of its analytical studies with expert academic staff within the framework of the cooperations it established with universities in 2022.

Automation of Machine Learning Models (MLOps)

Fibabanka has included the Iguazio MLOps tool in its data ecosystem in order to make the development, live commissioning, and automation processes of the machine learning models it uses have a safe and sustainable structure and implement more machine learning models in a shorter time. The Bank has now an integrated data warehouse (feature store) where model inputs are collected and their quality control is carried out to be used in analytical studies, and the ability to run and observe the produced models in a collective (offline/batch) or individual (online/service based) manner.

Analytical Studies and R&D Studies Fibabanka

Data Management Office created the opportunity to advance some of its analytical studies with expert academic staff within the framework of the cooperations it established with Universities in 2022. The scientific publications produced within the scope of these studies are listed below:

- The Customer Embedding project, which estimates customer behavior using the data of the 'Countly' tool that collects the digital footprints left by customers in Fibabanka Mobile, and the academic study called "Time-Sensitive Embedding for Understanding Customer Navigational Behavior in Mobile Banking" created as a result of the project were presented at the "International Conference of Computing Intelligence and Data Analytics" conference.
- The academic study titled "An Explainable Credit Scoring Framework: A Use Case of Addressing Challenges in Applied Machine Learning" in relation to "An Explainable Credit Scoring Framework", which has been developed in order to increase the explainability of credit scoring studies conducted using machine learning techniques, was presented at "2022 IEEE Technology and Engineering Management Conference (TEMSCON EUROPE)" conference.
- The academic study titled "A SHAP-based Active Learning Approach for Creating High-Quality Training Data" in relation to an active learning infrastructure that is developed related to the manual labeling process involved in text classification studies conducted using machine learning techniques and limits costs was accepted to "The 6th IEEE Workshop on Human-in-the-Loop Methods and Future of Work in BigData (IEEE HMData 2022)".



TREASURY

Fibabanka Treasury Business Unit closely monitors domestic and foreign markets and takes an active role in the balance sheet, liquidity, and asset-liability management of the Bank.



Fibabanka Treasury Department is organized in a functional way and consists of three departments: ALM, Trading, and Treasury Marketing and Strategy.

The ALM Department is responsible for the balance sheet, liquidity, and the management of assets-liabilities. The Department informs the members of the Assets & Liabilities Committee and the Risk Committee about current market conditions, market expectations and its possible effects, interest rate / term / exchange rate and off-balance sheet transactions management, and shares its recommendations. The Treasury Asset-Liability Management Department formulates the Bank's TL and foreign currency cash flow projections. The Unit organizes the money market, interest/money/currency swap, repo/reverse repo transactions to evaluate the liquidity surplus or to satisfy the liquidity requirement. In addition, the Unit conducts interbank market transactions by monitoring the maturity and cost structure of the balance sheet. In addition, the Bank determines the fund transfer pricing and carries out its effective transactions.

Trading Department is responsible for determining the prices of all Treasury transactions for in- and out-Bank customers by monitoring domestic and international money and capital markets. The department carries out all market transactions other than those related to Assets & Liabilities management and manages market risk. Within the framework of the limits determined by the Risk Management Department, the department aims to earn returns by holding positions in FX, bond/bill and derivative markets.

The Treasury Marketing and Strategy Department understands the risks and needs of Corporate, Commercial, Private Banking and High Income Segment customers and offers products for risk protection and yield enhancement. Additionally, the Department closely monitors developments in the global investment world and capital markets and shares scenarios regarding customers' financial positions. The Department also provides customers with various services ranging from short-term cash flow management products to long-term risk management products. These services are also supported by visits made in accordance with the requests of customers.

The Strategy and Asset Management Unit, structured within this department, informs Fibabanka customers and employees on domestic and international markets as well as macroeconomic indicators via various channels, evaluates the risks and opportunities that current financial conditions may present, and share these positions and their results with the customer network in real-time. The Department prepares periodic bulletins and reports on macroeconomic indicators and meets with internal and external customers at various events.

Another team within this department is responsible for all FX pricing in the digital environment, such as FX Market, Internet Banking, FX pricing via API, and also carries out the integration, development, and management of systems.

FINANCIAL INSTITUTIONS

With the support of the Fiba Group's experience and knowledge in global markets, Fibabanka diversifies its funding sources by establishing long-term relationships with international financial institutions.

Fibabanka focuses on expanding its correspondent bank network in parallel with the foreign trade demands of its customers. Furthermore, the Financial Institutions department substantially contributes to the Bank's funding needs by obtaining medium and long-term financing via foreign currency-denominated bond issuances as well as bilateral loan agreements with international financial institutions.

The Only Turkish Bank to Participate in EaSI Program

After signing a EUR 20 million credit guarantee agreement with European Investment Fund (EIF) as part of the European Union Program for Employment and Social Innovation (EaSI) in 2018, the limit of Fibabanka was increased to EUR 40 million by EIF in 2019. Supported by the EU, the EaSI Program particularly aims to support entrepreneurs and micro-enterprises willing to grow its business. Fibabanka, the first and only bank that has implemented the EaSI Program in Türkiye since 2018, has granted loans to more than 5,000 micro enterprises under this guarantee program as of the closing date of the program, September 27, 2022.



Medium and Long Term Loans/Securities from Abroad

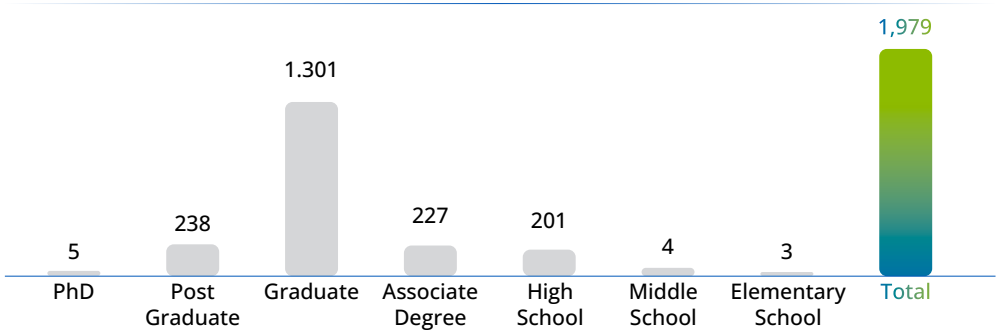
Since joining Fiba Group, Fibabanka prioritized expanding cooperation with international financial institutions. Loans borrowed from these institutions helped expand the Bank's access to long-term loans and to diversify its funding sources. As of the end of 2022, Fibabanka's Tier 2 bond amounted to USD 237.7 million, senior Eurobond amounted to USD 193.1 million, and the total foreign trade funding it has provided from international financial institutions amounted to USD 169.3 million.

HUMAN RESOURCES

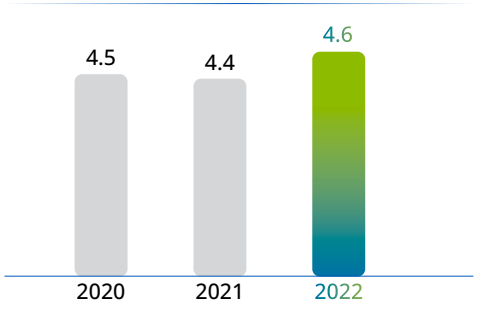
Human Resources Management continues to support the healthy implementation of organizational transformation, which is one of the main components of the Bank's digitalization process.

HUMAN RESOURCES PROFILE

Educational Background



Severance Rate (Year)



Female-Male Employment Breakdown (%)

Total of Bank Employees



Managing Staff



Technology Teams



"YOU SET THE RULE" MANIFESTO

A Fibabanka employee;
Sees opportunities that add value to the lives of customers.
Changes the rules of the game by using technology.
Focuses on the solution rather than a problem.
Pushes the limits and makes a difference.
Does not say "We have always done it like that" and is open to changes and new ideas.
Does not give up on the first try.
Comes up with creative solutions.
Is never afraid of challenges and always bold!

HUMAN RESOURCES

Fibabanka manages organizational transformation with its effective human resources policies and training programs.

The Human Resources Department aims to be among the "Best Employers" by increasing employee loyalty and satisfaction, lead the Bank's activities in line with its vision of becoming a technology company with a banking license, and support the healthy implementation of organizational transformation, which is one of the main components of the digitalization process of the Bank.

In order to achieve these goals, the Human Resources Department has determined its human resources policy within the framework of the following principles during the 2022 activity period:

- To create and fasten the best young talent cadre and create their competency sets,
- To disseminate a corporate culture that is egalitarian and inclusive and supports diversity,
- To ensure that the new generation of leaders comes from among the Bank employees,
- To maintain digital transformation in HR applications effectively,
- To increase employee well-being and employee loyalty.
- To increase in-house synergy.

Fibabanka supports digitalization, which continues rapidly in all its processes, with the talent optimization it makes within its organization. 72% of Fibabanka's highly qualified 1,979 employees work in Head Office units and 28% in branches. In the last five years, the Bank increased the share of Information Technology (IT) employees and data specialists among the Bank's total employees from 12% to 24%. As of the end of 2022, the number of employees working in the Bank's technology teams has increased to 471 people.

Fibabanka considers employee loyalty as an indispensable element of a perfect customer experience and closely monitors employee loyalty level with surveys carried out annually. According to the results of the 2022 employee loyalty surveys, the employee loyalty score of Fibabanka has increased above the industry average of 61% to 75%.

In 2022, Fibabanka successfully implemented recruitment and internship programs that support HR policies and strategies, increased the leadership skills and technological competencies of employees through training programs, and contributed to the increase of internal synergy through communication efforts.



Fintern Future Talent Program

Fibabanka organizes the Fintern Future Talent long-term internship program for 3rd- and 4th-grade students studying at the engineering faculties of universities every year. The Fintern Future Talent Program, which directs young talents according to their interests at the beginning of their careers and offers them a working environment open to development, supports the Bank's sustainable recruitment strategy and ensures the recruitment of young talents in rapidly developing fields such as technology.

In 2022, 18 of the 26 Finterns who continue the program started to work full-time in Information Technology teams. The Fintern Future Talent Program was awarded the Bronze award in the "Best Advance in Talent Acquisition Process" category at the Brandon Hall Group Excellence Awards in 2022.

HUMAN RESOURCES

Aiming at being among the "Best Employers" by increasing employee loyalty and satisfaction, Fibabanka was entitled to receive the World-Class Excellence in Employee Experience Certificate from Happy Place to Work in 2022.



Future of Work Series

Fibabanka regularly analyzes the needs of its technology teams through surveys and face-to-face interviews. The Bank has also organized employee engagement focus group studies and designed the Future of Work series with Egon Zehnder within the scope of feedback from the Information Technologies and Data Management teams.

Excellent Onboarding Program

Fibabanka has implemented the new generation onboarding program, designed with a digital perspective in order for employees who are just starting to work to pass the adaptation process in the most efficient way and shorten the orientation period, in 2022. The program, which offers a digital, easily accessible, and convenient onboarding experience, is planned to be continued in 2023.

Flexible Benefits

The "Flexible Benefits" project implemented with the cooperation between Fibabanka and the Fiba Group was first implemented at Fibabanka among the companies of the Fiba Group in 2022 and has become a pioneering and innovative step for employee satisfaction in the banking sector. Bank employees are offered some advantages that can be flexed in accordance with their preferences, in addition to their basic benefits; and operational conveniences are provided in the ordering, procurement, and use processes of the products and services they have purchased. The project, which was implemented with 96% employee participation throughout the bank, is planned to be continued in 2023 as well.

Human Resources Training Program

Information Technologies Training Program

Fibabanka organizes virtual classroom training for the development of behavioral competencies of information technology teams and online platform training for their technical competencies. The Employees of the Information Technologies and Data Management Office at the Bank come together weekly and make presentations on products, screens, the systems they use, etc. In 2022, 454 employees received 4,368 hours of training within the scope of Information Technology Training Programs.

New Generation Internal Trainer Program
In order to train trainers, who can use new technologies, are competent in the fields of training design and presentation, can teach face-to-face and online, and have interest in the digital developments, Fibabanka launched the Internal Trainer Program. Within the scope of the program, Bank employees can participate in individual trainings, live workshops, and group activities via the online platform. In 2022, 15 employees completed the Training Program and joined the internal trainer team of the Bank.

4,368 hours
Information Technologies Training

Data Science Education Program

In order to promote a data-based decision-making culture and improve data literacy within the scope of the Data Transformation Program, Fibabanka has launched the "Data Analyst" training program together with Özyeğin University Financial Engineering Center. 49 Fibabanka employees who completed the program aimed at equipping Fibabanka employees with the necessary competencies to generate action suggestions using data received the title of "Data Analyst".

HUMAN RESOURCES

In the journey to realize and carry forward its vision, Fibabanka considers its employees to be its most important value.

Leadership Academy
Fibabanka launched its Leadership Academy programs, which include digital content of faculty members from the world's most prestigious leadership schools. Within the scope of these programs, the Bank aims to train new generation leaders with the mixed education model carried out in the digital platform and virtual classroom environment. The Fibabanka Leadership Academy Program was awarded the Silver award in the "Best Use of Blended Learning" category at the Brandon Hall Group Excellence Awards in 2022.

Women in Leadership Training Program
Pursuant to the recommendations of the Women's Working Group SHEBA, Fibabanka has organized the "Women in Leadership" training program for women employees who have reached a certain level in their career at the Bank. In 2022, 43 employees participated in the program, which aims to improve the leadership skills of women employees and support them in their careers.

Master's Degree Program
Fibabanka encourages the Bank employees who meet certain criteria to participate in master's degree programs to be paid by the Bank within the framework of the cooperation it has established with Özyeğin University. Since the launch of the program in 2011, 50 employees have been accepted to master's degree programs and 44 employees have successfully completed the program.

"I am Aware of Equality with AÇEV" Training
Fibabanka provides awareness trainings and organizes seminars for all its employees in cooperation with AÇEV in order to make the "Equal Opportunity" approach a permanent corporate culture. 800 employees have participated in equal opportunity awareness training as of the end of 2022.

Fintern Future Talent Program
Within the scope of Fintern Future Talent program, a 3-week training program is implemented on basic concepts about banking, technologies used in the Bank, products, and applications.

Foreign Language Development Platform
A foreign language development platform, where bank employees have access 24/7 and can participate in live lessons, is offered.

Call Center Academy
The Development Journey of the Leader was organized for the team leaders working in the Call Center Unit and Banking School Development Academy for new recruits/ experts, who started to work. 236 Call Center employees participated in the Development Academy trainings in 2022.

Sailing Team Spirit Training
In order to raise the awareness of teamwork among employees, a Team Spirit Training program is organized by bringing together employees from different business units of the Bank with a sailing boat used jointly by Fibabanka and Özyeğin University.

Assessment Center Applications
The programs of the Fibabanka promotion and leadership development center are determined by the Assessment Center application. As a result of the Assessment Center applications carried out in line with the Bank's competencies throughout 2022, competence development programs have been organized for employees for whom a development plan is envisaged.

Internal Communication Works Placing Employee Happiness at the Center
In the journey to realize and carry forward its vision, Fibabanka considers its employees to be its most important value. The Bank plans its internal communication activities, which serve as a bridge between the strategies and vision of the Bank and its employees, sustainably in order to create a common purpose, language, and culture by focusing on its employees.

The Bank's employee value proposition, the discourse of "You Make the Rule", was generalized in all processes in 2022. With the effective use of internal communication channels, an inclusive and comprehensive understanding was supported on the axis of "people", "culture", and "leadership".

In 2022, with the easing effects of the pandemic, activities that will bring Fibabanka employees together have been diversified, including online and face-to-face, and the emphasis has been placed on activities that will nurture a culture of working together.

Fibabanka aims to create a happy working environment for Fibabanka employees, who set the rules themselves in their fields, push boundaries with their courage, and manage to do groundbreaking work with an open mind, carry the insights of employees to communication efforts, and increase employee loyalty.

SUMMARY OF THE BOARD OF DIRECTORS' REPORT

The Bank recorded total assets of TL 74 billion as of December 31, 2022, on consolidated and solo bases. From the same period, solo total equity amounted to TL 6.5 billion, consolidated total equity amounted to TL 6.6 billion and paid-in capital stood at TL 1,358 million. The current year's net profit was TL 2,721 million according to consolidated financial statements, and TL 2,671 million according to solo financial statements.

The Bank's total loans amounted to TL 38.4 billion in 2022, according to consolidated and unconsolidated financial statements, while the share of loans in total assets was 52%. The Bank's non-performing loans ratio was 1.7%.

As of 31 December 2022, the Bank's solo capital adequacy ratio was 19.4% and the consolidated capital adequacy ratio was 19.5%.

BOARD OF DIRECTORS

HÜSNÜ M. ÖZYEĞİN
Chairman of the Board of Directors
Born in 1944, Hüsnü M. Özyeğin graduated from Robert Academy in 1963 and then obtained his undergraduate degree in Civil Engineering from Oregon State University. Hüsnü M. Özyeğin obtained his Master's degree from Harvard Business School in 1969.

He served as General Manager and Member of the Board of Directors at Pamukbank T.A.Ş. from 1974 to 1984, and founded Finansbank A.Ş. in October 1987, after serving as Deputy Chairman, Executive Director and General Manager of Yapı Kredi Bankası A.Ş. from 1984 to 1987. Hüsnü M. Özyeğin served as Chairman at Finansbank A.Ş. from the date of its establishment until 2010. Over the years, he has made numerous social investments with exemplary social awareness.

Hüsnü Özyeğin, who is still serving as the Chairman of the Board of Directors of Fibabanka A.Ş., is also the Chairman of the Board of Trustees of Özyeğin University.

FEVZİ BOZER
Vice Chairman of the Board of Directors, Chair of the Corporate Governance Committee and the Credit Committee and the Remuneration Committee
Born in 1955, Fevzi Bozer graduated from the Department of Business Administration at Indiana University, and then he completed his MBA at Roosevelt University. Starting his banking career at Citibank in 1984, Bozer joined Finansbank A.Ş. in 1988 as a Branch Manager. He served as General Manager at Finansbank Suisse (currently called Credit Europe Bank Suisse S.A.) between 1991 and 1993, and at Finansbank A.Ş. between 1995 and 1999. Bozer has served as a Member of the Board of Directors at Fiba Group's banks abroad and at Fiba Holding A.Ş. since 1999. Fevzi Bozer serves at the Board of Directors of Fibabanka A.Ş. and Credit Europe Bank Suisse S.A.

İSMET KAYA ERDEM
Member of the Board of Directors, Committee and Substitute Member of the Credit Committee
Born in 1928, İsmet Kaya Erdem graduated from Marmara University. He served as Undersecretary of Treasury, Social Security Institution General Director, Minister of Finance, State Minister in charge of the Economy, and as Speaker of the Turkish Parliament between 1961 and 1999. Having joined Fiba Group in 2000, İsmet Kaya Erdem is a Member of the Board of Directors at Fibabanka A.Ş.

MEHMET GÜLEŞCİ
Member of the Board of Directors and the Remuneration Committee and the Information Security Committee
Born in 1962, Mehmet Güleşci graduated from Boğaziçi University, Department of Business Administration, where he later obtained a Master's degree. From 1984 to 1996, Güleşci worked in the Istanbul and Boston offices of Ernst & Young as an Associate Partner and received CPA certification in Türkiye and the USA state of Massachusetts. As he continued working as Associate Partner, Güleşci joined Finansbank A.Ş. as Assistant General Manager in early 1997, where he served as Executive Director of the Board of Directors until year-end 2009. He currently is a Member of the Board of Directors and the Executive Board of the Fiba Group, as well as a Member of the Board of Directors in the Group's financial and non-financial investments in Türkiye and abroad.

BOARD OF DIRECTORS

FAİK ONUR UMUT
Member of the Board of Directors, Member of the Audit Committee and Credit Committee

Born in 1962 in Istanbul, Faik Onur Umut graduated from Boğaziçi University, Department of Industrial Engineering in 1986. He started his professional banking career at İktisat Bankası, where he worked between 1986 and 1988. Joining Fiba Group in 1988, Mr. Umut served as General Manager at Finansbank N.V. (currently called Credit Europe Bank N.V.) between 1996 and 1999. Following his graduation from the Wharton School, University of Pennsylvania, Department of Economics Management in 1999, Umut served as the General Manager of Finansbank A.Ş. between 1999-2003. He is currently a Member of the Board of Directors at Fiba Group overseas banks, Fiba Holding A.Ş., Fiba Emeklilik Hayat A.Ş. And Fibabanka A.Ş.

MEMDUH ASLAN AKÇAY
Member of the Board of Directors and Corporate Governance Committee

Memduh Aslan Akçay graduated from Ankara University's Faculty of Political Sciences, Department of Economics, and obtained a Master's degree in Economic Policy from the University of Illinois (UIUC). Akçay worked at Etibank between 1990 and 1993 and at the State Planning Organization between 1993 and 2000. He later worked at the BRSA, as Head of the Economic Evaluations Department and Foreign Relations Department, as well as Chair of the Systemic Risk Committee between 2001 and 2004. He served as the Director-General of Foreign Economic Relations at the Undersecretariat of Treasury between 2004 and 2010. During his tenure at the Undersecretariat of Treasury, he has served on some internal executive committees. Akçay has served as a Member of the Board of Directors at the Council of Europe Development Bank (CEB), Türkiye Sınai Kalkınma Bankası (TSKB), the Black Sea Trade and Development Bank (BSTDB), and the Economic Cooperation Organization Trade and Development Bank (ECOBANK), and as a Member of the Supervisory Board at Milli Reasürans A.Ş. Akçay represented Türkiye as an Alternate Governor in institutions such as World Bank (WB), European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), and Islamic Development Bank (IDB). He served as a Member of the Board of Directors at EBRD between 2010 and 2013 in London, in addition to chairing the Budget and Administrative Affairs Committee of the EBRD Board of Directors for two terms. In April 2016, Memduh Aslan Akçay was appointed to his current position as a Member of the Board of Directors at Fibabanka A.Ş.

HÜLYA KEFELİ
Member of the Board of Directors and Corporate Governance Committee

Born in 1960, Hülya Kefeli graduated from Robert College and Istanbul Technical University, Department of Management Engineering. Kefeli started her career in banking at Akbank in 1983 as Assistant Specialist, followed by various positions at the Bank. Between 2007 and 2015, she served as Assistant General Manager in charge of International Banking. Having assumed Board Member roles at various Akbank subsidiaries, Hülya Kefeli has been a Member of the Board of Directors at Fibabanka since May 15, 2017 as the World Bank International Finance Corporation Nominee Director. Kefeli also serves as a Nominee Director of IFC as a member of the Board of Directors of Bandhan Financial Services Ltd. and Bandhan Financial Holdings Ltd. in India.

SEYFETTİN ATA KÖSEOĞLU
Board Member

Seyfettin Ata Köseoğlu was born in 1960 and graduated from Boğaziçi University, Mechanical Engineering Department. He went on to receive a Master's degree in Electrical Engineering from Lehigh University, and an MBA from Boston University. Mr. Köseoğlu started his banking career in 1986 at İktisat Bank and later worked at Finansbank. He served as Managing Director responsible for the Middle East at Bear Stearns New York and Société Générale Paris between 1994 and 1999. Seyfettin Ata Köseoğlu served as CEO at Credit Suisse First Boston (Türkiye) between 2000 and 2005; Chairman of the Board and CEO at TEB Yatırım from 2006 to 2011; and Head of Strategy and Business Development at Sabancı Holding A.Ş. between 2011 and 2019. He was also Chairman of the Board of Directors and Head of the Retail Group at Çimsa and Akçansa, and Chairman of the Board at Carrefoursa and Teknosa in the period 2011 to 2019. He currently serves as Senior Advisor at Simon Kucher Partners and as board consultant at various companies.

BOARD OF DIRECTORS

ERMAN KALKANDELEN
Board Member
Erman Kalkandelen holds a BA degree in Faculty of Political Sciences, Department of Labor Economics from Ankara University and an MBA degree from Sabancı University. Erman Kalkandelen is the CEO of Franklin Templeton Türkiye Danışmanlık A.Ş. for Türkiye. He serves on the board of directors of Defacto Perakende Ticaret A.Ş, ŞOK Marketler Ticaret A.Ş. and Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. Kalkandelen has been a Member of the Board of Directors at Fibabanka A.Ş. since July 2021.

ÖMER MERT
General Manager and Member of the Board of Directors
Born in 1969, Ömer Mert graduated from the Industrial Engineering Department at ITU, he obtained a Master's degree in the Engineering Management program at the same university. He started his professional career in the insurance sector in 1993 and then took positions in various companies. He worked as Assistant General Manager at Fortis Emeklilik ve Hayat A.Ş. between 2003 and 2005 and at Garanti Emeklilik ve Hayat A.Ş. between 2005 and 2012. He served as General Manager and Board Member at Fiba Emeklilik ve Hayat A.Ş. between 2012 and 2017. Since January 2017, he has served as a Board Member and General Manager at Fibabanka. Additionally, Ömer Mert is Chairman of the Board of Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., Deputy Chairman of the Fiba Portföy Yönetimi A.Ş., Board Member at Fiba Emeklilik ve Hayat A.Ş., and Chairman of the Board of Alış Gidiş Elektronik Tic. A.Ş.

CHAIRMAN AND MEMBERS OF THE BOARD

Name Surname	Position	Assignment Date	Educational Background	Professional Experience in Banking and Business Administration
Hüsnü M. ÖZYEĞİN	Chairman of the Board of Directors	27.12.2010	Post Graduate	48
Fevzi BOZER	Vice Chairman	27.12.2010	Post Graduate	40
İsmet Kaya ERDEM	Board Member	11.02.2013	Graduate	72
Mehmet GÜLEŞCİ	Board Member	27.12.2010	Post Graduate	38
Faik Onur UMUT	Board Member	23.01.2019	Graduate	37
Memduh Aslan AKÇAY	Board Member	13.04.2016	Post Graduate	32
Hülya KEFELİ	Board Member	15.05.2017	Graduate	37
Seyfettin Ata KÖSEOĞLU	Board Member	23.01.2020	Post Graduate	33
Erman KALKANDELEN	Board Member	02.07.2021	Post Graduate	16
Ömer MERT	General Manager and Board Member	18.01.2017	Post Graduate	27

SENIOR MANAGEMENT



ÖMER MERT
General Manager and Member of the Board of Directors
Born in 1969, Ömer Mert graduated from the Industrial Engineering Department at ITU, he obtained a Master's degree in the Engineering Management program at the same university. He started his professional career in the insurance sector in 1993 and then took positions in various companies. He worked as Assistant General Manager at Fortis Emeklilik ve Hayat A.Ş. between 2003 and 2005 and at Garanti Emeklilik ve Hayat A.Ş. between 2005 and 2012. He served as General Manager and Member of the Board of Directors at Fiba Emeklilik ve Hayat A.Ş. between 2012 and 2017. Since January 2017, he has served as a Member of the Board of Directors and General Manager at Fibabanka. Additionally, Ömer Mert is Chairman of the Board of Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., Deputy Chairman of the Fiba Portföy Yönetimi A.Ş. and a Member of the Board at Fiba Emeklilik ve Hayat A.Ş.



ELİF ALSEV UTKU ÖZBEY
Executive Vice President and Deputy General Manager
Born in 1971, Elif Alsev Utku Özbey graduated from Boğaziçi University Business Administration and obtained a Master's degree at Rotterdam School of Management, Erasmus University. She worked at PwC in 1994-1995, and then at Finansbank A.Ş., assuming various roles in the Financial Control and Reporting departments between 1995 and 2009. Later, she served as Assistant General Manager in charge of Financial Reporting and Planning. Later, she served as Assistant General Manager in charge of Financial Reporting and Planning. Utku Özbey was appointed Financial Affairs Director at Fiba Holding in 2009 and then Assistant General Manager in charge of Financial Control and Financial Reporting at Fibabanka in January 2011. Since January 2017, she serves as a Deputy General Manager at Fibabanka A.Ş. In addition to her aforementioned roles, Elif Alsev Utku Özbey is a Member of the Board of Directors at both Fiba Portföy Yönetimi A.Ş. and Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.



AHU DOLU
Assistant General Manager
Born in 1975, Ahu Dolu graduated from Marmara University, Economics Department. She started her banking career in 1997 in the International Relations Department at Finansbank A.Ş. and held several positions there until 2007, followed by her appointment as Head of Department in charge of International Relations and Financing at Fiba Holding. Having joined Fibabanka in 2011, Dolu is currently working as the Assistant General Manager responsible for Financial Institutions, Project Finance, and Investor Relations.



GÖKHAN ERTÜRK
Assistant General Manager
Born in 1970, Gökhan Ertürk completed his bachelor's degree in Political Science and International Relations at Boğaziçi University after completing the Departments of Electronics and Business Administration at the same school with a double major program. Starting his career as a Project Manager in the IT Department of Türk Hava Yolları A.Ş. İn 1993, Gökhan Ertürk worked as an Assistant Manager at İktisat Bankası Cash Management and Electronic Banking Department between 1996 and 1997. He worked as the Cash Management Department Manager at Türk Ekonomi Bankası between 1997 and 2002. Between 2002 and 2006, he served as the head of Akbank's SME Banking Department, and between 2006 and 2014, he served as the Deputy General Manager of Retail Banking at DenizBank. In the same period, he worked as a member of the board of directors at Kredi Kayıt Bürosu, Deniz Emeklilik and Deniz Yatırım. He worked as an Assistant General Manager of Retail Banking at Şekerbank, a Board Member at Şeker Faktoring, and Chairman of the Board of Directors at the Kredi Kayıt Bürosu between 2014 and 2019. He later served as the General Manager at Türk Finansman A.Ş., and as a Board Member and Executive Committee Member responsible for Marketing and Sales at Türk Elektronik Para A.Ş. Having joined Fibabanka in 2021, Gökhan Ertürk is currently an Assistant General Manager in charge of Ecosystem and Platform Banking.



TURGAY HASDİKER
Assistant General Manager
Born in 1969, Turgay Hasdiker graduated from Istanbul University, Faculty of Economics in 1991. His banking career started at Yapı Kredi Bankası A.Ş. in 1991, where he worked as a Specialist, Assistant Specialist and Unit Manager in the Corporate & Commercial Loans and Credit Allocation Departments until 2003. He served in the Corporate and Commercial Credits Allocation Department at Oyakbank A.Ş. between 2003 and 2006, and as Group Manager (Director) of the Commercial and Marketing Department at ING Bank A.Ş., between 2006 and 2011. Having joined Fibabanka in 2011, Turgay Hasdiker is an Assistant General Manager in charge of Credits.

SENIOR MANAGEMENT



KERİM L. KURİŞ
Assistant General Manager
Born in 1973, Kerim L. Kuriş graduated from American University, Business Administration Department. He started to work at Finansbank A.Ş. as a Management Trainee in 1998. He worked in the Corporate Banking Department of Finansbank Holland N.V.(currently named Credit Europe Bank N.V.) between 1999 and 2004. He returned to Finansbank A.Ş. for the period of 2005-2008, and held various positions in the Department of Corporate and Commercial Marketing, including Branch Manager. He assumed roles in Corporate Banking for Credit Europe Bank N.V. between 2008 and 2010. Having joined Fibabanka in 2011, Kerim L. Kuriş is the Assistant General Manager in charge of Corporate and Commercial Banking.



GERÇEK ÖNAL
Assistant General Manager
Born in 1975, Gerçek Önal graduated from Ankara University, Department of Law. He obtained a Master's degree in International Business Law at Yeditepe University. He started his career at a private law firm, after which he worked as a Lawyer at T. Garanti Bankası A.Ş. between 2001 and 2008, and as a Legal Counsel at Garanti Ödeme Sistemleri A.Ş. between 2008 and 2012. Having begun working for Fibabanka in 2012, Gerçek Önal is an Assistant General Manager, as well as Executive Vice President and Corporate Secretary in charge of Legal Consultancy Services, Execution Proceedings Services, Claims Services, and Legal Operations Services at Fibabanka A.Ş. Önal is also a Member of the Board in Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.



İBRAHİM TOPRAK
Assistant General Manager
İbrahim Toprak was born in 1975 and graduated from Middle East Technical University, Civil Engineering Department. He obtained an MBA from the same university. Mr. Toprak started his professional career as an Assistant Dealer at Akbank A.Ş. in the Fixed Yield Security Department in 2003. After working in various positions in the Treasury Marketing Department, Derivatives Department, Trading Department, and Asset-Liability Management & Fund Transfer Pricing Departments, he has become a Manager in the Balance Sheet Management Department. Joining Fibabanka in 2020, Toprak continues his duties as Assistant General Manager responsible for the Treasury, as well as a Board Member of Fiba Portföy Yönetimi A.Ş. ve Finberg.



SERDAR YILMAZ
Assistant General Manager
Serdar Yılmaz was born in 1973 and graduated from Middle East Technical University, Electrical and Electronic Engineering Department in 1995. He went on to complete his Master's degree at the same university in Electric and Electronic Engineering in 1998. Mr. Yılmaz later earned an MBA from Istanbul Bilgi University in 2014. He started his professional career as a Software Specialist at Türkiye İş Bankası in the Software Development Department in 1995. While at Türkiye İş Bankası, he served as Application Architect and Project Manager between 1998 and 2004, as Program Manager at Softtech from 2004 to 2008, as IT Architecture and Business Intelligence Manager between 2008 and 2011, IT Architecture and Data Management Manager from 2011 until 2012, Chief Data Officer and Data Management Department Manager between 2015 and 2019, and Artificial Intelligence Area Leader from 2019 to 2020. Mr. Yılmaz was also a Board Member at Anadolu Hayat Emeklilik between 2015 and 2020. In September 2020, Serdar Yılmaz joined Fibabanka where he is currently Assistant General Manager in charge of Information Technologies and Banking Operations. In addition, Mr. Yılmaz is a Board Member at Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.

SENIOR MANAGEMENT

GENERAL MANAGER AND ASSISTANT GENERAL MANAGERS

Name Surname	Position	Assignment Date	Educational Background	Professional Experience in Banking and Business Administration
Ömer MERT	General Manager and Member of the Board of Directors	18.01.2017	Post Graduate	27
Elif Alsev UTKU ÖZBEY	Deputy General Manager - Financial Control and Financial Reporting	07.01.2011	Post Graduate	28
Ahu DOLU	Assistant General Manager - Financial Institutions, Project Finance, and Investor Relations	01.12.2015	Graduate	25
Gökhan ERTÜRK	Assistant General Manager - Ecosystem and Platform Banking	11.05.2021	Graduate	26
Turgay HASDİKER	Assistant General Manager - Credits	01.12.2015	Graduate	31
Kerim L. KURİŞ	Assistant General Manager - Corporate and Commercial Banking	01.12.2015	Graduate	24
Gerçek ÖNAL	Assistant General Manager - Chief Legal Counsel	01.02.2016	Post Graduate	22
İbrahim TOPRAK	Assistant General Manager - Treasury	01.04.2020	Post Graduate	21
Serdar YILMAZ	Assistant General Manager - Information Technologies and Banking Operations	01.09.2020	Post Graduate	27

MANAGERS IN INTERNAL SYSTEMS

AHMET CEMİL BORUCU
Head of the Inspection Board
Born in 1975, Ahmet Cemil Borucu graduated from Bilkent University, Business Administration Department. Subsequently, he obtained a Master's degree in Business Administration at Istanbul Technical University and a Ph.D. in Financial Economics from Yeditepe University. Borucu started his banking career as Inspector in 1997 at Dışbank A.Ş. and worked in the Credits Department at Türk Ekonomi Bankası A.Ş. between 2004 and 2006. After working for Deloitte - DRT Denetim A.Ş. between 2006-2007, he worked in the Risk Management Department at Fortis Bank (Türk Ekonomi Bankası) A.Ş. between 2007 and 2011. Ahmet Cemil Borucu has served as Head of the Inspection Board at Fibabanka A.Ş. since February 7, 2011.

BİROL ÖZEN
Head of the Internal Control Department
Born in 1978, Birol Özen started his banking career as an Assistant Specialist at the Internal Control Department of Dışbank A.Ş. in 2005 after graduating from the Economics Department of Çukurova University. Working in different positions in the Internal Control Departments of Fortis Bank A.Ş. between 2005 and 2011 and TEB A.Ş. between 2011 and 2012, he started to work as a Director in the Internal Control Department of Fibabanka A.Ş. on May 2, 2012. After serving as the Internal Control Unit Manager at the Internal Control and Operational Risk Department between 2017 and 2021, Özen has been working as the Head of Internal Control Department since March 14, 2022.

AYŞE TULGAR AYÇA
Head of the Risk Management Department
Born in 1977, Ayşe Tulgar Ayça graduated from Marmara University, Business Administration Department. She obtained a Master's degree in Financial Engineering and Risk Management from Özyeğin University. She started her banking career as an Inspector in the Inspection Board at İktisat Bankası T.A.Ş. in 1999. She went on to work in Treasury Profitability Unit at Alternatif Bank A.Ş. between 2000 and 2002, and worked in Treasury Control Department at Oyak Bank A.Ş. between 2002 and 2004. Having assumed managerial roles at Financial Control, Risk and Treasury Profitability departments at Finansbank A.Ş. starting from 2004, Ayşe Tulgar Ayça joined Fibabanka A.Ş. on 15 March 2011, and serves as Head of the Risk Management Department.

SERDAL YILDIRIM
Head of the Legislation and Compliance Department
Born in 1973, Serdal Yıldırım graduated from Ankara University, Business Administration Department of and obtained a Master's degree in Banking and Stock Exchange at Çukurova University. He worked as Inspector at Türkbank and TSKB between 1996 and 2002; he went on to work for Fortis Bank as Manager in the Internal Control, Legislation & Compliance and Risk Departments between 2002 and 2009. Served as a Member of the Executive Board in charge of Risk Management and Internal Control at Fortis Bank Malta between 2009 and 2010, Yıldırım has joined Fibabanka A.Ş. in 2011. Yıldırım works as the Head of Department responsible for Legislation, Compliance and Fraud Prevention, and Customer Monitoring units of Fibabanka A.Ş. He is also the Country Compliance officer of Fiba Holding Financial Group. Yıldırım is also a Member of Corporate Management Committee.

CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS

NAME SURNAME	Position	Assignment Date	Educational Background	Professional Experience in Banking and Business Administration
Ahmet Cemil BORUCU	Head of Department - Inspection Board	07.02.2011	PhD	25
Birol ÖZEN	Head of Department - Internal Control	14.03.2022	Graduate	18
Ayşe TULGAR AYÇA	Head of Department - Risk Management	15.03.2011	Post Graduate	23
Serdal YILDIRIM	Head of Department - Legislation and Compliance	06.04.2011	Post Graduate	27

INFORMATION REGARDING BOARD OF DIRECTORS' COMMITTEES AND MEMBER ATTENDANCE AT MEETINGS

Board of Directors
The Board of Directors of the Bank convenes at the Bank's head office or in any convenient venue, whether at home or abroad, in cases required by the Bank's business and transactions and in accordance with the provisions of the Turkish Commercial Code.

Committees
The committees operating in 2022 and their duties are as follows:

1-Audit Committee

Members of the Audit Committee:
1. İsmet Kaya Erdem (Board Member)
2. Faik Onur Umut (Board Member)

The Audit Committee has been established by the Board of Directors to assist in the performance of audit and oversight activities of the Board of Directors. The Committee convenes at least four times a year.

During the relevant accounting period, Audit Committee meetings were held on February 11, February 28, May 12, August 5, and November 9.

2-Corporate Governance Committee

Chairman of the Corporate Governance Committee
1. Fevzi Bozer (Vice Chairman of the Board of Directors)

Members:
2. Ömer Mert (General Manager and Board Member)
3. Memduh Aslan Akçay (Board Member)
4. Hülya Kefeli (Board Member)
5. Elif Alsev Utku Özbey (Deputy General Manager)
6. Serdal Yıldırım (Head of Legislation and Compliance Department)

The Corporate Governance Committee has been established under the chairmanship of Fevzi Bozer to monitor the Bank's compliance with Corporate Governance Principles, undertake improvement efforts, and submit proposals to the Board of Directors. The Information Security Committee convenes at least two times a year.

3-Credit Committee

Credit Committee Chairman
1. Fevzi Bozer (Vice Chairman of the Board of Directors)

Permanent Members:
2. Ömer Mert (General Manager and Board Member)
3. Faik Onur Umut (Board Member)

Substitute Members:
4. İsmet Kaya Erdem (Board Member)

The Credit Committee has been established to perform the duties to be designated by the Board of Directors relating to credits. Credit Committee is the second highest body of the Bank following the Board of Directors. It is authorized to extend credits and it gives credit approvals within the framework of the authorization given by the Board of Directors in compliance with the provisions of the Bank's credit policy. The Credit Committee convenes regularly once in a week, chaired by Fevzi Bozer.

4-Remuneration Committee

Remuneration Committee Members:
1. Mehmet Güleşci (Board Member)
2. Fevzi Bozer (Vice Chairman of the Board of Directors)

The Committee convenes at regular intervals a year.

5-Information Technologies Strategy and Steering Committee

Information Technologies Strategy and Steering Committee Chairman:
1. Assistant General Manager in charge of Information Technologies and Banking Operations

Members:
2. General Manager
3. Deputy General Manager
4. Assistant General Manager in charge of Financial Institutions, Project Finance, and Investor Relations
5. Assistant General Manager in charge of Credits
6. Assistant General Manager in charge of Corporate and Commercial Banking
7. Chief Legal Officer
8. Assistant General Manager in charge of Ecosystem & Platform Banking
9. Assistant General Manager in charge of Treasury
10. Executive Advisor to General Manager
11. Head of Legislation and Compliance
12. Human Resources Director
13. Information Security, Governance and Compliance Director

The Information Technologies Strategy and Steering Committee was formed to ensure that Fibabanka's IT strategies are compliant with the overall strategies and goals of the Bank. The Committee prioritizes IT investments, ensures sure that the Bank's IT investments are made in accordance with the IT strategy and budget, and monitors compliance of the Bank's IT architecture, projects and service levels with the prescribed definitions. The Committee convenes on a quarterly basis.

6-Information Security Committee

Information Security Committee Chairman:
1. Mehmet Güleşci (Board Member)

Members:
2. General Manager
3. Deputy General Manager
4. Chief Legal Officer
5. Assistant General Manager in charge of Information Technologies and Banking Operations
6. Executive Advisor to General Manager (CDO)
7. Head of Legislation and Compliance
8. Branch and Head Office Operations Director
9. Human Resources Director
10. Data Platforms Management Director
11. Information Security, Governance and Compliance Director

INFORMATION REGARDING BOARD OF DIRECTORS' COMMITTEES AND MEMBER ATTENDANCE AT MEETINGS

The Information Security Committee was established to develop and implement Fibabanka's Information Security Policy. The Committee is responsible for ensuring that the Information Security Strategy complies with Fibabanka's requirements and best practices, and for monitoring compliance with the Information Security Policy, applicable standards, legal and regulatory requirements. The Information Security Committee convenes at least two times a year.

7-Information Systems Sustainability Committee

Information Systems Sustainability Committee Chairman:
1. Branch and Head Office Operations Director

Members:
2. Assistant General Manager and Chief Legal Officer
3. Assistant General Manager in charge of Information Technologies and Banking Operations
4. Executive Advisor to General Manager (CDO)
5. Assistant General Manager in charge of Treasury
6. Assistant General Manager in charge of Ecosystem & Platform Banking
7. Head of Legislation and Compliance
8. Human Resources Director
9. Information Security, Governance and Compliance Director
10. Financial Control and Financial Reporting Director
11. Customer Analytics, Campaign Management and Call Center Director
12. Corporate Loans Director
13. Corporate Banking Director
14. System Infrastructure Management Director
15. Head of Risk Management
16. Marketing Communications & Customer Experience and Digital Banking Director
17. Real Estate Procurement and Construction Director
18. Business Continuity and Support Services Unit Manager

Established to address continuity studies holistically across the organization, to ensure internal coordination and to carry out other functions pursuant to regulatory requirements. Convenes when needed, at least once annually.

8-Risk Management Committee

Chairman of the Risk Management Committee:
1. Ömer Mert (General Manager and Board Member)

Members:
2. Deputy General Manager
3. Assistant General Manager in charge of Credits
4. Assistant General Manager in charge of Corporate and Commercial Banking
5. Assistant General Manager in charge of Ecosystem & Platform Banking
6. Assistant General Manager in charge of Treasury
7. Head of Risk Management

The Risk Management Committee has been established to determine the risk management policies and implementation procedures thereof according to opinion and within the knowledge of the Board of Directors and to ensure their implementation. Chaired by the General Manager, the Committee convenes at least twice a year.

9- Assets and Liabilities Committee

Head of Assets and Liabilities Committee:
1. General Manager

Members:
2. Deputy General Manager
3. Assistant General Manager in charge of Financial Institutions, Project Finance, and Investor Relations
4. Assistant General Manager in charge of Credits
5. Assistant General Manager in charge of Corporate and Commercial Banking
6. Assistant General Manager in charge of Ecosystem & Platform Banking
7. Assistant General Manager in charge of Treasury
8. Head of Risk Management

Authorized by the Board of Directors and convening regularly once a week and chaired by the General Manager, the Assets and Liabilities Committee performs the following activities:
- Carrying out the administrative activities regarding the assets and liabilities of the Company and defining policies for all fund transactions of the Bank;
- Taking decisions to be implemented for managing the Bank's balance sheet and profitability;
- Monitoring the practices undertaken as per the resolutions of executive units and the outcomes thereof regarding the balance sheet and profitability of the Bank;
- Managing and implementing risk strategies in line with the Bank's risk appetite;
- Deciding to start and stop the Bank's hedge accounting, and reporting to the Board of Directors regularly on these decisions and outcomes.

AUDITOR

Title:	KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
Duty:	Auditor
Elected General Assembly:	28.03.2022
Term of Office:	1 year
Tax ID No:	5890269940

AUDIT COMMITTEE'S EVALUATIONS ON THE FUNCTIONING OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND INFORMATION REGARDING THE ACTIVITIES DURING THE ACCOUNTING PERIOD

1- Risk Management Department

The general purpose of the Risk Management Department is to form the necessary methods, tools, and application procedures for identifying, measuring, monitoring, and controlling the risks carried out by the Bank. For this purpose, periodic assessments, measurement, reporting, and control activities are performed on a daily, weekly, monthly, quarterly, and annual basis. At the Assets and Liabilities Committee and the Risk Committee held once a week, an analysis of the details of trading portfolios, liquidity, market, interest rates, and operational and credit risks are made, and reporting activities are conducted accordingly. The Risk Management Department carries out its tasks based on a structure by which all Risk Management activities and calculations are performed using relevant systems and infrastructure.

The Department is composed of 5 units, including Market Risk, Capital Planning and Operational Risk, Modeling and Validation, Corporate and Commercial Banking Decision Support, and Individual and Ecosystem Banking Decision Support. The relevant units and their activities are as follows:

a. Market Risk Unit: The aim is to manage the possible losses to which the Bank may be exposed due to general market risk, currency risk, specific risk, commodity risk and settlement risk, and the structural interest risk as well as liquidity risk arising from banking accounts. At the Assets and Liabilities Committee and the Risk Committee meetings, an analysis of the details of trading portfolios, liquidity, market, interest rates and credit risks are made, and reporting activities are conducted accordingly. Moreover, for transactions performed to manage the interest rate risk arising from banking accounts subjected to hedge accounting, analyses are carried out to identify the presence of the related hedge; its effectiveness is measured periodically; and regular analyses are performed to identify the presence of necessary circumstances for such a relation to be terminated.

b. Capital Planning and Operational Risk Unit: The ICAAP (Internal Capital Adequacy Assessment Process) are carried out annually and monthly reports pursuant to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" under Basel II are prepared. Charged with determining operational risks defined as actual losses - incurred due to inadequate or failed internal processes, people and systems or from external events - differ, can differ, or may differ from projected losses, and their impacts, and managing them within the scope of the limits set by the Bank Risk Appetite Policy applied by the Bank, via methods such as prevention, mitigation and transfer.

c. Modeling and Validation Unit: The aim is to manage the possible losses to which the Bank may be exposed due to the failure of credit customers to comply with the requirements of the concluded contract and failure to fulfill the obligations partially or completely. In addition to IFRS 9 provision modeling, the tasks of the Unit include management, system integration, and regular validation of the scoring models used in the legal person loan portfolio of the Bank. The Unit actively engages in the works for the development and validation of early warning models within the scope of integrated credit risk management. In order to inform the Board of Directors about the Bank's risk profile, a monthly report is submitted in accordance with the Credit Risk Policy, which covers the risk limits for all the Bank's credit risk activities and the management of the internal rating systems used by the Bank and the Risk Appetite Document, which defines the risks that are accepted to be carried in accordance with the Bank's management strategies and is created based on each risk.

d. Corporate and Commercial Banking Decision Support: This Unit is intended to integrate credit policies in the Corporate Internal Rating System, Early Warning System, Agricultural, and all corporate segments into the decision support system and independently manage the decision tree models.

e. Individual and Ecosystem Banking Decision Support Unit is intended to integrate credit policies in the Retail and Ecosystem Banking segments into the decision support system and independently manage the decision tree models. Furthermore, information regarding the Bank's risk profile in this segment is provided by this Unit, with reports and analyses via implementation, allocation, follow-up and collections in the portfolio that fall under retail loans.

AUDIT COMMITTEE'S EVALUATIONS ON THE FUNCTIONING OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND INFORMATION REGARDING THE ACTIVITIES DURING THE ACCOUNTING PERIOD

2-Internal Control Department

The Internal Control Department, which operates under the supervision of the Audit Committee, consists of 2 units: the Banking Processes Internal Control Unit and the Information Systems Internal Control Unit. In the Internal Control Department, where 12 staff members are working, the organization has been planned to carry out monitoring, inspection and control activities covering all activities in the Head Office and branches. The personnel of Internal Control has the necessary professional experience and the necessary professional certificates, including the "CIA-Certified Internal Auditor", "CISA-Certified Information Systems Auditor", "CFE-Certified Fraud Examiner", "SMMM-Certified Accountant and Financial Advisor", "CMB-Capital Markets Board Advanced and Derivative Instruments License", and "ISO27001-Information Security" certificates.

Internal Control activities are carried out within the scope of the Annual Internal Control Plan approved by the Audit Committee. The continuity of the periodic, spot, remote, and on-site control activities carried out by the Internal Control Department is essential, and they continue throughout the year. The major findings determined in these controls are reported to the Audit Committee.

a. The Banking Processes Internal Control Unit conducts its activities for the purposes of protecting the Bank's assets; ensuring maintenance of the Bank's activities in an efficient and productive manner in compliance with the Law and other related regulations, internal policies and rules of the Bank and general banking practices; and ensuring the reliability and integrity of accounting and financial reporting systems and having access to relevant information on time. The Banking Processes Internal Control Unit conducts auditing activities at the Head Office and at branches and also performs the Management Declaration studies relating to banking processes and the independent audit coordination of the banking processes carried out at the Bank.

b. The Information Systems Internal Control Unit was formed within the scope of "Regulation on Banks' Information Systems and Electronic Banking Services." The Unit aims to support business units in the establishment of controls within the framework of the relevant regulation, COBIT and best practices and to ensure that developments are made by testing the effectiveness of the controls in place.

3-Inspection Board

Internal auditors on the Fibabanka Inspection Board hold the "Certified Internal Auditor", "Certified Information Systems Auditor", "Certified Fraud Examiner", and "Independent Accountant and Financial Advisor" certificates, and inspectors receive continuous training in order to have professional certifications in audit subjects. The organizational layout of the Internal Audit Department is designed to address the Banking Processes and Information Technologies processes separately.

The Annual Internal Audit Program is prepared in parallel with the risk level determined as a result of risk assessment studies performed by the Internal Audit Department.

Within the scope of the annual audit program, the Banking Process, compliance with the BRSA Information Systems and Electronic Banking Regulation within the scope of the BRSA Management Statement audit, branch audits, and other examinations are carried out. Findings in these fields are submitted to the Audit Committee for assessment and evaluation.

4. Legislation and Compliance Department

The Legislation and Compliance Department operates with a total of 5 different units and a team of 21 persons. The Department reports to the Audit Committee.

a. Legislation Units: Responsible for ensuring that all current and prospective activities, products, and services of the Bank comply with applicable laws, internal policies, and procedures, and Ethics practices. The Legislation Units is also directly in charge of governing and monitoring the Bank's corporate governance structure, processes, and principles.

b. Compliance Unit: Responsible for activities to be performed under the Bank in compliance with domestic and international regulations, within the scope of Prevention of Money Laundering and Financing of Terrorism. The Unit is also responsible for the compliance functions of Fiba Holding Financial Group.

c. Fraud Prevention and Customer Monitoring Unit: The unit is responsible for the security of all customer onboarding and financial product/service application procedures from branches, stores, and remote customer acquisition channels of the Bank. In addition, the unit is responsible for monitoring the transactions within the scope of compliance of all customer transactions with the customer profile.

INFORMATION REGARDING THE RISK POLICIES IMPLEMENTED BY RISK TYPES

Market Risk Arising from Trading Portfolio

Various efforts are undertaken to ensure compliance with BRSA legislation in defining, measuring, reporting, and tracking the market risk of the Bank; to minimize the losses that may be caused by the market risk of the Bank, and to improve the processes and standards.

The Bank cannot carry any positions exceeding the legal limits determined by BRSA. Additionally, Value at Risk limits has been determined for the risk due to the relevant portfolio maintained by the Bank within the scope of the Trading Portfolio Policy. Compliance with these limits is tracked daily by the Risk Management Department.

Interest Risk From Banking Accounts

Pursuant to the Assets & Liabilities Policy, all components included in the assets and liabilities of the Bank sensitive to interest are divided into maturity tranches based on remaining maturity periods by way of repricing, and predetermined interest shocks are applied to calculate the change in net economic value. By the stress tests made on the interest risk maintained by the Bank through the Interest Risk Analysis, sensitivity of the risk level intended to be carried out is tested against crisis scenarios and studies are performed to keep them under control.

Liquidity and Funding Risk

The Bank determines its policies for defining, measuring, reporting, and controlling liquidity risks according to international best practices and the rules and regulations set by the Banking Regulation and Supervision Agency.

When considering the liquidity position of the Bank; existing and expected assets quality, existing and future profitability capacity, funding needs based on previous experiences, existing liquidity position, and funding needs estimated to occur in the future, funding resources and cash flows are taken into account.

The organization, duties, and responsibilities of the Bank's Liquidity Risk Management have been defined in detail within the scope of the Liquidity and Funding Risk Policy and the basic principles, implementations, limits, and reporting activities to be adopted for Liquidity Risk Management are specified. The short- and long-term liquidity risks carried by the Bank and the scenario analyses on the current positions of the Bank are presented to the Management via Liquidity Reports.

Credit Risk

The Bank has adopted an integrated credit risk approach to anticipate, determine, measure, monitor, eliminate, mitigate, and manage credit risk. For this purpose, systems based on numerical methods and expert opinion have been developed in order to predict and manage the risks that may arise as soon as possible. The frequency of running of rating systems and early warning modules has been increased and the reporting of results has been automated. This approach has been developed in order to accurately identify a reliable credit customer in terms of credit policies and continuously monitor their creditworthiness.

In order to manage credit risk, various internal limits have been determined with the Credit Risk Policy and Risk Appetite Documents, and they are regularly monitored and reported. In the definition, measurement, reporting, and control of credit risk, necessary reporting and controls are carried out within the framework of local legislation. The loan provisions modelled in accordance with TFRS 9 are calculated on the basis of the relevant legislation. Limits for credit risks arising from transactions with other banks have been determined by the Treasury Department in respect of each bank. Counterparty credit risk is also tracked via stress tests conducted monthly.

INFORMATION REGARDING THE RISK POLICIES IMPLEMENTED BY RISK TYPES

Concentration and risk limits developed for the Bank's loan portfolio are reviewed through the Credit risk reports.

Operational Risk

The Bank manages the operational risks within the scope of the "Operational Risk Management Policy" and the legal legislation. The Bank's loss data occurring as part of the operational risk are collected and monitored regularly by the relevant units/departments by entering it into the operational risk database, and senior management is informed about this by means of presentations prepared for the committees such as the Assets and Liabilities Committee, the Risk Committee, etc.

Information Systems Risk

Based on the principles defined by domestic legislation and international good practices related to the subject, periodic identification and recording of risks arising from information systems and monitoring of developments through the risk log are carried out. The works carried out within the framework of the definitions contained in the IT Risk Management Procedure based on assets and information systems risk analysis are carried out in respect of each asset and asset group. The works starting at the stage of classification of information assets are carried out through classification and risk assessments of asset owners, and information systems risk analysis is carried out with an approach prioritizing assets with high asset value and risky assets.

Due to its increasing importance, third-party information security risks are addressed separately and the related process is carried out in accordance with the Third-Party Information Security Risks Management Procedure, and their riskiness is determined, recorded, and monitored through external screening, questionnaire filling, and on-site audit elements.

The outputs of the information systems risk analysis efforts constitute the input to the Bank's Operational Risk assessment activities and thus are taken into consideration in the corporate risk management processes.

Business Continuity Risk

Pursuant to international standards and best practices and the framework defined by the BRSA within the scope of the ICAAP (Internal Capital Adequacy Assessment Process) regulation and the Banks' Information Systems and Electronic Banking Regulation, the Bank carries out business continuity planning for critical resources such as system, human, location, and external service providers in order to ensure the continuity of critical processes determined as a result of business impact analyses conducted by taking into account all processes throughout the organization. In these studies, financial, legal and reputational risks that will be created by possible interruptions are considered by taking into account the operational risk appetite and the most effective solutions are implemented.

TRANSACTIONS MADE WITH THE RISK GROUP IN WHICH THE BANK IS INVOLVED

1.1 Volume of transactions related to the risk group, in which the Bank is involved (According to consolidated data - TL Thousand)

Risk Group in which the Bank is Involved*	Associates, Subsidiaries, and Jointly Controlled Subsidiaries		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables**						
Opening Balance	60,114	-	-	-	465,991	67,861
Closing Balance	267,036	483	-	-	627,604	76,715
Income Received on Interests and Commissions	13,797	3	23	-	79,962	299

** As defined in Article 49 of the Banking Law no. 5411.*

*** Includes all transactions accepted as loans under Article 48 of the Banking Law no. 5411.*

1.2 Information on deposits of the risk group, in which the Bank is involved (According to consolidated data - TL Thousand)

Risk Group in which the Bank is Involved*	Associates, Subsidiaries, and Jointly Controlled Subsidiaries		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
Deposits						
Opening Balance	224,366	2,544	2,204	18,479	399,459	512,953
Closing Balance	250,214	224,366	1,249,692	2,204	1,150,446	399,459
Deposit Interest Expenses	8,712	12,350	13,920	1,112	41,535	36,759

** As defined in Article 49 of the Banking Law no. 5411.*

1.3 Information regarding the funds the Bank borrowed from its risk group (according to consolidated data-TL Thousand)

There is a TL 334,411 fund borrowed by the Bank from the real and legal persons included in its risk group as of December 31, 2022.

1.4 Information relating to forward transactions and options contracts and other similar contracts made by the Bank with parties in the risk group, in which the Bank is involved (according to consolidated data - TL Thousand)

Risk Group in which the Bank is Involved*	Associates, Subsidiaries, and Jointly Controlled Subsidiaries		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
Financial Assets at Fair Value Through Profit or Loss						
Opening Balance	-	-	-	-	404,723	585,484
Closing Balance	-	-	75,012	-	1,502,471	404,723
Total Profit / Loss	-	-	-	-	32,588	54,382
Transactions for Hedging Purposes						
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-

** As defined in Article 49 of the Banking Law no. 5411.*

FINANCIAL STATUS, PROFITABILITY AND SOLVENCY ASSESSMENT

Fibabanka's asset size increased by 64% to TL 74 billion as of end-2022 on solo and consolidated bases.

According to consolidated and unconsolidated financial statements, the volume of loans amounted to TL 38.4 billion as of year-end 2022, up from TL 22.1 billion in 2021. The share of loans in total assets was 52%.

The creditworthiness of loans and other receivables is monitored at certain intervals, under applicable legislation. For new loans, the Bank complies with the limits determined under the Banking Laws and Regulations. Collateral is taken for loans disbursed to reduce risk. According to consolidated and unconsolidated financial statements, non-performing loans as of year-end 2022 amounted to TL 665 million, for which a provision of TL 499 million was set aside.

According to consolidated and unconsolidated financial statements, the securities portfolio was TL 12.5 billion at 2022 year-end, and the ratio of securities to total assets was 17%.

The customer deposit volume is TL 38.9 billion both on solo and consolidated basis as of the end of 2022.

As per the consolidated financial statements, there was a pre-tax profit of TL 3,462 million in 2022. Following a tax provision of TL 741 million, net profit increased by 550% on a year-on-year basis, climbing to TL 2,721 million.

The Bank's net interest income for 2022 was TL 2,230 million and its operating gross profit was TL 7,077 million on solo basis and TL 7,150 million on consolidated basis increasing by 256%.

Operating expenses for 2022, including personnel expenses, were TL 2,021 million on a solo basis, and TL 2,038 million on a consolidated basis.

In 2022, a total provision expense of TL 1,653 million was written off on a solo and consolidated basis. As of 31.12.2022, the Bank's solo capital adequacy ratio was 19.4% and the consolidated capital adequacy ratio was 19.5%. The Bank's share capital is not unpaid and it suffers no insolvency.

There are no measures required to be taken to improve the financial structure of the Bank. The Bank continues to grow profitably according to its targets.

The bank's profit distribution statement for 2022 is included in the independent audit reports. The decision on profit distribution for 2022 will be taken at the first Ordinary General Assembly meeting to be held.

The currency risk, interest rate risk and liquidity risk borne by the Bank are measured and monitored with several risk management systems, and the balance sheet is managed accordingly, within the framework of predetermined risk limits and legal limits.

To protect against market risks, for purposes of financial risk management, the Bank has identified market risk management activities and taken necessary measures under the "Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks" published in the Official Gazette dated July 11, 2014 with no. 29057 and the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette dated September 6, 2014 with No. 29111.

Market risk calculations are made monthly, and the obtained results of measurements are taken into account for the calculation of the Capital Adequacy Standard Ratio. As of 31 December 2022, the amount subject to market risk is TL 918 million.

The Standard Method and Value at Risk Method are used in measuring the currency risk encountered by the Bank. Legal position limits are used for the purpose of limiting the encountered currency risk.

Against the liquidity risk, attention is paid to ensure consistency of maturity between assets and liabilities, and liquid assets are maintained to completely meet the liquidity needs that may occur as a result of fluctuations in the market.

Efforts in this regard are supported through TL and FX cash flow projections, while changes in the maturity structure, cost and total amount of TL and FX deposits are tracked daily. Developments in previous periods and expectations regarding future developments are also taken into consideration as part of these efforts. Based on the cash flow projections, measures are taken to meet the need for liquidity by differentiating the pricing in various maturities, and alternative sources of liquidity are determined by estimating the liquidity that may be needed in exceptional circumstances.

FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION INCLUDING THE REPORTING PERIOD

Five-Year Summary Unconsolidated Financial Figures (TL thousand)	2018	2019	2020	2021	2022
Total Assets	20,618,271	21,885,760	27,224,995	45,162,259	74,108,740
Loans, net	14,121,417	15,624,411	18,796,219	22,112,555	38,428,958
Deposits	11,313,226	13,566,698	17,667,425	31,000,392	46,858,835
Funds Borrowed	1,339,212	859,381	1,155,142	523,577	3,179,212
Securities Issued	1,842,585	1,718,332	1,480,900	2,646,236	4,810,878
Subordinated Loans and Borrowing Instruments	1,596,143	1,789,018	2,127,599	3,790,148	4,543,945
Equity	1,321,872	1,655,804	1,873,904	2,345,613	6,516,738
Profit Before Tax	237,823	250,130	316,169	471,514	3,401,628
Net Profit	196,659	212,044	229,835	409,967	2,671,354

Five-Year Summary Consolidated Financial Figures (TL thousand)	2018	2019	2020	2021	2022
Total Assets	20,619,176	21,889,207	27,237,631	45,184,808	74,187,876
Loans, net	14,121,417	15,624,411	18,796,219	22,112,555	38,428,958
Deposits	11,313,141	13,565,688	17,667,408	31,000,365	46,858,826
Funds Borrowed	1,339,212	859,381	1,155,142	523,577	3,179,212
Securities Issued	1,842,585	1,718,332	1,480,900	2,646,236	4,810,878
Subordinated Loans and Borrowing Instruments	1,596,143	1,789,018	2,127,599	3,790,148	4,543,945
Equity	1,322,249	1,659,093	1,884,412	2,364,475	6,581,672
Profit Before Tax	238,278	253,866	325,455	482,600	3,462,221
Net Profit	197,014	214,956	237,055	418,346	2,720,589

CREDIT RATINGS

Fitch Credit Rating	Credit Rating	Outlook
Long Term Foreign Currency	B-	Negative
Long Term National Currency	B-	Negative
Short Term Foreign Currency	B	
Short Term National Currency	B	
Long Term National Credit Rating	A (tur)-	Negative

IMPORTANT DEVELOPMENTS REGARDING 2022 ACTIVITIES

Other matters to be explained pursuant to the provisions of the Customs and Trade Ministry's "Regulation on Determination of Minimum Content of Annual Report of Companies" promulgated in the Official Gazette on 28 August 2012 with No. 28395, and "Regulation on the Principles and Procedures for Preparation of Annual Reports by Banks" on the basis of Article 516, 518, 565 and 610 of the Turkish Commercial Code No. 6102:

Trade Name of the Company
Fibabanka Anonim Şirketi

Trade Registry No.
272902

Privileged Shares
The Bank has no privileged shares.

Relations with the Controlling Company, Its Affiliated Companies, and Controlling Shareholder
On the date of realization of legal transactions made with the controlling company, affiliated companies of the controlling company, and the controlling initiative, the details of which are given in the Affiliation Report, according to the terms and conditions known to us as of the date when the legal transactions specified in the report are executed, appropriate consideration has been provided for each transaction. There is no measure taken or refrained from being taken nor any loss incurred by our Bank in this context. As a result of the examination of financial transactions conducted by Fibabanka with its controlling initiative, controlling company and the affiliated companies of the controlling company, according to article 199 of the Turkish Commercial Code, it is understood that all transactions conducted by the Bank are made exactly according to the market conditions and the precedents/applicable prices, prevailing at the time when the related transaction is conducted, as if they were concluded with third persons.

With regards to the transactions made with Fiba Holding A.Ş., the direct controlling company of Fibabanka and its other affiliated companies, there is no measure taken or refrained from being taken in favor of Fibabanka. Likewise, with regards to transactions made with Mr. Hüsnü M. Özyeğin, the controlling entrepreneur of Fibabanka, there is also no measure taken or refrained from being taken in favor of Fibabanka. Agreements in all legal proceedings, the details of which are given in the Affiliation Report, were reached based on similar principles, procedures, and conditions of non-group persons. No measure has been implemented to the detriment of Fibabanka, according to an attempt or for interests of the Fibabanka's controlling initiative, controlling company or its affiliated companies.

Financial Benefits Provided to the Members of the Management Body and Top Management
Financial benefits provided to the Board of Directors and senior executives in 2022;

• The total amount of financial benefits such as attendance fee, premium, bonus, profit share, etc. is TL 50,863,362 on a solo basis and TL 52,761,769 on a consolidated basis.

• The total amount of allowances, travel, accommodation, and representation costs as well as benefits in rem and cash, insurance, and similar warranties, given to the Board of Directors and senior managers of the Bank, is TL 2,816,075.

Investments in the Accounting Period
The Bank's transactions related to investments in 2022 are on Articles 7 and 8 and Articles 12 and 13 of the Independent Auditor's Report-Section 5/I. Explanations and Disclosures Related to the Assets.

Associates and Their Share Ratios
As of December 31, 2022, the Bank has 2 associates amounting to TL 841,588 thousand in total.

1. Fiba Emeklilik ve Hayat A.Ş. started its activities in the life group and personal accident branches in January 2013, its reinsurance transactions related to these insurances in July 2013, and its activities in the pension branch in December 2013.

As of December 20, 2022, 8,000,000 shares representing 40% of the capital share of Fiba Emeklilik ve Hayat A.Ş. were transferred to Fibabanka by Fiba Holding A.Ş. for TL 746,588 thousand.

IMPORTANT DEVELOPMENTS REGARDING 2022 ACTIVITIES

2. A company named Fiba Sigorta A.Ş. has been established to operate in elementary branches with a 50%-50% partnership share between Fibabanka and HDI Sigorta A.Ş. investment amount of the Bank is TL 95,000.

Subsidiaries and Their Share Ratios
As of December 31, 2022, the Bank has 2 subsidiaries.

1. Fiba Portföy Yönetimi A.Ş. has a share capital of TL 7,920,000, 99% of which is held by Fibabanka A.Ş. and 1% by Fiba Holding A.Ş. The company was incorporated to form and manage investment funds in accordance with the provisions of the applicable legislation. Its main field of activity also includes management of investment trusts, the private pension funds under the Law on Personal Pension Savings and Investment System no. 4632 dated 28 March 2001 and the equivalent foreign organizations' portfolios of mutual funds.

2. The Bank has another subsidiary named Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. with the amount of TL 117,500,000. Fibabanka A.Ş. holds 100% of the share capital of the said company. Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. was established with the purpose of providing consultancy services about entrepreneurship, creation of new business fields and technologies, investment in financial technology companies, mobile payment, income expenditure follow-up, and money transfer.

Information on the Bank's Shares Acquired by the Bank itself
The Bank does not have its own shares acquired.

Information on Public and Special Audit Facilities
The Bank is audited by the independent audit firm at the end of each quarter in a limited scope, and at the end of the year in full scope. Furthermore, the Bank is subject to constant monitoring and supervision by the Banking Regulation and Supervision Agency pursuant to banking laws and regulations.

Information on Lawsuits Filed Against the Bank and Possible Consequences
There are no lawsuits filed against the Bank which could affect its financial position and activities.

Administrative and Judicial Sanctions
The amount of penalties paid by the Bank in 2022 due to practices in breach of related laws and regulations is TL 429,895.

Objectives Set in the Past Period, Implementation of General Assembly Decisions
The Bank reached its targets and executed General Assembly resolutions in 2022.

Extraordinary General Meetings during the Year
Only one Extraordinary General Assembly Meeting was held in 2022 and the Bank's paid-in capital was increased by TL 416,562 thousand to TL 1,357,723 thousand with the cash capital increase decision.

Aid and Donations
The total amount of donations and aid made by the Bank in 2022 and the expenses incurred under social responsibility projects are TL 17,358,335.

SUPPORT SERVICES PROVIDERS

1) Banking Operating Systems

Trade Name of the Company	Services Procured/Field of Activity
Alterna Yazılım Danışmanlık ve Eğitim Ticaret A.Ş.	Software service
Arksoft Bilişim Teknoloji Ticaret Sanayi A.Ş.	Application service
Basistek Bilgi Teknolojileri San. ve Tic. A.Ş.	License and installation service
Bilgi Birikim Sistemleri Elektronik ve Bilgisayar Endüstrisi Mühendislik Hizm. San. ve Tic. Ltd. Şti.	System maintenance and support services
Compay Ödeme Çözümleri A.Ş.	Software service
DDI Teknoloji ve Bilişim Çözümleri Araştırma ve Geliştirme Hizmetleri Ltd. Şti.	Software service
Dengage İnteraktif Dijital Teknoloji Hizmetleri ve Pazarlama A.Ş.	Application service
Bentego Teknoloji A.Ş.	Software and maintenance support service
Eretim Bilgisayar Hizm. ve Danışmanlık Ltd. Şti.	Application service
Finastra Global Limited	Software service
Fineksus Bilişim Çözümleri Ticaret A.Ş.	SWIFT service
Globit Global Bilgi Teknolojileri A.Ş.	Software service
IDVLABS Yazılım ve Danışmanlık Hizmetleri A.Ş.	Software service
İHS Kurumsal Teknoloji Hizmetleri A.Ş.	Application service
Innova Bilişim Çözümleri A.Ş.	Software service
Innovance Bilgi Teknolojileri Danışmanlık Yazılım Geliştirme İnş. ve Otom. Ltd. Şti.	Analysis consulting and software development
İdeal Bilişim Hizmetleri San. ve Tic. Ltd. Şti.	Software service
Mapa Global Bilgisayar Yazılım Dan. San. Ltd. Şti.	Application and maintenance services
Netsec Bilişim Çözümleri San. Ve Tic. Ltd. Şti.	Software and maintenance support service
Paycore Ödeme Hizmetleri Takas ve Mutabakat Sistemleri A.Ş.	Debit card/credit card and ATM operation support services
Platin A.Ş.	Software and maintenance support service
Postkom Basım Posta ve İletişim Hizmetleri A.Ş.	Account statement printing and enveloping service
Secure Future Bilgi Teknolojileri ve Hizmetleri Ticaret A.Ş.	Application and maintenance services
Soitron Siber Güvenlik Servisleri A.Ş.	Firewall services
Servicium Bilgisayar Hizm. San. ve Dış Tic. A.Ş.	Software service
Superonline İletişim Hizmetleri A.Ş.	Data center hosting service
Telcoset İleri Teknoloji Stratejik İş Geliştirme Dan. A.Ş.	Application and maintenance services
Tümsaş Teknolojik End. Bilgisayar Ürün. Müh. ve Paz. A.Ş.	Application and maintenance services
Codevo Bilişim Yazılım ve Danışmanlık Hizmetleri Tic. A.Ş.	Application service
Infosec Information Technologies	Software service
SesTek Ses ve İletişim Bilgisayar Teknolojileri San.	Software service
BTRisk Bilgi Güvenliği ve BT Yönetişim Hiz.	Testing service
Agra Fintech Yazılım Çözümleri A.Ş.	Software service
Bilin Software Consultancy	Software service
32 Bit Bilgisayar Hizmetleri San. Tic. Ltd. Şti.	Software service
Payten Türkiye	Virtual POS and software service
Foreks Bilgi İletişim Hiz. A.Ş.	Software service
Bntpro Bilgi ve İletişim Hizmetleri Anonim Şirketi	Software service
Veriskop Bilişim ve Danışmanlık Hizmetleri A.Ş.	Data masking
CRM Akademi Bilişim Sistemleri Ltd. Şti.	Software service
Netsmart Bilişim Sistemleri A.Ş.	Software, license, and installation service
Cyberwise Siber Güvenlik Ticaret Anonim Şirketi	Software service
Modera Bilişim ve Danışmanlık Ltd. Şti	System maintenance and support services
ODYA Bilgisayar ve Teknoloji Ürünleri San. ve Tic. Ltd. Şti.	Software service
Siztek Bilişim Teknolojileri ve Danışmanlık Hizm. Ltd. Şti.	Maintenance support renewal services
Sentra Bilişim Teknoloji ve Dan. Hiz. A.Ş.	Software service
Öneriver Yazılım Anonim Şirketi	Software service
Provision Bilgi İşlem San. ve Tic. A.Ş.	Software service
Nubes Bilişim ve Danışmanlık Ticaret A.Ş.	Software service
BGA Bilgi Güvenliği A.Ş.	Testing service
İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.	Data center rental service
Termtek Bilişim Bilgisayar Teknolojileri Ticaret Ltd. Şti.	Software licensing and maintenance
Netsys Bilişim Ticaret A.Ş.	Maintenance support services

SUPPORT SERVICES PROVIDERS

Trade Name of the Company	Services Procured/Field of Activity
FTNET Bilişim A.Ş.	Maintenance support services
Enfo Bilişim A.Ş.	Software service
Oredata Yazılım Ltd. Şti.	Software service
Morten Bilgi ve İletişim Hizmetleri A.Ş.	Software service
Verisoft Bilgi İşlem Ticaret ve Sanayi A.Ş.	Software service
Evam Yazılım Danışmanlık A.Ş.	Software service
İmperitek Bilişim Yönetimi Dan. Müh. Eğt. San. ve Tic. A.Ş.	Software service
Bloxima Bilgi Teknolojileri Yazılım San. ve Tic. A.Ş.	Software service

2) Telephone Banking

Trade Name of the Company	Services Procured/Field of Activity
UCS Bilişim Sistemleri Ltd. Şti.	Replacing infrastructure of the Call Center

3) Internet Banking

Trade Name of the Company	Services Procured/Field of Activity
V.R.P Veri Raporlama Programlama Bilişim Yazılım ve Danışmanlık Hizm. Tic. A.Ş.	Mobile and Internet Banking software and operating systems services
Ka Dijital İnternet Pazarlama Reklamcılık Danışmanlık ve Bilişim Tic. Ltd. Şti.	Corporate website maintenance, repair, and update

4) Services Other Than Information Technologies

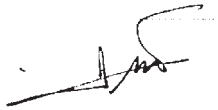
Trade Name of the Company	Services Procured/Field of Activity
Austria Card Turkey Kart Operasyonları A.Ş.	Debit card printing and enveloping services
Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş.	Intermediary services for "Transfer on Duty" services
Brinks Güvenlik Hizmetleri A.Ş.	Precious goods transportation services
Desmer Güvenlik Hizmetleri Tic. A.Ş.	Money transportation services
Figo Ticari Bilgi ve Uygulama Patformu A.Ş.	Software and document service
FU Gayrimenkul Yatırım Danışmanlık A.Ş.	Execution of legal transactions by proxy
Key İnternet Hizmetleri Bilgisayar Yazılım Donanım Mühendislik Müşavirlik San. ve Tic. Ltd. Şti.	Appraisal software services
Kurye Net Motorlu Kuryecilik ve Dağ. Hiz. A.Ş.	Debit/credit card distribution service
MTM Holografi Güvenlikli Basım ve Bilişim Teknolojileri San. ve Tic. A.Ş.	Check book printing services
NCR Bilişim Sistemleri Ltd. Şti.	ATM money depositing NCR banknote recognition template services
Reisswolf Doküman Yönetim Hizmetler A.Ş.	Secure document destruction and archiving service
Webhelp Çağrı Merkezi ve Müşteri Hizmetleri A.Ş.	Call center staff support
Yaz Bilgi Sistemleri A.Ş.	Application service
Halıcıoğlu Yazılım Danışmanlık ve Tic. Ltd. Şti.	Application service
Atlastek Güvenlik Teknolojileri San. Tic. Ltd. Şti.	Alarm control center support
Ainos Bilgi Teknolojileri ve Danışmanlık Anonim Şirketi	Software service
Bilin Yazılım ve Bilişim Danışmanlığı A.Ş.	Software service
Doğan Kurye Toplu Dağıtım Hizmetleri Tic. Ltd. Şti.	Courier and support services
Thinx Bilişim Yazılım ve Danışmanlık Hizmetleri Ticaret Ltd Şti	Outsourced labor supply
Turkgen Yazılım San. ve Tic. A.Ş.	Outsourced labor supply
Tein Yazılım Hizmetleri Ticaret A.Ş.	Outsourced labor supply
Antrek Labs Yazılım Sanayi ve Ticaret Ltd. Şti.	Outsourced labor supply
Maro Uluslararası Bilgi Teknolojileri Danışmanlık, Geliştirme, Destek Hizmetleri San. Tic. A.Ş.	Outsourced labor supply
Elsify Yazılım ve Bilgi Teknolojileri Limited Şirketi	Outsourced labor supply
Omreon Bilişim Teknolojileri San. ve Tic. Ltd. Şti.	Outsourced labor supply
Elite Consulting Bilişim ve Danışmanlık Hizmetleri Ltd. Şti.	Outsourced labor supply
Insource Teknoloji ve Dan. Tic. Ltd. Şti.	Outsourced labor supply
KG Bilgi İşlem Teknoloji A.Ş.	Outsourced labor supply
Andevos Bilgi Teknolojileri ve Pazarlama A.Ş.	Outsourced labor supply
Venhancer Bilişim ve Danışmanlık A.Ş.	Outsourced labor supply
Alış Gidiş Elektronik Ticaret A.Ş.	Shopping loan mediation service
BİLNET Matbaacılık ve Yayıncılık A.Ş.	Card packaging service
E-KART Elektronik Kart Sistemleri San. ve Tic. A.Ş.	Plastic card purchase and personalization service
449 contracted firms	Customer contract signing and delivery

STATEMENT ON ANNUAL REPORT 2022

Fibabanka A.Ş. 2022 Annual Report was prepared and submitted in accordance with the principles and procedures stipulated in the "Regulation on Principles and Procedures Concerning the Preparation and Publication of Annual Reports by Banks" promulgated in the Official Gazette no. 26333 on 1 November 2006 and Customs and Trade Ministry's "Regulation on Determination of Minimum Content of Annual Report of Companies," promulgated in the Official Gazette on 28 August 2012 with no. 28395.



Hüsnü Mustafa ÖZYEĞİN
Chairman of the Board of Directors



Ömer MERT
General Manager and Member of the Board of Directors



İsmet Kaya ERDEM
Member of the Board of Directors, Member of the Audit Committee and Credit Committee



Faik Onur UMUT
Member of the Board of Directors, Member of the Audit Committee and Credit Committee



Elif Alsev UTKU ÖZBEY
Executive Vice President and Deputy General Manager



Ayşe AKDAŞ
Director of the Financial Control and Financial Reporting Department

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)

KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr

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.

Key audit matter	***How the matter is addressed in our audit***
As of 31 December 2022, loans measured at amortised cost comprise 54% of the Bank's total assets. 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"). 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. The significant assumptions and estimates of the Bank's management are as follows: - significant increase in credit risk; - incorporating the forward looking macroeconomic information in calculation of credit risk; and - design and implementation of expected credit loss model.	Our procedures for testing the impairment of loans included below: • 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. • 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. • 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. • 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. • 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.

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. 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. 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. 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.	• 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. • We assessed the macroeconomic models which are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method. • We evaluated the qualitative and quantitative assessments which are used in determining the significant increase in credit risk. • We also evaluated the adequacy of the unconsolidated financial statements' disclosures related to impairment provisions.

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.

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

Alper Güvenç, SMMM
Partner

20 February 2023
İstanbul, Türkiye

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

Address : Esentepe Mah. Büyükdere Caddesi No: 129 Şişli 34394 İstanbul-Türkiye
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Fax : (212) 258 37 78
Web Site : www.fibabanka.com.tr
Contact E-Mail : deniz.turunc@fibabanka.com.tr

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.



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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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.)

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.

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

Name Surname	Title	Assignment Date
Board of Directors		
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
Audit Committee		
İsmet Kaya Erdem	Member	27-Dec-19
Faik Onur Umut	Member	14-Jan-20
Assistant General Managers		
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	:	www.fibabanka.com.tr
The Bank's E-Mail Address	:	malikontrol@fibabanka.com.tr
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

FİBABANKA A.Ş.

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
I.	**FINANCIAL ASSETS (Net)**		**6.042.514**	**19.669.559**	**25.712.073**	**3.599.167**	**14.485.168**	**18.084.335**
1.1	**Cash and Cash Equivalents**	(5.I.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.I.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.I.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.I.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.I.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		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)**	(5.I.6)	**34.656.254**	**10.838.678**	**45.494.932**	**15.864.610**	**9.477.894**	**25.342.504**
2.1	Loans	(5.I.5)	33.382.033	6.150.406	39.532.439	16.495.038	6.434.332	22.929.370
2.2	Lease Receivables	(5.I.10)	-	-	-	-	-	-
2.3	Factoring Receivables	(5.I.5)	186.000	790	186.790	70.629	3.435	74.064
2.4	Financial Assets Measured at Amortised Cost	(5.I.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
III.	**ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	(5.I.16)	**24.609**	**-**	**24.609**	**182.161**	**-**	**182.161**
3.1	Assets Held for Sale		24.609	-	24.609	182.161	-	182.161
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		**967.008**	**-**	**967.008**	**117.945**	**-**	**117.945**
4.1	**Investments in Associates (Net)**	(5.I.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.I.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.I.9)	**-**	**-**	**-**	**-**	**-**	**-**
4.3.1	Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	(5.I.12)	**692.330**	**-**	**692.330**	**414.389**	**-**	**414.389**
VI.	**INTANGIBLE ASSETS (Net)**	(5.I.13)	**243.640**	**-**	**243.640**	**106.531**	**-**	**106.531**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		243.640	-	243.640	106.531	-	106.531
VII.	**INVESTMENT PROPERTY (Net)**	(5.I.14)	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**CURRENT TAX ASSET**		**500**	**-**	**500**	**2.077**	**-**	**2.077**
IX.	**DEFERRED TAX ASSET**	(5.I.15)	**490.110**	**-**	**490.110**	**308.819**	**-**	**308.819**
X.	**OTHER ASSETS**	(5.I.17)	**450.872**	**32.666**	**483.538**	**594.628**	**8.870**	**603.498**
	TOTAL ASSETS		**43.567.837**	**30.540.903**	**74.108.740**	**21.190.327**	**23.971.932**	**45.162.259**

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

	LIABILITIES	Footnotes	CURRENT PERIOD (31/12/2022)			PRIOR PERIOD (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
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**44.481.962**	**29.626.778**	**74.108.740**	**21.644.186**	**23.518.073**	**45.162.259**

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

FİBABANKA A.Ş.

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
A.	**OFF-BALANCE SHEET COMMITMENTS (I+II+III)**		**43.021.459**	**89.295.956**	**132.317.415**	**17.084.719**	**50.471.248**	**67.555.967**
I.	**GUARANTIES AND WARRANTIES**	(5.III.1)	**486.870**	**259.091**	**745.961**	**456.564**	**547.613**	**1.004.177**
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 Endorsments		-	-	-	-	-	-
1.6.	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7.	Factoring Guarantees		-	-	-	-	-	-
1.8.	Other Guarantees		-	-	-	-	-	-
1.9.	Other Collaterals		-	-	-	-	-	-
II.	**COMMITMENTS**		**4.420.924**	**5.243.627**	**9.664.551**	**2.962.647**	**5.091.482**	**8.054.129**
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		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	(5.III.5)	**38.113.665**	**83.793.238**	**121.906.903**	**13.665.508**	**44.832.153**	**58.497.661**
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.	**CUSTODY AND PLEDGES RECEIVED (IV+V+VI)**		**327.646.280**	**198.570.838**	**526.217.118**	**204.451.567**	**174.613.925**	**379.065.492**
IV.	**ITEMS HELD IN CUSTODY**		**2.854.467**	**31.505.672**	**34.360.139**	**1.617.746**	**19.003.782**	**20.621.528**
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		-	-	-	-	-	-
V.	**PLEDGES RECEIVED**		**324.791.813**	**167.065.166**	**491.856.979**	**202.833.821**	**155.610.143**	**358.443.964**
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		-	-	-	-	-	-
VI.	**ACCEPTED BILL, GUARANTEES AND WARRANTEES**		-	-	-	-	-	-
	TOTAL OFF_BALANCE SHEET COMMITMENTS (A+B)		**370.667.739**	**287.866.794**	**658.534.533**	**221.536.286**	**225.085.173**	**446.621.459**

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

FİBABANKA A.Ş.

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)
I.	**INTEREST INCOME**		**6.522.214**	**3.411.084**
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
II.	**INTEREST EXPENSE (-)**		**4.292.682**	**2.367.793**
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
III.	**NET INTEREST INCOME (I - II)**		**2.229.532**	**1.043.291**
IV.	**NET FEES AND COMMISIONS INCOME**		**588.925**	**260.202**
4.1	Fees and Commisions 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 Commisions Paid (-)		159.869	64.674
4.2.1	Non-cash Loans		92	62
4.2.2	Other	(5.IV.12)	159.777	64.612
V	**DIVIDEND INCOME**	(5.IV.3)	**200.000**	**197.009**
VI.	**TRADING INCOME / LOSS (Net)**	(5.IV.4)	**2.944.967**	**159.958**
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
VII.	**OTHER OPERATING INCOME**	(5.IV.5)	**1.113.080**	**327.099**
VIII.	**TOTAL OPERATING INCOME(III+IV+V+VI+VII)**		**7.076.504**	**1.987.559**
IX.	**EXPECTED CREDIT LOSS (-)**	(5.IV.6)	**626.607**	**513.460**
X.	**OTHER PROVISION EXPENSES (-)**	(5.IV.6)	**1.026.806**	**187.587**
XI.	**PERSONNEL EXPENSES (-)**		**832.589**	**391.454**
XII.	**OTHER OPERATİNG EXPENSES (-)**	(5.IV.7)	**1.188.874**	**423.544**
XIII.	**NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)**		**3.401.628**	**471.514**
XIV.	**AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER**		-	-
XV.	**INCOME FROM INVESTMENTS UNDER EQUITY ACCOUNTING**		-	-
XVI.	**GAIN / LOSS ON NET MONETARY POSITION**		-	-
XVII.	**P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)**	(5.IV.8)	**3.401.628**	**471.514**
XVIII.	**TAX PROVISION FOR CONTINUING OPERATIONS (±)**	(5.IV.9)	**(730.274)**	**(61.547)**
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
XIX.	**NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)**	(5.IV.10)	**2.671.354**	**409.967**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**		-	-
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		-	-
XXI.	**EXPENSES FROM DISCONTINUED OPERATIONS (-)**		-	-
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		-	-
XXII.	**PROFIT / LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)**		-	-
XXIII.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	**NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXII-XXIII)**		-	-
XXV.	**NET PROFIT / LOSS (XIX+XXIV)**	(5.IV.11)	**2.671.354**	**409.967**
	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)
I.	**CURRENT PERIOD PROFIT / LOSS**	**2.671.354**	**409.967**
II.	**OTHER COMPREHENSIVE INCOME**	**1.100.584**	**82.522**
2.1	**Not Reclassified Through Profit or Loss**	**299.028**	**124.161**
2.1.1	Property and Equipment Revalution Increase/Decrease	-	-
2.1.2	Intangible Assets Revalution 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
2.2	**Reclassified Through Profit or Loss**	**801.556**	**(41.639)**
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)
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**3.771.938**	**492.489**

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

FİBABANKA A.Ş.

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	Paid-in Capital	Share Premium	Share Certificate	Other Capital Reserves	Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss 1	2	3	Other Accumulated Comprehensive Income or Expense That Will Be Reclassified in Profit and Loss 4	5	6	Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss	Total Equity
PRIOR PERIOD (31/12/2021)														
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**
CURRENT PERIOD (31/12/2022)														
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. Convertable 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.

FİBABANKA A.Ş.

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)
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating profit before changes in operating assets and liabilities**		**3.456.423**	**2.024.586**
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 commision 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
1.2	**Changes in Operating Assets and Liabilities**		**1.652.429**	**7.827.515**
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
I.	**Net Cash Provided from Banking Operations (+/-)**		**5.108.852**	**9.852.101**
B.	**CASH FLOWS FROM INVESTMENT ACTIVITIES**			
II.	**Net Cash Flow Provided from Investment Activities (+/-)**		**(6.069.529)**	**(2.819.410)**
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)
C.	**CASH FİOWS FROM FINANCING ACTIVITIES**			
III.	**Net Cash Provided from Financing Activities (+/-)**		**1.100.028**	**(8.727)**
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
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)**		**3.553.222**	**1.786.611**
V.	**Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)**		**3.692.573**	**8.810.575**
VI.	**Cash and Cash Equivalents at the Beginning of the Period (+)**	(5.VI.1)	**11.641.075**	**2.830.500**
VII.	**Cash and Cash Equivalents at the End of the Period (V+VI)**	(5.VI.1)	**15.333.648**	**11.641.075**

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

FİBABANKA A.Ş.

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)
I.	**DISTRIBUTION OF CURRENT YEAR INCOME**		
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 witholding tax	-	-
1.2.3	Other taxes and duties	(399.637)	(141.135)
A.	**NET INCOME FOR THE YEAR (1.1-1.2)**	**2.671.354**	**409.967**
1.3	PRIOR YEARS LOSSES (-)	-	35.683
1.4	FIRST LEGAL RESERVES (-)	-	18.714
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	**NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]**	**2.671.354**	**355.570**
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
II.	**DISTRIBUTION OF RESERVES**		
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 (-)	-	-
III.	**EARNINGS PER SHARE**		
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 (%)	-	-
IV.	**DIVIDEND PER SHARE**		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) 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.

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.)

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.

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.

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 onthe 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;

- Costumer 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.

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:

Tangible Assets	Estimated Useful Lives (Years)	Depreciation Rates (%)
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:

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

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

a) Deducts accumulated depreciation and accumulated impairment losses and
b) 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.

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 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.

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
Current Period -1 January - 31 December 2022				
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	--	--	--	--
Profit/(loss) Before Tax	**562.254**	**2.214.521**	**624.853**	**3.401.628**
Tax Provision	**--**	**--**	**(730.274)**	**(730.274)**
Profit/(loss) After Tax	**562.254**	**2.214.521**	**(105.421)**	**2.671.354**
Current Period -31 December 2022				
Segment Assets	9.596.200	29.457.603	34.087.929	73.141.732
Subsidiaries and Associates	--	--	967.008	967.008
Total Assets	**9.596.200**	**29.457.603**	**35.054.937**	**74.108.740**
Segment Liabilities	29.479.504	9.406.657	28.705.841	67.592.002
Shareholders' Equity	--	--	6.516.738	6.516.738
Total Liabilities	**29.479.504**	**9.406.657**	**35.222.579**	**74.108.740**

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Prior Period -1 January - 31 December 2021				
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	-	-	-	-
Net Profit/(Loss) for the Period	**80.332**	**249.821**	**141.361**	**471.514**
Tax Provision	**-**	**-**	**(61.547)**	**(61.547)**
Profit/(loss) After Tax	**80.332**	**249.821**	**79.814**	**409.967**
Current Period -31 December 2021				
Segment Assets	8.471.942	13.642.778	22.929.594	45.044.314
Subsidiaries and Associates	--	--	117.945	117.945
Total Assets	**8.471.942**	**13.642.778**	**23.047.539**	**45.162.259**
Segment Liabilities	20.519.955	4.094.079	18.202.612	42.816.646
Shareholders' Equity	-	-	2.345.613	2.345.613
Total Liabilities	**20.519.955**	**4.094.079**	**20.548.225**	**45.162.259**

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.

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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
TIER I CAPITAL		
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	
Tier I Capital Before Deductions	**6.487.205**	
Deductions From Tier I Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	--	--
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (*)	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	--	--
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	--	--
Total Deductions From Common Equity Tier I Capital	**1.548.960**	--
Total Common Equity Tier I Capital	**4.938.245**	--
ADDITIONAL TIER I CAPITAL		
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)	--	--
Additional Core Capital before Deductions	**100.000**	--
Deductions from Additional Core Capital	**--**	
Direct and indirect investments of the Bank on its own Additional Tier I Capital	--	--
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	--	--
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	--	--

(*) 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.

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(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	--	--
Items to be Deducted from Tier I Capital during the Transition Period		
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 (-)	--	--
Total Deductions from Additional Tier I Capital	**--**	--
Total Additional Tier I Capital	**100.000**	**--**
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	**5.038.245**	**--**
TIER II CAPITAL		
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	--
Tier II Capital before Deductions	**4.098.296**	**--**
Deductions from Tier II Capital		
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 (-)	--	
Total Deductions from Tier II Capital	**--**	
Total Tier II Capital	**4.098.296**	
Total Equity (Total Tier I and Tier II Capital)	**9.136.541**	

(**) 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".

	Current Period (31/12/2022) Amount	Amount as per the regulation before 1/1/2014 *
Total Tier I Capital and Tier II Capital (Total Equity)	**9.136.541**	
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	--	--
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	--	--
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	--	--
EQUITY	**9.136.541**	
Total Capital (Total of Tier I Capital and Tier II Capital)	**9.136.541**	--
Total Risk Weighted Assets (****)	**47.072.963**	**--**
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	10,49	--
Tier I Capital Adequacy Ratio (%)	10,70	--
Capital Adequacy Ratio (%)	19,41	--
BUFFERS		
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.

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(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	--
Amounts lower than Excesses as per Deduction Rules	**--**	**--**
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	--	--
Limits for Provisions Used in Tier II Capital Calculation	**--**	**--**
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	--	--
Debt Instruments Covered by Temporary Article 4 (effective between 01/01/2018-01/01/2022)	**--**	**--**
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

	Prior Period (31/12/2021) Amount	Amount as per the regulation before 1/1/2014*
TIER I CAPITAL		
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	--	
Tier I Capital Before Deductions	**2.394.708**	
Deductions From Tier I Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	--	--
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (***)	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.

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(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	--	--
Total Deductions From Common Equity Tier I Capital	**414.660**	--
Total Common Equity Tier I Capital	**1.980.048**	--
ADDITIONAL TIER I CAPITAL		
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)	--	--
Additional Core Capital before Deductions	**499.870**	--
Deductions from Additional Core Capital	**--**	
Direct and indirect investments of the Bank on its own Additional Tier I Capital	--	--
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	--	--
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	--	--
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--
Other items to be defined by the BRSA	--	--
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred 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 (-)	--	--
Total Deductions from Additional Tier I Capital	**--**	--
Total Additional Tier I Capital	**499.870**	**--**
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	**2.479.918**	**--**
TIER II CAPITAL		
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	--
Tier II Capital before Deductions	**3.610.732**	**--**
Deductions from Tier II Capital		
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 (-)	--	--
Total Deductions from Tier II Capital	**--**	**--**
Total Tier II Capital	**3.610.732**	**--**
Total Equity (Total Tier I and Tier II Capital)	**6.090.650**	

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	Prior Period (31/12/2021) Amount	Amount as per the regulation before 1/1/2014*
Total Tier I Capital and Tier II Capital (Total Equity)	**6.090.650**	--
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	--	--
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	--	--
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	--	--
EQUITY	**6.090.650**	
Total Capital (Total of Tier I Capital and Tier II Capital)	**6.090.650**	--
Total Risk Weighted Assets (****)	**25.878.921**	**--**
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	7,65	--
Tier I Capital Adequacy Ratio (%)	9,58	--
Capital Adequacy Ratio (%)	23,54	--
BUFFERS		
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.

	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	--
Amounts lower than Excesses as per Deduction Rules	**--**	**--**
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	--	--
Limits for Provisions Used in Tier II Capital Calculation	**--**	**--**
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	--	--
Debt Instruments Covered by Temporary Article 4 (effective between 01/01/2018-01/01/2022)	**--**	**--**
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

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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"
Consideration Status in Shareholders' Equity Calculation		
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".

Interest/Dividend Payments

Fixed or floating interest/dividend payments	Floating interest	Floating interest
Interest rate or index value of interest rate	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
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	--	--
Feature of being convertible bonds		
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	--	--
Feature of value reducement		
If there are a feature of value reducement, trigger incidents cause this reducement	--	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 reducement, feature of full or partially reducement of value	--	Partially and totally
If there are a feature of value reducement, feature of being constant of temporary	--	--
If there are a feature of value reducement, 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.

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.)

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).

II. Explanations on Credit Risk (continued)

	Current Period Risk Amount *	Average Risk Amount * *
Exposure Categories		
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
Total	**70.505.651**	**56.354.186**

(*)- 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 * *
Exposure Categories		
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
Total	**38.959.677**	**31.613.245**

(*)- 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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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 (continued)

1. Profile of significant exposures in major regions:

Current Period *	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
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.

Prior Period*	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
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.

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	30.305	7	9	3	--	--	--	--	--	30.307	30.307
Fishing	--	--	--	--	6.377	--	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
Accomodation 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
Accomodation 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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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 (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	138.388	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	2.472.899	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 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	7.642	--	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	1.832.773	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	3.595	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 283 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

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 Risk Mitigation	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
Exposures After Credit Risk Mitigation	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

(*) 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 Risk Mitigation	12.699.333	--	1.917.592	--	1.187.350	7.137.805	13.387.457	2.630.160	--	38.959.677
Exposures After Credit Risk Mitigation	13.252.351	--	1.504.968	29.720	1.952.309	7.062.607	12.527.562	2.630.160	--	38.959.677

(*) 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	Impaired	Credit Losses
Major Sector / Counterparties	Risk (Stage 2)	(Stage 3)	
Agriculture	**11.725**	**26.467**	**20.317**
Farming and Stockbreeding	6.953	19.614	14.856
Foresty	4.772	6.853	5.461
Fishery	--	--	--
Manufacturing	**240.269**	**91.812**	**109.140**
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
Construction	**130.517**	**161.495**	**115.005**
Services	**2.277.442**	**205.357**	**431.853**
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
Other	**588.515**	**180.295**	**272.854**
Total	**3.248.468**	**665.426**	**949.169**

Prior Period	Loans		Provisions
	Impaired		Expected
	Significant Increase in Credit	Impaired	Credit Losses
Major Sector / Counterparties	Risk (Stage 2)	(Stage 3)	
Agriculture	**8.509**	**31.828**	**22.699**
Farming and Stockbreeding	8.458	26.330	18.631
Foresty	51	5.498	4.068
Fishery	--	--	--
Manufacturing	**451.975**	**66.876**	**75.078**
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
Construction	**157.457**	**448.364**	**135.296**
Services	**2.466.581**	**235.429**	**353.070**
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
Other	**456.157**	**106.216**	**144.849**
Total	**3.540.679**	**888.713**	**730.992**

II. Explanations on Credit Risk (continued)

6. Information on movements in value adjustments and provisions

Current Period Closing	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Balance
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 Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Balance
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 Private Sector Credit	RWAs of Trading Book	Total
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 Private Sector Credit	RWAs of Trading Book	Total
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**

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
Assets				
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
Total Assets	**11.779.044**	**18.158.963**	**585.784**	**30.523.791**
Liabilities				
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
Total Liabilities	**2.849.478**	**22.605.647**	**4.154.560**	**29.609.685**
Net Balance Sheet Position	**8.929.566**	**(4.446.684)**	**(3.568.776)**	**914.106**
Net Off-Balance Sheet Position	**(9.262.236)**	**3.979.519**	**3.308.455**	**(1.974.262)**
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
Non-Cash Loans (*******)	**71.445**	**187.646**	**--**	**259.091**
Prior Period				
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
Net Balance Sheet Position	**7.236.016**	**(4.416.372)**	**(2.359.879)**	**459.765**
Net Off-Balance Sheet Position	**(7.429.918)**	**4.425.203**	**2.357.341**	**(647.374)**
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
Non-Cash Loans (*******)	**264.660**	**282.953**	**--**	**547.613**

(*) 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)
Total (Net)	**(106.016)**	**(106.688)**	**(18.761)**	**(21.065)**

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	Non-interest Bearing	Total
Assets							
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
Total Assets	**52.959.429**	**4.321.909**	**3.089.527**	**7.132.550**	**187.646**	**6.417.679**	**74.108.740**
Liabilities							
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
Total Liabilities	**33.611.438**	**17.413.482**	**3.117.236**	**761.722**	**1.007**	**19.203.855**	**74.108.740**
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)
Total Position	**19.347.992**	**(13.091.572)**	**(27.710)**	**6.370.828**	**186.639**	**(12.209.953)**	**576.224**

(*) 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
Assets							
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
Total Assets	**18.282.312**	**4.370.941**	**9.135.525**	**8.206.933**	**294.979**	**4.871.569**	**45.162.259**
Liabilities							
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
Total Liabilities	**19.487.232**	**6.658.550**	**4.360.392**	**2.788.053**	**513.571**	**11.354.461**	**45.162.259**
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)
Total Position	**(1.204.920)**	**(2.287.609)**	**4.775.131**	**5.418.882**	**(218.592)**	**(6.943.661)**	**(460.769)**

(*) 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.

IV. Explanations on interest rate risk (continued)

Average interest rates applied to financial instruments

Current Period	EUR %	USD %	JPY %	TL %
Assets				
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
Liabilities				
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 subordinates debts, which are classified under "Subordinated Debts Other Debt Instruments" in Balance Sheet, as well.

Prior Period	EUR %	USD %	JPY %	TL %
Assets				
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
Liabilities				
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%
Total (For Positive Shocks)		**(366.634)**	**-4,01%**
Total (For Negative Shocks)		**309.284**	**3,38%**

(*) 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%
Total (For Positive Shocks)		**(602.222)**	**-9,89%**
Total (For Negative Shocks)		**625.343**	**10,27%**

(*) 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

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

(*) 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.

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)

		Total Unweighted Value *		Total Weighted Value *	
Current Period		**TL+FC**	**FC**	**TL+FC**	**FC**
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)			11.799.883	8.797.945
CASH OUTFLOWS					
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**
CASH INFLOWS					
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	**LİQUIDITY COVERAGE RATIO (%)**			**232,12**	**454,51**

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

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

		Total Unweighted Value *		Total Weighted Value *	
Prior Period		**TL+FC**	**FC**	**TL+FC**	**FC**
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)			8.888.136	7.666.173
CASH OUTFLOWS					
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**
CASH INFLOWS					
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	**LİQUIDITY 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.

Current Period	Highest	Date	Lowest	Date	Average
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%
Prior Period	**Highest**	**Date**	**Lowest**	**Date**	**Average**
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
Assets								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purcheased) 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
Total Assets	**5.759.626**	**24.224.933**	**12.575.057**	**14.544.834**	**11.242.408**	**3.488.175**	**2.273.707**	**74.108.740**
Liabilities								
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
Total Liabilities	**8.661.335**	**30.645.610**	**17.788.974**	**3.620.722**	**4.739.694**	**1.873**	**8.650.532**	**74.108.740**
Net Liquidity Surplus / (Gap)	**(2.901.709)**	**(6.420.677)**	**(5.213.917)**	**10.924.112**	**6.502.714**	**3.486.302**	**(6.376.825)**	**--**
Net Off-Balance Sheet Position	--	706.247	140.225	189.334	2.675	--	--	1.038.481
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
Non-Cash Loans	**--**	**52.100**	**89.701**	**208.585**	**58.351**	**337.224**	**--**	**745.961**
Prior Period								
Total Assets	**3.997.487**	**14.876.344**	**4.923.360**	**8.010.993**	**10.006.885**	**1.615.375**	**1.731.815**	**45.162.259**
Total Liabilities	**6.592.652**	**20.944.558**	**6.743.507**	**1.099.685**	**2.896.967**	**3.835.695**	**3.049.195**	**45.162.259**
Net Liquidity Gap	**(2.595.165)**	**(6.068.214)**	**(1.820.147)**	**6.911.308**	**7.109.918**	**(2.220.320)**	**(1.317.380)**	**--**
Net Off-Balance Sheet Position	**--**	**(147.538)**	**(68.599)**	**(328.423)**	**49.293**	**--**	**--**	**(495.267)**
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
Non-Cash Loans	**--**	**59.468**	**138.155**	**405.373**	**49.009**	**352.172**	**--**	**1.004.177**

(*) 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 Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and 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	--
Total	**62.862.735**	**65.761.400**	**8.661.317**	**29.006.865**	**17.779.540**	**3.826.368**	**6.487.310**	**--**

Prior Period	Carrying Values	Gross Nominal Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and 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
Total	**38.673.093**	**40.397.044**	**6.592.652**	**18.684.451**	**6.464.613**	**517.090**	**4.004.945**	**3.833.295**

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.

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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.

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.

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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 counterpary 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.

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

	Carrying values of items in accordance with Turkish Accounting Standards					
Current Period	Carrying values in financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	Subject to market risk (**)	Not subject to capital requirements or subject to deduction from capital
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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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					
Prior Period	Carrying values in financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	Subject to market risk (**)	Not subject to capital requirements or subject to deduction from capital
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)	--	--	--	--	--	--
Subortinated 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.

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(*)
	Current Period					
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 calcu 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(*)
	Prior Period					
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.

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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.

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	--	12.532.845	3.766	12.529.079
3	Off-balance sheet exposures	22.751	10.387.761	19.290	10.391.222
4	**Total**	**688.177**	**61.974.409**	**1.313.327**	**61.349.259**

	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	--	5.496.047	4.768	5.491.279
3	Off-balance sheet exposures	7.468	9.050.838	9.566	9.048.740
4	**Total**	**896.181**	**36.661.606**	**905.212**	**36.652.575**

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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
Total	**39.053.803**	**22.114.721**

Sectoral Breakdown:

Loans and Other Receivables	Current Period	Prior Period
Agriculture	**1.394.845**	**449.607**
Farming and Stockbreeding	925.980	359.691
Forestry	468.865	89.916
Fishery	--	--
Manufacturing	**8.740.445**	**4.350.293**
Mining and Quarrying	2.857.387	864.797
Production	5.271.172	2.596.190
Electricity, Gas and Water	611.886	889.306
Construction	**2.029.716**	**1.123.870**
Services	**15.613.289**	**9.085.066**
Wholesale and Retail Trade	8.195.690	2.552.502
Accomodation 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
Others	**11.275.508**	**7.105.885**
Total	**39.053.803**	**22.114.721**

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

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	--	--	--
Total	**665.426**	**498.895**	**104.130**

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	--	--	--
Total	**888.713**	**382.736**	**269.476**

Current Period	Non-performing loans	Specific Provisions	Write-offs
Agriculture	**26.467**	**19.997**	**712**
Farming and Stockbreeding	19.614	14.565	703
Forestry	6.853	5.432	9
Fishery	--	--	--
Manufacturing	**91.812**	**76.608**	**84**
Mining and Quarrying	40.172	36.253	19
Production	46.143	35.206	62
Electricity, Gas and Water	5.497	5.149	3
Construction	**161.495**	**98.015**	**1.048**
Services	**205.357**	**173.960**	**1.858**
Wholesale and Retail Trade	95.367	73.614	895
Accomodation 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
Others	**180.295**	**130.315**	**100.428**
Total	**665.426**	**498.895**	**104.130**

Prior Period	Non-performing loans	Specific Provisions	Write-offs
Agriculture	**31.828**	**22.219**	**10.198**
Farming and Stockbreeding	26.330	18.154	7.940
Forestry	5.498	4.065	2.258
Fishery	--	--	--
Manufacturing	**66.876**	**51.553**	**35.450**
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
Construction	**448.364**	**118.952**	**27.530**
Services	**235.429**	**128.128**	**130.664**
Wholesale and Retail Trade	63.362	50.459	60.082
Accomodation 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
Others	**106.216**	**61.884**	**65.634**
Total	**888.713**	**382.736**	**269.476**

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

Aging analysis:

Days past due	Current Period Amount	Prior Period 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
Total	**39.719.229**	**23.003.434**

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 provisoned (*)	--	2.896.777	--
Total	**--**	**2.896.777**	**10.298**

(*) 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 provisoned (*)	--	2.929.219	--
Total	**--**	**2.929.219**	**4.363**

(*) 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	--	--	--	--	--	--
3 Total	**48.727.288**	**1.465.877**	**1.459.541**	**6.336**	**6.336**	-	-
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	--	--	--	--	--	--
3 Total	**24.649.831**	**1.462.995**	**1.445.712**	**17.283**	**17.283**	-	-
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.

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	
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
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	
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
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

	Risk classes/ Risk weight	0%	10%	20%	35%(*)	50%	50%(*)	75%	100%	150%	200%	2%	500%	Total Risk Amount (**)
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 CRM.
(**) 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

	Risk classes/ Risk weight	0%	10%	20%	35%(*)	50%	50%(*)	75%	100%	150%	200%	2%	500%	Total Risk Amount (**)
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 CRM.
(**) 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 252 business days from the calculation date.

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 * Current Period	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Receivables from Central Governments	19.585.870	--	--	6.336
Receivables, Coins, Purchased Cheques from Regional or	73.361	--	--	--
Local Governments and CBT Banks	--	--	--	--
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 Invesment	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 * Prior Period	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Receivables from Central Governments	11.756.936	--	--	17.283
Receivables, Coins, Purchased Cheques from Regional or	122.086	--	--	--
Local Governments and CBT Banks	--	--	--	--
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 Invesment	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	**Total**	**603.856**	**386.549**	**--**	**1**	**4.663.564**	**2.732.970**

(*)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	**Total**	**703.298**	**215.125**	**--**	**(1,4)**	**1.541.064**	**615.138**

(*) 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	**Total subject to the CVA capital obligation**	**4.654.832**	**736.891**	**918.423**	**144.593**

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

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	--	--	--	--	--	--	--	--	--	--
Total	**1.310.371**	**--**	**467.437**	**463.774**	**65.936**	**2.326.004**	**21.310**	**8.732**	**--**	**4.663.564**

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	--	--	--	--	--	--	--	--	--	--
Total	**420.646**	**--**	**271.477**	**566.685**	**19.024**	**263.232**	**--**	**--**	**--**	**1.541.064**

(*) 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
Current Period	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**		
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	--	--	--	--	--	--
Total	**1.682.713**	**--**	**166.879**	**--**	**1.124.703**	**--**

(*) 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
Prior Period	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**		
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	--	--	--	--	--	--
Total	**29**	**--**	**--**	**--**	**412.624**	**622.641**

(*) 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 andvs 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.

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-securitization	--	--	--	--	--	--	--	--	--
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.

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 andAssessment 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.

		Risk Weights						
Current Period	Value	**0%**	**20%**	**50%**	**75%**	**100%**	**150%**	Total RWA
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.

		Risk Weights						
Prior Period	Value	**0%**	**20%**	**50%**	**75%**	**100%**	**150%**	Total RWA
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 avarage 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 Years of Positive Gross Income**	**Rate (%)**	**Total**
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 Years of Positive Gross Income**	**Rate (%)**	**Total**
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	--	--	--	--
Total	**1.096.323**	**13.921.204**	**936.627**	**11.978.033**

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
Total	**925.454**	**12.070.692**	**854.653**	**11.091.719**

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	--
Total	**107**	**--**	**94**	**--**

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).

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	--	--	--	--
Total	**1.085.329**	**24.338**	**1.268.454**	**3.406**

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	--	--	--	--
Total	**259.321**	**2.221.790**	**398.360**	**1.101.951**

3.2 Due from foreign banks

Balances / lances	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	--
Total	**532.760**	**170.631**	**397.109**	**47.105**

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	--	--	--	--
Total	**1.474.786**	**1.391.824**	**196.700**	**944.749**

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).

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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**
Total	**5.140.910**	**2.077.753**

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**	**--**
Total	**11.478**	**--**	**6.805**	**--**

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
Loans	**35.805.335**	**351.691**	**2.896.777**	**--**
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	**--**	**--**	**--**	**--**
Total (*)	**35.805.335**	**351.691**	**2.896.777**	**--**

(*) 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
Total	**340.842**	**450.534**	**159.887**	**348.256**

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
Total	**28.796**	**161.814**	**190.610**

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
Total	**22.666**	**112.244**	**134.910**

Maturity analysis of cash loans

Not prepared in compliance with the Article 25 of the communique "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*
Short-term Loans and Other Receivables	**27.455.414**	**218.135**	**13.816**
Loans	27.455.414	218.135	13.816
Specialized Loans			
Other Loans			
Medium and Long-term Loans and Other Receivables	**8.349.921**	**133.555**	**2.882.962**
Loans	8.349.921	133.555	2.882.962
Specialized Loans			
Other Loans			

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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**

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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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
Total	**498.895**	**382.736**

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
Current Period	**2.429**	**745**	**7.123**
Gross Amounts before Provisions	--	--	--
Restructured Loans and Other Receivables	2.429	745	7.123
Prior Period	**--**	**2.872**	**1.491**
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
Balances at the End of Prior Period	**61.679**	**524.861**	**302.173**
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	--	--	--
Balances at End of the Period	**132.120**	**98.733**	**434.573**
Provisions (-)	**93.007**	**70.418**	**335.470**
Net Balance on Balance Sheet	**39.113**	**28.315**	**99.103**

(*) 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.

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)
Movements of Stage 1 and Stage 2			
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)	--
Movements of Stage 3			
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
Current Period			
Balance as of Period End	--	--	224.039
Provisions (-)	--	--	173.182
Net Balance on Balance Sheet	**--**	**--**	**50.857**
Prior Period			
Balance as of Period End	1.935	457.522	86.790
Provisions (-)	1.623	167.758	28.102
Net Balance on Balance Sheet	**312**	**289.764**	**58.688**

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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.

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**

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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 (-)	--	--
Total	**7.067.342**	**3.230.721**

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.

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.	İstanbul	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.	İstanbul	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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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).

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

12. Information on tangible assets

Current Period	Land and Buildings	Vehicles	Property Under Contruction(**)	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
Closing Balance, 31 December 2022	**339.245**	**43.799**	**211.910**	**292.793**	**887.747**
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
Closing Balance, 31 December 2022	**(93.020)**	**(18.349)**	**--**	**(84.048)**	**(195.417)**
Net Book Value, 31 December 2022	**246.225**	**25.450**	**211.910**	**208.745**	**692.330**

(*) 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 Contruction(**)	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)
Closing Balance, 31 December 2021	**296.042**	**29.930**	**121.436**	**137.290**	**584.698**
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
Closing Balance, 31 December 2021	**(67.657)**	**(7.961)**	**--**	**(94.691)**	**(170.309)**
Net Book Value, 31 December 2021	**228.385**	**21.969**	**121.436**	**42.599**	**414.389**

(*) 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.

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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 Godwill

None.

14. Information on investment properties
None.

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/ (Liability)
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**

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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).

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	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total	**8.638.058**	**--**	**15.419.140**	**19.758.824**	**2.619.945**	**47.449**	**375.419**	**--**	**46.858.835**

(*) 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	--	--	--	--	--	--	--	--	--
Total	**6.592.503**	**--**	**13.832.671**	**9.004.671**	**1.095.928**	**175.055**	**299.564**	**--**	**31.000.392**

(*) 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	--	--	--	--
Total	**8.855.154**	**6.215.163**	**20.771.917**	**13.657.756**

(*) 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	--	--	--	--
Total	**538.129**	**23.811**	**1.674.998**	**3.398**

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
Total	**--**	**3.179.212**	**15.646**	**507.931**

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
Total	**--**	**3.179.212**	**15.646**	**507.931**

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
Total	**186.436**	**141.527**	**91.711**	**48.959**

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**

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
Total	**461.245**	**279.976**

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	--	--
Total	**39.342**	**8.676**

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).

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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
Total	**100.000**	**4.543.945**	**100.000**	**3.790.148**

(*)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.

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 Priviliged 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	--	--	--	--
Total	**1.245.199**	**(6.718)**	**129.399**	**(23.035)**

***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" accocunt.

***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	--	--

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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
Total	**9.664.551**	**8.054.129**

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
Total	**745.961**	**1.004.177**

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
Total	**641.662**	**681.903**

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
Total	**745.961**	**1.004.177**

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	(%)
Agricultural	**3.649**	**0,7%**	**--**	**0,0%**	**4.015**	**0,9%**	**63.946**	**11,7%**
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%
Manufacturing	**114.853**	**23,6%**	**54.423**	**21,0%**	**132.769**	**29,1%**	**223.186**	**40,8%**
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%
Construction	**107.153**	**22,0%**	**56.955**	**22,0%**	**114.846**	**25,2%**	**51.876**	**9,5%**
Services	**173.648**	**35,7%**	**135.228**	**52,2%**	**139.209**	**30,5%**	**177.294**	**32,4%**
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-employement 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%
Other	**87.567**	**18,0%**	**12.484**	**4,8%**	**65.725**	**14,4%**	**31.310**	**5,7%**
Total	**486.870**	**100,0%**	**259.091**	**100,0%**	**456.564**	**100,0%**	**547.613**	**100,0%**

4. Information on the first and second group of non-cash loans

	Stage I		Stage II	
Current Period	**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				
Non-Cash Loans	**432.223**	**259.091**	**54.647**	**--**

	Stage I		Stage II	
Prior Period	**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				
Non-Cash Loans	**398.904**	**542.403**	**57.660**	**5.210**

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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
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	**117.786.955**	**53.187.119**
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
Interest Related Derivative Transactions (II)	**1.747.146**	**4.895.510**
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
A. Total Derivative Transactions Held for Trading (I+II+III))	**121.906.903**	**58.497.661**
Types of hedging transactions		
Fair Value Hedges	--	--
Cash Flow Hedges	--	--
Net Investment Hedges	--	--
B. Total Derivative Transactions Held for Hedging Purposes	**--**	**--**
Total Derivative Transactions (A+B)	**121.906.903**	**58.497.661**

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.

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	--	--	--	--
Total	**5.254.605**	**382.979**	**2.691.891**	**414.513**

(*) 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	--	--	--	--
Total	**10.035**	**14.141**	**20.017**	**279**

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
Total	**391.029**	**361.146**	**33.031**	**160.543**

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
Banks	**833**	**21.739**	**3.037**	**13.925**
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	--	--	--	--
Other Institutions	--	349.464	--	197.812
Total	**833**	**371.203**	**3.037**	**211.737**

(*)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: Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	Cumulative Deposits	Total
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).

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
Total	**1.188.874**	**423.544**

(*) 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 counceling 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
Profit/(loss) Before Tax	**3.401.628**	**471.514**

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).

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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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:

Profit or Loss	**409.967**
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.

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
Total Cash and Cash Equivalent Assets	**11.641.075**	**2.830.500**

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
Total Cash and Cash Equivalents Assets	**15.333.648**	**11.641.075**

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).

VII. Explanations and disclosures on the risk group of the Bank (continued)

1.4 Information on forward and option agreements and similar agreements made with Bank's risk group

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.

2. Information on transactions with the Bank's risk group

2.1 Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties

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.

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

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).

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

None.

2.4 Transactions accounted for under equity method

None.

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

None.

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

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	--	--
Total	**4.889**	**807**

(*) 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.

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

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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.

Fibabanka Anonim Şirketi

Consolidated 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 Auditor's Report Originally Prepared and Issued in Turkish to English

To the Shareholders of Fibabanka Anonim Şirketi

A) Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Fibabanka Anonim Şirketi ("the Bank") and its subsidiary (together will be referred as "the Group") which comprise the consolidated balance sheet as at 31 December 2022 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, and 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of Fibabanka Anonim Şirketi and its subsidiaries as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by 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 consolidated 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 Consolidated Financial Statements* section of our report. We declare that we are independent of the Group 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 consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 to the consolidated financial statements.

Key audit matter	***How the matter is addressed in our audit***
As of 31 December 2022, loans measured at amortised cost comprise 54% of the Group's total assets. The Group 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"). The Group 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 Group management annually. The significant assumptions and estimates of the Group's management are as follows: - significant increase in credit risk; - incorporating the forward looking macroeconomic information in calculation of credit risk; and design and implementation of expected credit loss model.	Our procedures for testing the impairment of loans included below: • 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. • We evaluated the adequacy of the subjective and objective criteria that is defined in the Group's impairment accounting policy compared with the Regulation and Standard. • We evaluated the Group'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. • 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.

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. The Group 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. 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. 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.	• 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 Group management. • 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. • We assessed the macroeconomic models which are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method. • We evaluated the qualitative and quantitative assessments which are used in determining the significant increase in credit risk. • We also evaluated the adequacy of the unconsolidated financial statements' disclosures related to impairment provisions.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated 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 BRSA Auditing Regulation and 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 consolidated 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

B) 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 consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). Accordingly, the accompanying consolidated 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 consolidated financial statements and IFRS.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Ö[illegible] Emiroğlu
Partner

20 February 2023
Istanbul, Türkiye

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

Address : Esentepe Mah. Büyükdere Caddesi No: 129 Şişli 34394 İstanbul-Türkiye
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The consolidated 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 PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE CONSOLIDATED GROUP
- EXPLANATORY DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES
- INDEPENDENT AUDITORS' REPORT

The consolidated subsidiary and associates included in this consolidated financial report are as follows:

Subsidiary:

- Fiba Portföy Yönetimi A.Ş.

Associates:

- Fiba Emeklilik ve Hayat A.Ş.
- Fiba Sigorta A.Ş.

The consolidated financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in **thousands of Turkish Lira**, and 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 independently audited and presented as attached.



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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FİBABANKA A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2022
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated)

SECTION ONE

GENERAL INFORMATION

I. History of the Parent 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 Bank Europa 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" or "the Parent Bank").

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

Name Surname	Title	Assignment Date
Board of Directors		
Hüsnü Mustafa Özyeğin	Chairman	27-Dec-10
Fevzi Bozer	Deputy Chairman	27-Dec-10
Mehmet Güleşci	Member	27-Dec-10
İsmet Kaya Erdem	Member	11-Feb-13
Memduh Aslan Akçay	Member	13-Apr-16
Hülya Kefeli	Member	15-May-17
Faik Onur Umut	Member	23-Jan-19
Seyfettin Ata Köseoğlu	Member	23-Jan-20
Erman Kalkandelen	Member	02-Jul-21
Ömer Mert	General Manager – Member	18-Jan-17
Audit Committee		
İsmet Kaya Erdem	Member	27-Dec-19
Faik Onur Umut	Member	14-Jan-20
Assistant General Managers (*)		
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 and Project Finance	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 and 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. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 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 Group serves with 44 domestic branches and 1.994 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	:	www.fibabanka.com.tr
The Bank's E-Mail Address	:	malikontrol@fibabanka.com.tr
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. Information on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks as per the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods

According to the Communiqué on the Regulation of the Consolidated Financial Statements of Banks, only financial partnerships while being included in the scope of consolidation, all financial and non-financial partnerships in accordance with Turkish Accounting Standards it should be included in the scope of consolidation.

Parent Partnership A financial institution like subsidiary with a bank;

- Fiba Portföy Yönetimi A.Ş

they have been included in the consolidated financial statements according to the "full consolidation method".

Subsidiaries of the Parent Bank in the nature of financial institutions;

- Fiba Emeklilik ve Hayat A.Ş.
- Fiba Sigorta A.Ş.

is accounted under equity accounting method in the consolidated financial statement.

VIII. 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

CONSOLIDATED FINANCIAL STATEMENTS

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED 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
I.	**FINANCIAL ASSETS (Net)**		**6.112.438**	**19.669.559**	**25.781.997**	**3.621.712**	**14.485.168**	**18.106.880**
1.1	**Cash and Cash Equivalents**	(5.I.1)	**1.352.462**	**17.779.545**	**19.132.007**	**1.333.558**	**13.208.704**	**14.542.262**
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.I.3)	259.322	2.221.790	2.481.112	398.370	1.101.951	1.500.321
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.I.2)	**271.280**	**128.133**	**399.413**	**139.676**	**75.329**	**215.005**
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		271.118	124.872	395.990	139.414	73.013	212.427
1.3	**Financial Assets Measured at Fair Value Through Other Comprehensive Income**	(5.I.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.I.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		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)**	(5.I.6)	34.656.254	**10.838.678**	**45.494.932**	**15.864.610**	**9.477.894**	**25.342.504**
2.1	Loans	(5.I.5)	33.382.033	6.150.406	39.532.439	16.495.038	6.434.332	22.929.370
2.2	Lease Receivables	(5.I.10)	-	-	-	-	-	-
2.3	Factoring Receivables	(5.I.5)	186.000	790	186.790	70.629	3.435	74.064
2.4	Financial Assets Measured at Amortised Cost	(5.I.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
III.	**ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	(5.I.16)	24.609	**-**	**24.609**	**182.161**	**-**	**182.161**
3.1	Assets Held for Sale		24.609	-	24.609	182.161	-	182.161
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		961.996	**-**	**961.996**	**112.500**	**-**	**112.500**
4.1	**Investments in Associates (Net)**	(5.I.7)	844.496	**-**	**844.496**	**-**	**-**	**-**
4.1.1	Associates Accounted by Using Equity Method		844.496	-	844.496	-	-	-
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	**Investments in Subsidiaries (Net)**	(5.I.8)	117.500	**-**	**117.500**	**112.500**	**-**	**112.500**
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-financial Subsidiaries		117.500	-	117.500	112.500	-	112.500
4.3	**Joint Ventures (Net)**	(5.I.9)	-	**-**	**-**	**-**	**-**	**-**
4.3.1	Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	(5.I.12)	692.513	**-**	**692.513**	**414.653**	**-**	**414.653**
VI.	**INTANGIBLE ASSETS (Net)**	(5.I.13)	243.652	**-**	**243.652**	**106.559**	**-**	**106.559**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		243.652	-	243.652	106.559	-	106.559
VII.	**INVESTMENT PROPERTY (Net)**	(5.I.14)	-	**-**	**-**	**-**	**-**	**-**
VIII.	**CURRENT TAX ASSET**		500	**-**	**500**	**2.077**	**-**	**2.077**
IX.	**DEFERRED TAX ASSET**	(5.I.15)	490.914	**-**	**490.914**	**309.094**	**-**	**309.094**
X.	**OTHER ASSETS**	(5.I.17)	464.097	**32.666**	**496.763**	**599.510**	**8.870**	**608.380**
	TOTAL ASSETS		**43.646.973**	**30.540.903**	**74.187.876**	**21.212.876**	**23.971.932**	**45.184.808**

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

	LIABILITIES	Footnotes	CURRENT PERIOD (31/12/2022)			PRIOR PERIOD (31/12/2021)		
			TL	FC	Total	TL	FC	Total
I.	**DEPOSITS**	(5.II.1)	**32.068.693**	**14.790.133**	**46.858.826**	**15.340.623**	**15.659.742**	**31.000.365**
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)	**141.567**	**40**	**141.607**	**48.916**	**233**	**49.149**
X.	**PROVISIONS**	(5.II.8)	**1.624.484**	**-**	**1.624.484**	**406.060**	**-**	**406.060**
10.1	Provisions for Restructuring		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		234.316	-	234.316	51.975	-	51.975
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)	**511.067**	**-**	**511.067**	**290.810**	**-**	**290.810**
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)	**1.366.691**	**537.689**	**1.904.380**	**1.202.055**	**520.797**	**1.722.852**
XVI.	**SHAREHOLDERS' EQUITY**	(5.II.12)	**6.588.390**	**(6.718)**	**6.581.672**	**2.387.510**	**(23.035)**	**2.364.475**
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		409.217	-	409.217	113.349	-	113.349
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		788.895	(6.718)	782.177	3.659	(23.035)	(19.376)
16.5	Profit Reserves		1.082.910	-	1.082.910	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		85.020	-	85.020	-	-	-
16.6	Profit or Loss		2.720.264	-	2.720.264	392.927	-	392.927
16.6.1	Prior Periods' Profit or Loss		134	-	134	(25.335)	-	(25.335)
16.6.2	Current Period Net Profit or Loss		2.720.130	-	2.720.130	418.262	-	418.262
16.7	Minority Interest	(5.II.13)	703	-	703	244	-	244
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**44.561.098**	**29.626.778**	**74.187.876**	**21.666.735**	**23.518.073**	**45.184.808**

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED 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
A.	**OFF-BALANCE SHEET COMMITMENTS (I+II+III)**		**43.021.459**	**89.295.956**	**132.317.415**	**17.084.719**	**50.471.248**	**67.555.967**
I.	**GUARANTIES AND WARRANTIES**	(5.III.1)	**486.870**	**259.091**	**745.961**	**456.564**	**547.613**	**1.004.177**
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 Endorsments		-	-	-	-	-	-
1.6.	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7.	Factoring Guarantees		-	-	-	-	-	-
1.8.	Other Guarantees		-	-	-	-	-	-
1.9.	Other Collaterals		-	-	-	-	-	-
II.	**COMMITMENTS**		**4.420.924**	**5.243.627**	**9.664.551**	**2.962.647**	**5.091.482**	**8.054.129**
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		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	(5.III.5)	**38.113.665**	**83.793.238**	**121.906.903**	**13.665.508**	**44.832.153**	**58.497.661**
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.	**CUSTODY AND PLEDGES RECEIVED (IV+V+VI)**		**327.646.280**	**198.570.838**	**526.217.118**	**204.451.567**	**174.613.925**	**379.065.492**
IV.	**ITEMS HELD IN CUSTODY**		**2.854.467**	**31.505.672**	**34.360.139**	**1.617.746**	**19.003.782**	**20.621.528**
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		-	-	-	-	-	-
V.	**PLEDGES RECEIVED**		**324.791.813**	**167.065.166**	**491.856.979**	**202.833.821**	**155.610.143**	**358.443.964**
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		-	-	-	-	-	-
VI.	**ACCEPTED BILL, GUARANTEES AND WARRANTEES**		-	-	-	-	-	-
	TOTAL OFF_BALANCE SHEET COMMITMENTS (A+B)		**370.667.739**	**287.866.794**	**658.534.533**	**221.536.286**	**225.085.173**	**446.621.459**

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED 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)
I.	**INTEREST INCOME**	(5.IV.1)	**6.522.214**	**3.411.084**
1.1	Interest on Loans	(5.IV.1)	5.637.584	3.106.404
1.2	Interest on Reserve Deposits		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
II.	**INTEREST EXPENSE (-)**		**4.292.618**	**2.367.790**
2.1	Interest on Deposits	(5.IV.2)	3.592.311	1.958.316
2.2	Interest on Funds Borrowed	(5.IV.2)	372.036	214.774
2.3	Interest on Money Market Placements		51.635	15.936
2.4	Interest on Securities Issued	(5.IV.2)	234.871	158.005
2.5	Interest on Leasing Expenses		14.086	18.169
2.6	Other Interest Expenses		27.679	2.590
III.	**NET INTEREST INCOME (I - II)**		**2.229.596**	**1.043.294**
IV.	**NET FEES AND COMMISIONS INCOME**		**650.621**	**275.682**
4.1	Fees and Commisions Received		812.924	341.634
4.1.1	Non-cash Loans		17.199	18.894
4.1.2	Other	(5.IV.12)	795.725	322.740
4.2	Fees and Commisions Paid (-)		162.303	65.952
4.2.1	Non-cash Loans		92	62
4.2.2	Other	(5.IV.12)	162.211	65.890
V	**DIVIDEND INCOME**	(5.IV.3)	**200.000**	**197.009**
VI.	**TRADING INCOME / LOSS (Net)**	(5.IV.4)	**2.957.062**	**164.372**
6.1	Trading Gain / Loss on Securities		66.881	48.144
6.2	Gain / Loss on Derivative Financial Transactions		(1.053.003)	(593.808)
6.3	Foreign Exchange Gain / Loss		3.943.184	710.036
VII.	**OTHER OPERATING INCOME**	(5.IV.5)	**1.113.038**	**327.059**
VIII.	**TOTAL OPERATING INCOME((III+IV+V+VI+VII)**		**7.150.317**	**2.007.416**
IX.	**EXPECTED CREDIT LOSS (-)**	(5.IV.6)	**626.607**	**513.460**
X.	**OTHER PROVISION EXPENSES (-)**	(5.IV.6)	**1.026.806**	**187.587**
XI.	**PERSONNEL EXPENSES (-)**		**842.494**	**397.397**
XII.	**OTHER OPERATING EXPENSES (-)**	(5.IV.7)	**1.195.485**	**426.372**
XIII.	**NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)**		**3.458.925**	**482.600**
XIV.	**AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER**		-	-
XV.	**INCOME FROM INVESTMENTS UNDER EQUITY ACCOUNTING**		**3.296**	-
XVI.	**GAIN / LOSS ON NET MONETARY POSITION**		-	-
XVII.	**P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)**	(5.IV.8)	**3.462.221**	**482.600**
XVIII.	**TAX PROVISION FOR CONTINUING OPERATIONS (±)**	(5.IV.9)	**(741.632)**	**(64.254)**
18.1	Current Tax Provision		(1.141.697)	(205.517)
18.2	Deferred Tax Expense Effect (+)		(196.533)	(74.402)
18.3	Deferred Tax Income Effect (-)		596.598	215.665
XIX.	**NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)**	(5.IV.10)	**2.720.589**	**418.346**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**		-	-
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		-	-
XXI.	**EXPENSES FROM DISCONTINUED OPERATIONS (-)**		-	-
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		-	-
XXII.	**PROFIT / LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)**		-	-
XXIII.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	**NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXII-XXIII)**		-	-
XXV.	**NET PROFIT / LOSS (XIX+XXIV)**	(5.IV.11)	**2.720.589**	**418.346**
25.1	Group Profit/Loss		2.720.130	418.262
25.2	Minority Interest		459	84
	Earnings per share		0,02196	0,00445

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED 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)
I.	**CURRENT PERIOD PROFIT / LOSS**	**2.720.589**	**418.346**
II.	**OTHER COMPREHENSIVE INCOME**	**1.097.421**	**82.497**
2.1	**Not Reclassified Through Profit or Loss**	**295.868**	**124.136**
2.1.1	Property and Equipment Revalution Increase/Decrease	-	-
2.1.2	Intangible Assets Revalution Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurements Gain/Loss	(45.745)	(3.036)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	330.176	125.740
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	11.437	1.432
2.2	**Reclassified Through Profit or Loss**	**801.553**	**(41.639)**
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	(3)	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(229.682)	(25.441)
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**3.818.010**	**500.843**

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED 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	Paid-in Capital	Share Premium	Share Certificate	Other Capital Reserves (*)	Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss 1	2	3	Other Accumulated Comprehensive Income or Expense That Will Be Reclassified in Profit and Loss 4	5	6	Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss	Total Equity Excluding Minority Interests	Minority Interests	Total Equity
PRIOR PERIOD (31/12/2021)																
I. Balances at beginning of the period	**941.161**	**128.678**	**-**	**85.097**	**-**	**(10.787)**	**-**	**-**	**22.263**	**-**	**496.393**	**(15.534)**	**236.983**	**1.884.252**	**160**	**1.884.412**
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**	**(15.534)**	**236.983**	**1.884.252**	**160**	**1.884.412**
IV. Total Comprehensive Income	-	-	-	-	-	**(1.604)**	**125.740**	-	**(41.639)**	-	-	-	**418.262**	**500.759**	**84**	**500.843**
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)**	-	**(20.780)**
X. Increase/Decrease by Other Changes	-	-	-	**35.683**	-	-	-	-	-	-	-	**(35.683)**	-	-	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	**211.099**	**25.882**	**(236.983)**	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	211.099	-	(211.099)	-	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	25.882	(25.884)	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	**941.161**	**128.678**	**-**	**100.000**	**-**	**(12.391)**	**125.740**	**-**	**(19.376)**	**-**	**707.492**	**(25.335)**	**418.262**	**2.364.231**	**244**	**2.364.475**
CURRENT PERIOD (31/12/2022)																
I. Prior period ending balance	**941.161**	**128.678**	**-**	**100.000**	**-**	**(12.391)**	**125.740**	**-**	**(19.376)**	**-**	**707.492**	**(25.335)**	**418.262**	**2.364.231**	**244**	**2.364.475**
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**	**-**	**(12.391)**	**125.740**	**-**	**(19.376)**	**-**	**707.492**	**(25.335)**	**418.262**	**2.364.231**	**244**	**2.364.475**
IV. Total Comprehensive Income	-	-	-	-	-	**(34.308)**	**330.176**	-	**801.556**	**(3)**	-	-	**2.720.130**	**3.817.551**	**459**	**3.818.010**
V. Capital increase in cash	**416.562**	-	-	-	-	-	-	-	-	-	-	-	-	**416.562**	-	**416.562**
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertable Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	**(17.375)**	-	-	-	-	-	-	-	-	-	**(17.375)**	-	**(17.375)**
X. Increase / decrease due to other changes	-	-	-	**17.375**	-	-	-	-	-	-	-	**(17.375)**	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	**375.418**	**42.844**	**(418.262)**	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	375.418	-	(375.418)	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	42.844	(42.844)	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	**1.357.723**	**128.678**	**-**	**100.000**	**-**	**(46.699)**	**455.916**	**-**	**782.180**	**(3)**	**1.082.910**	**134**	**2.720.130**	**6.580.969**	**703**	**6.581.672**

(*) 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 consolidated financial statements.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED 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)
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating profit before changes in operating assets and liabilities**		**3.500.268**	**2.033.950**
1.1.1	Interest received (+)		6.137.711	3.300.248
1.1.2	Interest paid (-)		(4.002.626)	(2.260.911)
1.1.3	Dividend received (+)		200.000	197.009
1.1.4	Fees and commision received (+)		790.860	404.310
1.1.5	Other income (+)		3.732.718	902.032
1.1.6	Collections from previously written off loans and other receivables (+)		573.708	415.163
1.1.7	Cash payments to personnel and service suppliers (-)		(2.081.310)	(865.818)
1.1.8	Taxes paid (-)		(992.978)	(151.115)
1.1.9	Other (+/-)	(5.VI.3)	(857.815)	93.032
1.2	**Changes in Operating Assets and Liabilities**		**1.605.160**	**8.111.320**
1.2.1	Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)		(23.819)	(75.164)
1.2.2	Net (increase) / decrease in due from banks (+/-)		(1.277.963)	(1.537.689)
1.2.3	Net (increase) / decrease in loans (+/-)		(14.429.164)	1.804.487
1.2.4	Net (increase) / decrease in other assets (+/-)	(5.VI.3)	133.569	(335.620)
1.2.5	Net (increase) / decrease in bank deposits (+/-)		1.585.751	5.385.735
1.2.6	Net (increase) / decrease in other deposits (+/-)		8.786.502	2.180.551
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)	4.208.132	1.348.029
I.	**Net Cash Provided from Banking Operations (+/-)**		**5.105.428**	**10.145.270**
B.	**CASH FLOWS FROM INVESTMENT ACTIVITIES**		**-**	**-**
II.	**Net Cash Flow Provided from Investment Activities (+/-)**		**(6.066.170)**	**(2.577.543)**
2.1	Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		(849.496)	-
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 (-)		(306.850)	(144.600)
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)	(1.268.668)
2.8	Cash obtained from the sale of financial assets at amortised cost (+)		-	-
2.9	Other (+/-)	(5.VI.3)	187.298	(93.195)
C.	**CASH FİOWS FROM FINANCING ACTIVITIES**		**-**	**-**
III.	**Net Cash Provided from Financing Activities (+/-)**		**1.100.085**	**(8.727)**
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 (-)		(14.086)	(18.169)
3.6	Other (+/-)		5.792	9.442
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)**		**3.553.221**	**1.544.713**
V.	**Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)**		**3.692.564**	**9.103.713**
VI.	**Cash and Cash Equivalents at the Beginning of the Period (+)**	(5.VI.1)	**11.641.085**	**2.537.372**
VII.	**Cash and Cash Equivalents at the End of the Period (V+VI)**	(5.VI.1)	**15.333.649**	**11.641.085**

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED 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)
I.	**DISTRIBUTION OF CURRENT YEAR INCOME**		
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 witholding tax	-	-
1.2.3	Other taxes and duties	(399.637)	(141.135)
A.	**NET INCOME FOR THE YEAR (1.1-1.2)**	**2.671.354**	**409.967**
1.3	PRIOR YEARS LOSSES (-)	-	35.683
1.4	FIRST LEGAL RESERVES (-)	-	18.714
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	**NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]**	**2.671.354**	**355.570**
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
II.	**DISTRIBUTION OF RESERVES**		
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 (-)	-	-
III.	**EARNINGS PER SHARE**		
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 (%)	-	-
IV.	**DIVIDEND PER SHARE**		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

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

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 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 Agency ("BRSA") 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 consolidated 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 consolidated financial statements

The accounting policies and valuation principles used in the preparation of the 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 assets and liabilities.

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 Group 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.

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 consolidated subsidiaries

1. Subsidiary

Fiba Portföy Yönetimi A.Ş. (**"**Fiba Portföy"); the subsidiary of the Bank was consolidated by using full consolidation method in the consolidated financial statements dated 31 December 2022. Fibabanka A.Ş. and Fiba Portföy Yönetimi A.Ş. together are referred to as **"**the Group**"** in the report.

Capital Markets Board ("CMB") approved Fiba Portföy's licence application for portfolio management activity and the licence numbered PYŞ. PY 56/1267 and dated 12 December 2013 was assigned to Fiba Portföy.

The objective of Fiba Portföy is to manage portfolios consisting of financial assets as a representative by entering into portfolio management contracts in accordance with CMB laws and relevant regulation and also to perform capital markets operations. Besides, Fiba Portföy can manage the portfolios of local and foreign investment funds, investment trusts, local/foreign real persons, brokerage companies and other similar legal entities within the context of the related regulation as portfolio management activities. On the condition that, the requirements of the Capital Markets regulations are fulfilled and necessary approvals and licences from the Capital Markets Board are obtained; Fiba Portföy can also perform investment advisory services, market consultancy in Borsa İstanbul A.Ş. Emerging Companies Market, and intermediary services for the trading of investment fund certificates. The Bank owns 99% of the equity of Fiba Portföy whose headquarters is located in Istanbul.

According to full consolidation method, the subsidiary's 100% of assets, liabilities, revenues, expenditures and off-balance sheet liabilities were combined with the Parent Bank's assets, liabilities, revenues, expenditures and off-balance sheet liabilities. Book value of the investment in the Group's subsidiary and the portion of the cost of subsidiary's capital belonging to the Group are eliminated. All intragroup balances and income and expenses relating to transactions between the Bank and its subsidiary are eliminated in full consolidation. Minority shares in the net income of consolidated subsidiary determined the net income of the Group and were presented as a separate item in the statement of profit or loss. Minority shares were presented under equity in the consolidated financial statements.

2. Associates

An associate is a domestic or foreign entity which the Parent Bank participates in its capital and over which it has a significant influence but no control.

Significant influence is the power to participate in the financial and operating policy of the investee. If the Parent Bank holds qualified shares in the associate, it is presumed that the Parent Bank has significant influence unless otherwise demonstrated. A substantial or majority ownership by another investor does not necessarily preclude the Parent Bank from having significant influence.

Qualified share is the share that directly or indirectly constitutes ten or more than ten percent of an entity's capital or voting rights and irrespective of this requirement, possession of privileged shares giving right to appoint members of board of directors.

FİBABANKA A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2022
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated)

III. Explanations on consolidated subsidiaries (continued)

2. Associates (continued)

Equity method is a method of accounting whereby the book value of the investor's share capital in the subsidiary or the joint venture is either added to or subtracted in proportion with investor's share from the change in the subsidiary's or joint venture's equity within the period. The method also foresees that profit will be deducted from the subsidiaries' or joint venture's accordingly recalculated value.

The financial institution subsidiaries of the Bank, Fiba Emeklilik ve Hayat A.Ş. and Fiba Sigorta A.Ş., are accounted for in accordance with the equity method in the consolidated financial statements complying with the the "Communiqué on the Preparation of Consolidated Financial Statements of the Banks".

In January 2013, Fiba Sigorta ve Hayat A.Ş. insurance started its acitivities health and personal accident insurance, in July 2013 reasurance operations related to these insurances and in December 2013 pension. As of 20 December 2022, 8.000.000 shares representing 40% of Fiba Emeklilik ve Hayat A.Ş.'s capital share have been transferred to Fibabanka A.Ş by Fiba Holding A.Ş for TL 746.588.

In December 2022, the Bank will also cooperate with HDI Sigorta A.Ş. and Fibabanka A.Ş. established Fiba Sigorta A.Ş. to operate in the elements branches with a 50% -50% partnership share. The bank's participation amount is TL 95.000.

IV. Explanations on forward transactions, options and derivative instruments

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

The Parent 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 and derivative instruments for hedging purpose are classified, measured and accounted in accordance with TAS 39 "Financial Instruments: Recognition and Measurement", respectively.

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 Parent Bank enters into cross currency 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 Parent 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.

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.

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VII. Explanations on financial assets (continued)

2. Financial assets measured 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 can be measured are carried 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.

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 onthe 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 Parent 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.

VIII. Explanations on expected credit loss (continued)

Calculation of expected credit loss

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".

These 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;

- Costumer 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

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.

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VIII. Explanations on expected credit loss (continued)

Macroeconomics Factors (continued)

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%
2st year	5,50%	9,90%	3,00%	13,00%
3st 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.

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 held for sale 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 Group 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 of the Group 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.

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.

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XIII. Explanations on tangible assets (continued)

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:

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

Explanation on TFRS 16 Leases standard

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 asset 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:

a) The initial measurement amount of the lease obligation,

b) The amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease;

c) All initial direct costs incurred by the Bank.

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

a) Deducts accumulated depreciation and accumulated impairment losses and

b) 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.

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 Bank's average borrowing interest rates. 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) Increase the book value to reflect the interest on the lease obligation

b) Reduces the book value to reflect the lease payments made and

c) The book value is measured to reflect reassessments and restructuring, or reflect to fixed lease payments as of revised nature.

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 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 amounts 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 is no employee foundation, fund or similar institutions.

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

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XVIII. Explanations on taxation (continued)

1. Current Tax (continued)

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.

2. Deferred Tax

The Group 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 11 of the Law No. 7316 on the Procedure for the Collection of Public Receivables and the Law on Amendments to Certain Laws published in the Official Gazette dated April 22, 2021, and with the temporary Article 13 added to the Corporate Tax Law, the corporate tax rate is 25% for the taxation period of 2021 and this rate will be applied as 23% for the taxation period of 2022. In accordance with Article 14 of the Law, the rate to be applied for the year 2021 starts from the declarations to be submitted as of 1 July 2021 and it is valid for the taxation period starting from 1 January 2021.

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 provision for possible losses.

As of 31 December 2022, the deferred tax asset is TL 490.914 (31 December 2021: TL 309.094 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; no deferred tax income and deferred tax expense is TL 400.065 for the current period (1 January – 31 December 2021: TL 141.263 net income). The part of the deferred tax related to assets directly associated with equity is recognized in equity, this amount is TL 218.245 of expense (1 January – 31 December 2021: TL 24.009 expense).

XVIII. Explanations on taxation (continued)

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 Parent 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 Group'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.

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 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.

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 Group does not have any government incentives.

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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. The Bank's consolidated subsidiary Fiba Portföy is dealing with portfolio management and its activity outcomes and asset&liabilities are reported under "Treasury and Headquarters".

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Current Period -1 January - 31 December 2022				
Net Interest Income	791.548	2.051.621	(613.573)	2.229.596
Net Fees and Commisions Income	362.334	231.280	57.007	650.621
Dividend Income	--	--	200.000	200.000
Trading Income / Loss (Net)	261.826	519.072	2.176.164	2.957.062
Other Operating Income	519.905	588.311	4.822	1.113.038
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)	(142.950)	(2.037.979)
Income From Investments Under Equity Accounting	--	--	3.296	3.296
Profit/(loss) Before Tax	**562.254**	**2.214.521**	**685.446**	**3.462.221**
Tax Provision	--	--	**(741.632)**	**(741.632)**
Profit/(loss) After Tax	**562.254**	**2.214.521**	**(56.186)**	**2.720.589**
Current Period -31 December 2022				
Segment Assets	9.596.200	29.457.603	34.167.065	73.220.868
Subsidiaries and Associates	--	--	967.008	967.008
Total Assets				**74.187.876**
Segment Liabilities	29.479.504	9.406.657	28.720.043	67.606.204
Shareholders' Equity				6.581.672
Total Liabilities				**74.187.876**

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Prior Period -1 January - 31 December 2021				
Net Interest Income	101.243	621.539	320.512	1.043.294
Net Fees and Commisions Income	227.238	21.423	27.021	275.682
Dividend Income	--	--	197.009	197.009
Trading Income / Loss (Net)	139.189	134.010	(108.828)	164.372
Other Operating Income	78.610	66.359	182.091	327.059
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)	(102.187)	(823.769)
Income From Investments Under Equity Accounting	--	--	--	--
Net Profit/(Loss) for the Period	**80.332**	**249.820**	**152.447**	**482.600**
Tax Provision	--	--	**(64.254)**	**(64.254)**
Profit/(loss) After Tax	**80.332**	**249.820**	**88.193**	**418.346**
Prior Period -31 December 2021				
Segment Assets	8.473.595	13.641.125	22.957.588	45.072.308
Subsidiaries and Associates	--	--	112.500	112.500
Total Assets	**8.473.595**	**13.641.125**	**23.070.088**	**45.184.808**
Segment Liabilities	20.519.955	4.094.079	18.206.299	42.820.333
Shareholders' Equity			2.364.475	2.364.475
Total Liabilities	**20.519.955**	**4.094.079**	**20.570.774**	**45.184.808**

XXIV. Profit reserves and distribution of the profit

In financial tables, 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.

At the Bank's Ordinary General Assembly Meeting held on 28 March 2022, net of TL 409.967 after tax for the year 2021 losses for the previous year amounting to TL 35.683 from profit (nominal additional principal of TL 100.000 monitored under Shareholders' Equity interest expenses of the securities with capital characteristics) of the remaining TL 374.284 after deducting TL 18.714 legal reserve fund, TL 83.886 are decided to be allocated as special funds and TL 271.684 as extraordinary reserve fund it is given.

XXV. Earnings Per Share (continued)

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	2.720.130	418.262
Average Number of Issued Common Shares (Thousand))	123.903.091	94.116.055
Earnings Per Share (Amounts presented as full TL)	**0,02196**	**0,00445**

XXV. Earnings Per Share

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.

The financial subsidiary of the Bank, Fiba Portföy Yönetimi A.Ş. increased its capital by stock dividends by amount of TL 2.500 on 27 January 2022 (31 December 2021: None).

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 and 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.

XXVII. Classifications

None.

XXVIII. Other Disclosures

None.

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SECTION FOUR
INFORMATION ON CONSOLIDATED 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 Group's total capital has been calculated as TL 9.202.337 and the capital adequacy ratio is 19,51% (As of 31 December 2021, the Group's total capital amounted to TL 6.111.228 and the capital adequacy ratio was 23,58%).

I. Information related to the components of consolidated shareholders' equity:

	Current Period (31/12/2022) Amount	Amount as per the regulation before 1/1/2014 *
TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	1.357.723	
Share Premium	128.678	
Reserves	1.100.387	
Other comprehensive income according to TAS	1.244.065	
Profit	2.720.589	
Current period profit	2.720.589	
Prior period profit	--	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	2.475	
Tier I Capital Before Deductions	**6.553.917**	
Deductions From Tier I Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	--	--
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS	72.324	--
Improvement costs for operational leasing	17.594	--
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.130.936	--
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	--	--
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	--	--
Total Deductions From Common Equity Tier I Capital	**1.550.854**	--
Total Common Equity Tier I Capital	**5.003.063**	--
ADDITIONAL TIER I CAPITAL		
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)	--	--
Additional Core Capital before Deductions	**100.000**	--
Deductions from Additional Core Capital	**--**	
Direct and indirect investments of the Bank on its own Additional Tier I Capital	--	--
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	--	--
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	--	--

(*) Within the scope of the BRSA's relevant article dated 23 March 2020 and numbered 3397, "Securities at Fair Value through other comprehensive Income" owned by the Bank negative net valuation differences among the securities are included in the portfolio were not taken into account in the calculation of equity.

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	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	--	--
Items to be Deducted from Tier I Capital during the Transition Period		
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 (-)	--	--
Total Deductions from Additional Tier I Capital	--	--
Total Additional Tier I Capital	100.000	--
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	5.103.063	--
TIER II CAPITAL		
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)	543.844	--
Tier II Capital before Deductions	4.099.274	--
Deductions from Tier II Capital		
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 (-)	--	
Total Deductions from Tier II Capital	--	
Total Tier II Capital	4.099.274	
Total Equity (Total Tier I and Tier II Capital)	9.202.337	

(**) 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"

	Current Period (31/12/2022) Amount	Amount as per the regulation before 1/1/2014 *
Total Tier I Capital and Tier II Capital (Total Equity)	9.202.337	
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	--	--
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	--	--
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	--	--
EQUITY	9.202.337	
Total Capital (Total of Tier I Capital and Tier II Capital)	9.202.337	--
Total Risk Weighted Assets (****)	47.178.655	--
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	10,61	--
Tier I Capital Adequacy Ratio (%)	10,82	--
Capital Adequacy Ratio (%)	19,51	--
BUFFERS		
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.

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	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 (%)	4,82	--
Amounts lower than Excesses as per Deduction Rules	--	--
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	--	--
Limits for Provisions Used in Tier II Capital Calculation	--	--
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	807.653	--
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	543.844	--
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	--	--
Debt Instruments Covered by Temporary Article 4 (effective between 01/01/2018-01/01/2022)	--	--
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.

	Prior Period (31/12/2021) Amount	Amount as per the regulation before 1/1/2014 (*)
TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	941.161	--
Share premium	128.678	
Reserves (**)	796.540	
Other comprehensive income according to TAS	129.399	
Profit	417.763	
Current period profit	418.346	
Prior period profit	(583)	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
Tier I Capital Before Deductions	**2.413.541**	
Deductions From Tier I Capital		
Valuation adjustments calculated as per the Article 9 (i) of the Regulation on Bank Capital	--	
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (***)	71.108	--
Improvement costs for operational leasing	7.899	--
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	227.994	--
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 "Financia Assets at Fair Value through Other Comprehensive Income" are negative, they are not included in the capital calculation.

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	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	--	--
Amount exceeding the 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	28.682	--
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	--	
Total Deductions From Common Equity Tier I Capital	**413.193**	
Total Common Equity Tier I Capital	**2.000.348**	
ADDITIONAL TIER I CAPITAL		
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)	--	
Additional Core Capital before Deductions	**499.870**	
Deductions from Additional Core Capital	**--**	
Direct and indirect investments of the Bank on its own Additional Tier I Capital	--	
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	--	
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--
Other items to be defined by the BRSA	--	
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred 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 (-)	--	
Total Deductions from Additional Tier I Capital	**--**	
Total Additional Tier I Capital	**499.870**	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	**2.500.218**	
TIER II CAPITAL		
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)	290.303	
Tier II Capital before Deductions	**3.611.010**	
Deductions from Tier II Capital		
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	--	--
Total Deductions from Tier II Capital	**--**	**--**
Total Tier II Capital	**3.611.010**	
Total Equity (Total Tier I and Tier II Capital)	**6.111.228**	

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	Prior Period (31/12/2021) Amount	Amount as per the regulation before 1/1/2014 (*)
Total Tier I Capital and Tier II Capital (Total Equity)	**6.111.228**	
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	--	
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
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	--	--
EQUITY	**6.111.228**	
Total Capital (Total of Tier I Capital and Tier II Capital)	**6.111.228**	**--**
Total Risk Weighted Assets	25.918.320	**--**
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	7.72	--
Tier I Capital Adequacy Ratio (%)	9,65	--
Capital Adequacy Ratio (%)	23.58	--
BUFFERS		
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.

	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 (%)	3,65	--
Amounts lower than Excesses as per Deduction Rules	--	--
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	--	--
Limits for Provisions Used in Tier II Capital Calculation	**--**	**--**
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	517.534	--
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	290.303	--
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	--	--
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)	--	--
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

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

The difference between "Equity" in equity table and "Shareholder's Equity" in the consolidated balance sheet mainly arises from the subordinated bonds and general provisions and TFRS 9 transition 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 16 April 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
Consideration Status in Shareholders' Equity Calculation		
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 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.

(**) 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"

Interest/Dividend Payments		
Fixed or floating interest/dividend payments	Floating interest	Floating interest
Interest rate or index value of interest rate	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
Whether there are any restriction to stop dividend payments or not	None	None
Feature of being fully optional, partially optional or obligatory	Obligatory	Optional
Whether there are any stimulant to repayment like interest rate hike or not	None	None
Feature of being cumulative or noncumulative	--	--
Feature of being convertible bonds		
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	--	--
Feature of value reducement		
If there are a feature of value reducement, trigger incidents cause this reducement	--	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 reducement, feature of full or partially reducement of value	--	Partially and totally
If there are a feature of value reducement, feature of being constant of temporary	--	--
If there are a feature of value reducement, 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.

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II. Explanations on Consolidated 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 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 Parent 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 the Parent 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 Parent 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 cash and nonsh credit risk of the Parent Bank amounts to TL 796.474 (Stage 1 and Stage 2) (31 December 2021: TL 511.862).

II. Explanations on Consolidated Currency Risk (continued)

	Current Period Risk Amount*	Average Risk Amount*
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	19.580.338	17.522.660
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	73.361	100.925
Conditional and Unconditional Exposures to Banks and Brokerage Houses	5.012.448	4.415.117
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
Exposures in the Form of Collective Investment Undertakings	171.714	114.634
Securitization positions	1.165.718	989.586
Equity share investments	14.496	13.877
Other Receivables	2.908.377	2.969.695
Total	**70.584.751**	**56.386.975**

(*): 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*
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	11.739.928	5.713.168
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	122.086	177.695
Conditional and Unconditional Exposures to Banks and Brokerage Houses	2.886.033	2.721.768
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	559.457	211.999
Equity share investments	11.444	10.647
Other Receivables	1.971.491	1.848.509
Total	**38.982.123**	**31.627.727**

(*): 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.

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	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditi onal 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	19.580.674	73.361	2.888.483	14.876.660	20.780.735	1.158.469	152.127	4.286.416	171.714	1.165.718	4.897	2.908.377	68.053.631
EU Countries	--	--	1.978.581	358.046	368	--	--	69	--	--	9.509	--	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
Associates, Subsidiaries and Associates, Subsidiaries and Joint -Ventures	--	--	--	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	**19.580.674**	**73.361**	**5.012.448**	**15.234.706**	**20.781.534**	**1.158.469**	**152.127**	**4.325.127**	**171.714**	**1.165.718**	**14.496**	**2.908.377**	**70.584.751**

(*) 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.
(***) Includes assets and liability items that cannot be allocated on a consistent basis.
(****) As of 31 December 2022, the Central Banks 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	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditi onal retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Collective investment undertakings	Equity investments	Other receivables	Total
Prior Period (*)												
Domestic	11.757.211	122.086	1.353.899	8.069.585	9.033.683	1.321.299	453.179	2.325.558	559.457	4.897	1.971.491	36.972.345
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
Associates, Subsidiaries and Associates, Subsidiaries and Joint -Ventures	--	--	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities	--	--	--	--	--	--	--	--	--	--	--	--
Total	**11.757.211**	**122.086**	**2.886.033**	**8.488.780**	**9.033.741**	**1.321.299**	**505.014**	**2.325.567**	**559.457**	**11.444**	**1.971.491**	**38.982.123**

(*) 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.
(***) Includes assets and liability items that cannot be allocated 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 calculatio

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II. Explanations on Consolidated 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	**19.581.752**	--	**5.012.426**	**7.548.191**	**5.966.226**	**889.680**	**21.872**	**345.715**	**171.714**	--	**4.897**	**2.908.377**	**1.257.603**	**41.193.247**	**42.450.850**
Wholesale and Retail Trade	66	--	--	1.677.721	4.904.745	14.187	13.360	170.413	--	--	--	--	--	**6.780.492**	**6.780.492**
Accomodation 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	**19.580.338**	--	**5.012.426**	3.551.640	27.501	--	--	38.517	**171.714**	--	4.897	2.908.377	1.257.603	30.037.807	31.295.410
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**	--	**1.165.718**	**9.599**	--	**1.165.715**	**3.731.227**	**4.896.942**
Total*	**19.586.674**	**73.361**	**5.012.448**	**15.234.706**	**20.781.534**	**1.158.469**	**152.127**	**4.325.127**	**171.714**	**1.165.718**	**14.496**	**2.908.377**	**2.423.318**	**68.161.433**	**70.584.751**

(*) 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 : Securitization Positions
12 : Other receivables

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	**11.743.553**	--	**2.886.033**	**3.455.732**	**1.890.604**	**1.140.029**	**351.098**	**1.862**	--	**11.444**	**1.971.491**	**7.989.784**	**15.462.062**	**23.451.846**
Wholesale and Retail Trade	730	--	--	637.007	1.518.455	12.634	9.814	586	--	--	--	**2.145.083**	**34.143**	**2.179.226**
Accomodation 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	**11.739.928**	--	**2.886.033**	91.329	31.250	--	248.027	--	--	11.444	1.971.491	4.501.184	12.478.318	16.979.502
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**	**559.457**	--	--	**2.532.812**	**80.239**	**2.613.051**
Total*	**11.757.211**	**122.086**	**2.886.033**	**8.488.780**	**9.033.741**	**1.321.299**	**505.014**	**2.325.567**	**559.457**	**11.444**	**1.971.491**	**21.693.585**	**17.288.538**	**38.982.123**

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.
(**) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from t
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

II. Explanations on Consolidated Credit Risk (continued)

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

	Term to Maturity				
Exposure Categories / Current Period*	Up to 1 Month	1 -3 Months	3 -6 Months	6-12 Months	Over 1 year
Contingent and non-contingent receivables from central governments 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
Conditional receivables from banks and intermediary institutions	4.398.750	112.168	5.666	473.173	22.596
Contingent and uncontingent corporate other receivables	--	--	--	--	--
Contingent and non-contingent SME corporate receivables	--	--	--	--	--
Contingent and uncontingent corporate receivables	3.397.461	5.637.476	1.743.233	1.297.044	3.125.011
Contingent and uncontingent retail receivables	2.472.859	5.369.323	6.462.118	5.270.385	486.674
Receivables secured by contingent and non-contingent real estate mortgages	4.121	19.876	29.155	97.229	1.007.741
Overdue receivables	--	--	--	--	--
Receivables determined as high risk by the board	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 intermediary institutions and short-term corporate receivables	--	--	--	--	--
Investments as a collective investment institution	--	--	--	--	--
Other receivables	--	--	--	--	--
Total**	**15.674.045**	**16.379.222**	**8.610.011**	**8.456.620**	**15.736.761**

(*) Items with determined maturities are classified according to remaining maturities
(**) Central bank receivables in the amount of TL 752.276 that do not carry a maturity element, 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 and payment commitments in the amount of TL 782.312, other receivables in the amount of TL 1.311.055, payable overdue receivables in the amount of TL 358.201, receivables from investment funds in the amount of TL 1.185.718, miscellaneous receivables in the amount of TL 799 and stock investments are not included in the table TL 14.496.
(***) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

	Term to Maturity				
Exposure Categories / Prior Period*	Up to 1 Month	1 -3 Months	3 -6 Months	6-12 Months	Over 1 year
Contingent and non-contingent receivables from central governments 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
Conditional receivables from banks and intermediary institutions	1.927.830	53.448	313.005	184.743	406.991
Contingent and uncontingent corporate other receivables	--	--	--	--	--
Contingent and non-contingent SME corporate receivables	--	--	--	--	--
Contingent and uncontingent corporate receivables	1.337.230	1.164.040	733.806	1.506.135	3.720.721
Contingent and uncontingent retail receivables	825.490	2.184.918	1.637.773	2.466.789	1.383.711
Receivables secured by contingent and non-contingent real estate mortgages	28.810	7.733	21.623	20.454	1.242.370
Overdue receivables	--	--	--	--	--
Receivables determined as high risk by the board	3.515	1.023	150	145	2.320.734
Mortgage-backed securities	--	--	--	--	--
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	--	--	--	--	--
Investments as a collective investment institution	--	--	--	--	--
Other receivables	--	--	--	--	--
Total**	**9.908.390**	**5.950.565**	**2.909.918**	**4.249.108**	**12.212.469**

(*) Items with determined maturities are classified according to remaining maturities
(**) Central government receivables in the amount of TL 198.408 cash and similar items in the amount of TL 313.017, credit card limits in the amount of TL 5.528, non-cash credit limits and payment commitments in the amount of TL 301.541, other receivables in the amount of TL 830.467, payable receivables in the amount of TL 241.745, receivables from investment funds in the amount of TL 103.531, shares in the amount of TL 9.764 his investment is not included in the table of miscellaneous receivables in the amount of TL 889.
(***) 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.

The Parent 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 Consolidated credit risk (continued)

4. Exposures by risk weights

Risk Weights / Current Period	0%	10%	20%	35%	50%	75%	100%	150%	200%	2%	500%	Deductions from Equity	Total
Exposures Before Credit Risk Mitigation	21.122.385	--	4.492.620	--	839.883	15.676.763	24.125.982	3.503.807	808.102	8.732	6.477	--	**70.584.751**
Exposures After Credit Risk Mitigation	22.551.045	--	3.756.218	18.627	1.830.345	15.642.172	22.459.248	3.503.785	808.102	8.732	6.477	--	**70.584.751**

* 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 Risk Mitigation	12.699.608	--	1.917.602	--	1.187.350	7.137.805	13.409.598	2.630.160	--	**38.982.123**
Exposures After Credit Risk Mitigation	13.252.626	--	1.504.978	29.720	1.952.309	7.062.607	12.549.723	2.630.160	--	**38.982.123**

* 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.

Current Period	Loans		Provisions
	Impaired		Expected Credit Losses
Major Sector / Counterparties	Significant Increase in Credit Risk (Stage 2)	Impaired (Stage 3)	
Agriculture	**11.725**	**26.467**	**20.317**
Farming and Stockbreeding	6.953	19.614	14.856
Foresty	4.772	6.853	5.461
Fishery	--	--	--
Manufacturing	**240.269**	**91.812**	**109.140**
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
Construction	**130.517**	**161.495**	**115.005**
Services	**2.277.442**	**205.357**	**431.853**
Wholesale and Retail Trade	79.443	95.367	78.956
Accommodation and Dining	1.912.786	4.429	232.565
Transportation and	17.107	85.054	80.788
Financial Institutions	--	12	12
Real Estate and Rental	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
Other	**588.515**	**180.295**	**272.854**
Total	**3.248.468**	**665.426**	**949.169**

Prior Period	Loans		Provisions
	Impaired		Expected Credit Losses
Major Sector / Counterparties	Significant Increase in Credit Risk (Stage 2)	Impaired (Stage 3)	
Agriculture	**8.509**	**31.828**	**22.699**
Farming and Stockbreeding	8.458	26.330	18.631
Foresty	51	5.498	4.068
Fishery	--	--	--
Manufacturing	**451.975**	**66.876**	**75.078**
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
Construction	**157.457**	**448.364**	**135.296**
Services	**2.466.581**	**235.429**	**353.070**
Wholesale and Retail Trade	182.107	63.362	84.835
Accommodation and Dining	1.594.526	10.622	164.640
Transportation and	346.040	141.349	59.401
Financial Institutions	737	245	161
Real Estate and Rental	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
Other	**456.157**	**106.216**	**144.849**
Total	**3.540.679**	**888.713**	**730.992**

II. Explanations on Consolidated credit risk (continued)

6. Information on movements in value adjustments and provisions

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
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	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Specific Provisions(Stage 3)	388.750	374.251	(110.789)	(296.476)	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 Private Sector Credit Exposures	Trading Book	Total
Turkey	39.644.113	2.404.823	42.048.936
Russia	25.922	32.094	58.016
Malta	209.246	--	209.246
Marshall Islands	--	--	--
Australia	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	**40.035.285**	**2.732.969**	**42.768.254**

* 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 Private Sector Credit Exposures	Trading Book	Total
Turkey	21.971.846	281.398	22.253.244
Russia	9.842	--	9.842
Malta	284.918	--	284.918
Marshall Islands	104.073	--	104.073
Australia	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	**22.464.331**	**615.138**	**23.079.469**

* 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 Consolidated credit risk (continued)

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

Cash loans granted to individuals and corporates	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	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	
	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**

III. **Explanations on Consolidated Currency Risk**

Position limit on currency risk is determined in line with net general position standard ratio on foreign currency. The Group 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 December 2022	18,6649	19,8324
28 December 2022	18,6813	19,9087
29 December 2022	18,6964	19,8946
30 December 2022	18,6983	19,9349
31 December 2022	18,6983	19,9349

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 Consolidated Currency Risk (continued)

Current Period	EUR	USD	Other	Total
Assets				
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 Entities 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
Total Assets	**11.779.044**	**18.158.963**	**585.784**	**30.523.791**
Liabilities				
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
Total Liabilities	**2.849.478**	**22.605.647**	**4.154.560**	**29.609.685**
Net Balance Sheet Position	**8.929.566**	**(4.446.684)**	**(3.568.776)**	**914.106**
Net Off-Balance Sheet Position	**(9.262.236)**	**3.979.519**	**3.308.455**	**(1.974.262)**
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
Non-Cash Loans (*******)	71.445	187.646	--	259.091
Prior Period				
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
Net Balance Sheet Position	**7.236.016**	**(4.416.372)**	**(2.359.879)**	**459.765**
Net Off-Balance Sheet Position	**(7.429.918)**	**4.425.203**	**2.357.341**	**(647.374)**
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
Non-Cash Loans	**264.660**	**282.953**	**--**	**547.613**

(*) 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 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 sale commitments within the derivative financial liabilities amounted to TL 2.514.435 (31 December 2021: TL 2.627.770).
(*******) There is no effect on the net off-balance sheet position.

	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)
Total (Net)	**(106.016)**	**(106.688)**	**(18.761)**	**(21.065)**

IV. Explanations on Consolidated 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 Group'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	Non-interest Bearing	Total
Assets							
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	1.550.497	--	--	--	--	930.615	2.481.112
Financial Assets at Fair Value Through Profit or Loss(*)	892.046	290.107	308.457	5.786	--	12.684	1.509.080
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(***)	--	--	--	--	--	2.907.764	2.907.764
Total Assets	**53.029.351**	**4.321.909**	**3.089.527**	**7.132.550**	**187.646**	**6.426.893**	**74.187.876**
Liabilities							
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	--	8.000.603	38.886.152
Interbank Money Market Received	1.349.852	2.120.013	--	--	--	--	3.469.865
Sundry Creditors(*****)	--	--	--	--	--	1.415.625	1.415.625
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(*****)	259.748	117.447	240.762	84.583	1.007	9.205.978	9.909.525
Total Liabilities	**33.611.518**	**17.413.482**	**3.117.236**	**761.722**	**1.007**	**19.282.911**	**74.187.876**
Balance Sheet Long Position	19.417.833	--	--	6.370.828	186.639	--	25.975.300
Balance Sheet Short Position	--	(13.091.573)	(27.709)	--	--	(12.856.018)	(25.975.300)
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)
Total Position	**19.417.834**	**(13.091.572)**	**(27.710)**	**6.370.828**	**186.639**	**(12.279.795)**	**576.224**

(*) 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.
(***) Non-interest bearing column includes TL 961.996 investments in subsidiaries, TL 692.513 tangible assets, TL 243.652 intangible assets, TL 491.414 tax asset, TL 24.609 assets held for sale, TL 496.763 other assets and TL 3.183 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 6.581.672 shareholders' equity, TL 1.904.380 other liabilities, TL 1.624.484 provisions and TL 511.067 tax liabilities.

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IV. Explanations on Consolidated 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
Assets							
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	558.332	--	--	--	--	941.989	1.500.321
Financial Assets at Fair Value Through Profit or Loss(*)	558.615	252.590	450.359	215.863	--	9.438	1.486.865
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(***)	--	--	--	--	--	1.733.985	1.733.985
Total Assets	**18.304.846**	**4.370.941**	**9.135.525**	**8.206.933**	**294.979**	**4.871.584**	**45.184.808**
Liabilities							
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	6.449.250	24.614.007
Interbank Money Market Received	712.740	--	--	--	--	--	712.740
Sundry Creditors	--	--	--	--	--	943.937	943.937
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(*****)	546.084	265.899	745.735	169.827	--	3.840.260	5.567.805
Total Liabilities	**19.487.422**	**6.658.550**	**4.360.392**	**2.788.053**	**513.571**	**11.376.820**	**45.184.808**
Balance Sheet Long Position	--	--	4.775.133	5.418.880	--	--	10.194.013
Balance Sheet Short Position	(1.182.576)	(2.287.609)	--	--	(218.592)	(6.505.236)	(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)
Total Position	**(1.182.576)**	**(2.287.609)**	**4.775.131**	**5.418.882**	**(218.592)**	**(6.966.005)**	**(460.769)**

(*) 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 112.500 investments in subsidiaries, TL 414.653 tangible assets, TL 106.559 intangible assets, TL 311.171 tax asset, TL 182.161 assets held for sale, TL 608.380 other assets and TL 1.439 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 2.364.475 shareholders' equity, TL 1.722.852 other liabilities, TL 406.060 provisions and TL 290.810 tax liabilities.

IV. Explanations on Consolidated Interest Rate Risk (continued)

Average interest rates applied to financial instruments

Current Period	EUR %	USD %	JPY %	TL %
Assets				
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
Liabilities				
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 %
Assets				
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
Liabilities				
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 Consolidated Interest Rate Risk (continued)

Interest rate risk 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	Gains/ 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%
Total (For Positive Shocks)		**(366.634)**	**-4,01%**
Total (For Negative Shocks)		**309.284**	**3,39%**

(*) 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%
Total (For Positive Shocks)		**(602.222)**	**-9,89%**
Total (For Negative Shocks)		**625.343**	**10,27%**

(*) 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

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

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

VI. Explanations on Consolidated 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.

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 year 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 Consolidated Liquidity Risk and Liquidity Coverage Ratio (continued)

		Total Unweighted Value *		Total Weighted Value *	
Current Period		TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)			11.799.883	8.797.945
CASH OUTFLOWS					
2	Deposits from natural persons and retail deposits	30.682.995	13.187.102	2.852.142	1.323.494
3	Stable deposits	4.363.585	--	218.129	--
4	Less stable deposits	26.319.410	13.187.102	2.634.013	1.323.494
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:	10.607.742	5.227.334	7.351.422	3.376.172
6	Operational deposits	--	--	--	--
7	Non-Operational deposits	5.396.773	2.814.562	2.140.622	1.015.535
8	Other unsecured funding	5.210.969	2.412.772	5.210.800	2.360.637
9	Secured funding	--	--	185.095	185.095
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**			**11.252.999**	**5.436.818**
CASH INFLOWS					
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**			**11.748.890**	**8.747.862**
22	**TOTAL NET CASH OUTFLOWS**			**5.330.672**	**2.047.436**
23	**LİQUIDITY COVERAGE RATIO (%)**			**220,40**	**427,26**

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

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

		Total Unweighted Value *		Total Weighted Value *	
Prior Period		TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)			8.697.501	7.473.479
CASH OUTFLOWS					
2	Deposits from natural persons and retail deposits	20.592.932	10.238.467	1.927.041	1.006.328
3	Stable deposits	2.470.004	--	124.077	--
4	Less stable deposits	18.122.928	10.238.467	1.802.964	1.006.328
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:	5.171.424	2.826.043	3.275.962	1.543.211
6	Operational deposits	--	--	--	--
7	Non-Operational deposits	3.129.184	2.388.919	1.234.263	832.468
8	Other unsecured funding	2.042.240	437.124	2.041.699	710.743
9	Secured funding	--	--	260.482	259.191
10	Other cash outflows	3.306.274	939.291	648.570	416.569
11	Outflows related to derivative exposures and other collateral requirements	446.479	358.583	428.862	348.490
12	Outflows related to restructured financial instruments	--	--	--	--
13	Payment commitments granted for debts to financial markets and other off-balance sheet commitments	2.859.795	580.708	219.708	68.079
14	Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15	Other irrevocable or conditionally revocable off-balance sheet obligations	20.431	150	19.777	147
16	**TOTAL CASH OUTFLOWS**			**6.131.832**	**3.225.446**
CASH INFLOWS					
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	535.602	368.311	345.129
20	**TOTAL CASH INFLOWS**	**3.785.208**	**1.891.490**	**2.614.290**	**1.609.435**
21	**TOTAL HQLA**			**8.697.501**	**7.473.479**
22	**TOTAL NET CASH OUTFLOWS**			**3.532.367**	**1.637.411**
23	**LİQUIDITY COVERAGE RATIO (%)**			**246,22**	**456,42**

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

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

The table below shows the lowest, highest and average Liquidity Coverage of the 1 January – 31 December 2022 period.

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	592,62%	19/12/2022	132,81%	01/10/2022	244,51%
FC	1410,89%	20/12/2022	147,72%	03/10/2022	513,92%

Prior Period	Highest	Date	Lowest	Date	Average
TL+FC	377,98%	07/12/2021	179,71%	22/10/2021	244,99%
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 cash outflows and transactions that are complete collateral arising from derivative transactions, taking into account the 24-month averages in accordance, with The Bank implements with the Regulation of Liquidity Coverage Ratio Calculation of Banks published in the Official Regulation Gazette dated 21 March 2014 and numbered 28948.

According to the Regulation on Calculating the Liquidity Coverage Ratio of Banks, the liquidity ratio must be at least 80% for foreign currency and at least 100% for total. The utmost care is taken about compliance with these ratios and there is no discrepancy.

VI. Explanations on Consolidated 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
Assets								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purcheased) and Balances with the Central Bank of Turkey	4.811.293	10.206.234	--	--	--	--	--	15.017.527
Banks	930.753	1.550.359	--	--	--	--	--	2.481.112
Financial Assets at Fair Value Through Profit or Loss(*)	12.684	892.036	290.107	312.448	1.799	6	--	1.509.080
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(***)	--	--	--	--	--	--	2.907.764	2.907.764
Total Assets	**5.759.627**	**24.294.856**	**12.575.057**	**14.544.834**	**11.242.408**	**3.488.175**	**2.282.919**	**74.187.876**
Liabilities								
Bank Deposits	660.705	1.238.850	6.073.119	--	--	--	--	7.972.674
Other Deposits	8.000.621	22.616.282	7.894.848	172.805	201.596	--	--	38.886.152
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	--	1.415.625	--	--	--	--	--	1.415.625
Other Liabilities (*****)	--	323.047	493.433	268.228	93.812	1.873	8.729.132	9.909.525
Total Liabilities	**8.661.326**	**30.646.155**	**17.788.974**	**3.620.722**	**4.739.694**	**1.873**	**8.729.132**	**74.187.876**
Net Liqudity Surplus / (Gap)	**(2.901.699)**	**(6.351.299)**	**(5.213.917)**	**10.924.112**	**6.502.714**	**3.486.302**	**(6.446.213)**	**--**
Net Off-Balance Sheet Position	**--**	706.247	140.225	189.334	2.675	--	--	1.038.481
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
Non-Cash Loans	**--**	**52.100**	**89.701**	**208.585**	**58.351**	**337.224**	**--**	**745.961**
Prior Period								
Total Assets	**3.997.497**	**14.898.879**	**4.923.360**	**8.010.993**	**10.006.885**	**1.615.375**	**1.731.819**	**45.184.808**
Total Liabilities	**6.592.625**	**20.944.929**	**6.743.507**	**1.099.685**	**2.896.967**	**3.835.695**	**3.071.400**	**45.184.808**
Net Liquidity Gap	**(2.595.128)**	**(6.046.050)**	**(1.820.147)**	**6.911.308**	**7.109.918**	**(2.220.320)**	**(1.339.581)**	**--**
Net Off-Balance Sheet Position	**--**	**(147.538)**	**(68.599)**	**(328.423)**	**49.293**	**--**	**--**	**(495.267)**
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
Non-Cash Loans	**--**	**59.468**	**138.155**	**405.373**	**49.009**	**352.172**	**--**	**1.004.177**

(*) Includes derivatives financial assets.
(**) Non-performing loans net-off related expected loss an expected losses for stage 1 and stage 2 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.

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

Contractual maturity analysis of liabilities according to remaining maturities

Current Period	Carrying Values	Gross Nominal Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	7.972.674	8.011.591	660.705	1.239.282	6.111.604	--	--	--
Other Deposits	38.886.152	39.190.028	8.000.603	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	--
Total	**62.862.726**	**65.761.391**	**8.661.308**	**29.006.865**	**17.779.540**	**3.826.368**	**6.487.310**	**--**

Prior Period	Carrying Values	Gross Nominal Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	6.386.358	6.527.881	143.375	2.340.736	4.043.770	--	--	--
Other Deposits	24.614.007	24.724.857	6.449.250	15.850.884	2.093.156	154.249	43.607	133.711
Money Market Funds	712.740	712.796	--	712.796	--	--	--	--
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	209.631	--
Subordinated Debts	3.790.148	5.014.301	--	--	131.472	131.472	1.051.773	3.699.584
Total	**38.673.066**	**40.397.017**	**6.592.625**	**18.984.450**	**6.464.613**	**517.090**	**4.004.944**	**3.833.295**

According to the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks published in the Official Gazette numbered 29450 and dated 19 August 2015, total amount of assets and risk in the consolidated financial statements prepared in accordance with Turkish Accounting Standards is shown below;

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

According to the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks published in the Official Gazette numbered 29450 and dated 19 August 2015, total amount of assets and risk in the consolidated financial statements prepared in accordance with Turkish Accounting Standards is shown below;

		Current Period (**)	Prior Period (***)
1	Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards (*)	125.620.808	66.589.179
2	The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements"	--	--
3	The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	53.574.940	(25.678.516)
4	The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	--	--
5	The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	--	--
6	Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	--	--
7	Total risk amount	**72.045.868**	**40.910.663**

(*) Consolidated financial statements prepared in compliance with Clause 6 of the article 5 of the communiqué "Preparation of Consolidated Financial Statements".

(**) Represents three-months average amounts.

(***) As of 31 December 2021, 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 is used.

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VII. Explanations on Consolidated Leverage Ratio

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 consolidated leverage ratio calculated in accordance with the "Regulation on Assessment and Calculation of Banks' Leverage Level" is 6,96%. 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)	60.838.240	32.845.880
2	(Assets deducted in determining Tier 1 capital)	(1.024.908)	(303.491)
3	Total balance sheet risks (sum of lines 1 and 2)	59.813.332	32.542.389
	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	7.149.513
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	7.149.513
	Capital and total risks		
13	Tier 1 capital	5.461.287	2.558.264
14	Total risks (sum of lines 3, 6, 9 and 12)	72.046.708	40.910.663
	Leverage ratio		
15	Leverage ratio	7,60	6,29

(*)Represents three-month average amounts.

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

VII. Explanations on presentation of financial 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	**49.613.963**	**26.972.317**	**49.933.202**	**26.886.892**
Money market placements	1.636.551	128.720	1.636.551	128.720
Due from banks	2.481.112	1.500.321	2.481.112	1.500.321
Loans measured at amortised 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	**60.808.486**	**38.904.263**	**60.808.486**	**38.904.263**
Interbank deposits	7.972.674	6.386.358	7.972.674	6.386.358
Other deposits	38.886.152	24.614.007	38.886.152	24.614.007
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	1.415.625	943.937	1.415.625	943.937

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

Fair values of loans are calculated discounting future cash flows at current market interest rates for fixed-rate loans. The carrying values of floating-rate loans are deemed as approximation for their fair values.

Fair values of other financial assets and liabilities represent the total acquisition costs and accrued interest.

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	399.413	215.005	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Inco	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	**5.540.323**	**2.292.758**	**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)

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VIII. Explanations on transactions carried out on behalf of customers and fiduciary activities

None.

IX. Explanations on consolidated securitisation positions

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

X. 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.

X. 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 RWA flow statements of credit risk exposures under IRB 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. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables which prepared annually basis have not been presented 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)	38.835.223	21.904.874	3.106.818
2	Of which standardised approach (SA)	38.835.223	21.904.874	3.106.818
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 counterpary cred	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	1.165.718	559.457	93.257
9	Equity investments in funds – mandate-based approac	--	--	--
10	Equity investments in funds – 1250% risk weighting ap	--	--	--
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	--	--	--
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	2.752.974	2.186.422	220.238
20	Of which basic indicator approach	2.752.974	2.186.422	220.238
21	Of which standardised approach	--	--	--
22	Of which advanced measurement approach	--	--	--
23	Amounts below the thresholds for deduction from cap	--	--	--
24	Floor adjustment	--	--	--
25	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	**47.178.655**	**25.918.320**	**3.774.292**

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

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X. 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

	Carrying values of items in accordance with Turkish Accounting Standards					
Current Period	Carrying values in financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	Subject to market risk (**)	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	15.017.527	15.017.527	--	--	--	--
Banks	2.481.112	2.481.112	--	--	--	--
Money Markets Placements	1.636.551	1.636.551	--	--	--	--
Financial Assets Measured at Fair Value Through Profit or Loss	399.413	--	--	--	--	--
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	--
Non-performing Financial Assets	(4.551)	(4.551)	--	--	--	--
Loans (net)	38.428.958	38.428.958	--	--	--	--
Assets Held for Sale and Assets of Discontinued Operations(net)	24.609	24.609	--	--	--	--
Investment in Associates (net)	844.496	844.496	--	--	--	--
Investment in Subsidiaries (net)	117.500	117.500	--	--	--	--
Joint-Ventures (net)	--	--	--	--	--	--
Tangible Assets (net)	692.513	692.513	--	--	--	--
Intangible Assets (net)	243.652	--	--	--	--	243.652
Investment Property (net)	--	--	--	--	--	--
Tax Asset	491.414	491.414	--	--	--	--
Other Assets	496.763	284.852	--	--	--	211.911
Total Assets	**74.187.876**	**72.223.233**	**4.122.395**	**--**	**1.109.667**	**455.563**
		--	--	--	--	--
Liabilities		--	--	--	--	--
Deposits	46.858.826	--	--	--	--	46.858.826
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	141.607	--	--	--	--	141.607
Provisions	1.624.484	--	--	--	--	--
Tax Liability	511.067	--	--	--	--	511.067
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--	--
Subordinated Debts	4.543.945	--	--	--	--	--
Other liabilities	1.904.380	--	--	--	--	1.904.380
Shareholders' Equity	6.581.672	--	--	--	--	6.581.672
Total Liabilities	**74.187.876**	**--**	**1.124.703**	**--**	**2.907.102**	**68.019.447**

(*)It refers to the Bank's unconsolidated financial statements.
(**)The securities are listed according to their gross amounts.
(***)Disclosed based on gross position amounts subject to general market risk and specific risk.

X. 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

	Carrying values of items in accordance with Turkish Accounting Standards					
Prior Period	Carrying values in financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	Subject to market risk (**)	Not subject to capital requirements or subject to deduction from
Assets						
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	12.914.660	12.914.660	--	--	--	--
Banks	1.500.321	1.500.321	--	--	--	--
Money Markets Placements	128.720	128.720	--	--	--	--
Financial Assets Measured at Fair Value Through Profit or Loss	215.005	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)	112.500	112.500	--	--	--	--
Joint-Ventures (net)	--	--	--	--	--	--
Tangible Assets (net)	414.653	414.653	--	--	--	--
Intangible Assets (net)	106.559	--	--	--	--	106.559
Investment Property (net)	--	--	--	--	--	--
Tax Asset	311.171	311.171	--	--	--	--
Other Assets	608.380	487.735	--	--	--	120.645
Total Assets	**45.184.808**	**44.007.661**	**1.325.939**	**--**	**1.271.860**	**227.204**
		--	--	--	--	--
Liabilities						
Deposits	31.000.365	--	--	--	--	31.000.365
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 Assets at Fair Value Through Profit or Loss	--	--	--	--	--	--
Derivative financial liabilities	1.678.396	--	--	--	1.678.396	1.678.396
Factoring Payables	--	--	--	--	--	--
Lease Payables	49.149	--	--	--	--	49.149
Provisions	406.060	--	--	--	--	--
Tax Liability	290.810	--	--	--	--	290.860
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--	--
Subordinated Debts	3.790.148	--	--	--	--	--
Other liabilities	1.722.852	--	--	--	--	1.722.852
Shareholders' Equity	2.364.475	--	--	--	--	2.364.426
Total Liabilities	**45.184.808**	**--**	**712.740**	**--**	**1.678.396**	**40.988.600**

(*)It refers to the Bank's unconsolidated financial statements.
(**)The securities are listed according to their gross amounts.
(***)Disclosed based on gross position amounts subject to general market risk and specific risk.

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X. 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

	Current Period	Total	Credit risk	Subject to the securitization	Counterparty	Market risk(*)
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial Statements"	74.187.876	72.223.233	--	4.122.395	1.109.667
2	Carrying value of liabilities that are subjected to counterparty credit	--	--	--	1.124.703	2.907.102
3	Total Net Amount	74.187.876	72.223.233	--	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**	**83.556.733**	**81.050.921**	**--**	**4.663.564**	**918.125**

(*)According to the "Regulation on the Measurement and Evaluation of Banks' Capital Adequacy" in the risk amounts line, the basis for the market risk arising from the calculated capital obligation for financial instruments and exchange rate risk included in the trading accounts in accordance with the "Regulation on the Measurement and Evaluation of Banks' Capital Adequacy" is taken into consideration.
(**) The amounts of the items included in the capital adequacy calculation included in the master's statement of accounts were included.
(***) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

	Prior Period	Total	Credit risk	Subject to the securitization	Counterparty	Market risk(*)
1	Carrying Value of Assets in Accordance with Communiqué "Preparatic	45.184.808	44.007.661	--	1.325.939	1.271.860
2	Carrying value of liabilities that are subjectedto counterparty credit	--	--	--	712.740	1.678.396
3	Total Net Amount	45.184.808	44.007.661	--	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'sapplications	--	--	--	(18.139.686)	--
9	Differences due to risk mitigation	--	--	--	712.740	--
10	**Risk Amounts**	**70.778.255**	**51.246.297**	**--**	**1.541.064**	**507.688**

(*)According to the "Regulation on the Measurement and Evaluation of Banks' Capital Adequacy" in the risk amounts line, the basis for the market risk arising from the calculated capital obligation for financial instruments and exchange rate risk included in the trading accounts in accordance with the "Regulation on the Measurement and Evaluation of Banks' Capital Adequacy" is the amount is given in the place.
(**) The amounts of the items included in the capital adequacy calculation included in the master's statement of accounts were included.
(***) 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.

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 values 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.

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

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.

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

General Qualitative Information on Credit Risk (continued):

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.

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	--	12.602.768	3.766	12.599.002
3 Off-balance sheet exposures	22.751	10.387.761	19.290	10.391.222
4 Total	688.177	62.044.332	1.313.327	61.419.182

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	--	5.518.582	4.768	5.513.814
3 Off-balance sheet exposures	7.468	9.028.303	9.566	9.026.204
4 Total	**896.181**	**36.661.606**	**905.212**	**36.652.575**

X. 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	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, sector 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
Total	**39.053.803**	**22.114.721**

Sectoral Breakdown:

Loans and Other Receivables	Current Period	Prior Period
Agriculture	**1.394.845**	**449.607**
Farming and Stockbreeding	925.980	359.691
Forestry	468.865	89.916
Fishery	--	--
Manufacturing	**8.740.445**	**4.350.293**
Mining and Quarrying	2.857.387	864.797
Production	5.271.172	2.596.190
Electricity, Gas and Water	611.886	889.306
Construction	**2.029.716**	**1.123.870**
Services	**15.613.289**	**9.085.066**
Wholesale and Retail Trade	8.195.690	2.552.502
Accomodation 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
Others	**11.275.508**	**7.105.885**
Total	**39.053.803**	**22.114.721**

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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X. 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	--	--	--
Total	**665.426**	**498.895**	**104.130**

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	--	--	--
Total	**888.713**	**382.736**	**269.476**

Current Period	Non-performing loans	Specific Provisions	Write-offs
Agriculture	**26.467**	**19.997**	**712**
Farming and Stockbreeding	19.614	14.565	703
Forestry	6.853	5.432	9
Fishery	--	--	--
Manufacturing	**91.812**	**76.608**	**84**
Mining and Quarrying	40.172	36.253	19
Production	46.143	35.206	62
Electricity, Gas and Water	5.497	5.149	3
Construction	**161.495**	**98.015**	**1.048**
Services	**205.357**	**173.960**	**1.858**
Wholesale and Retail Trade	95.367	73.614	895
Accomodation 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
Others	**180.295**	**130.315**	**100.428**
Total	**665.426**	**498.895**	**104.130**

Prior Period	Non-performing loans	Specific Provisions	Write-offs
Agriculture	**31.828**	**22.219**	**10.198**
Farming and Stockbreeding	26.330	18.154	7.940
Forestry	5.498	4.065	2.258
Fishery	--	--	--
Manufacturing	**66.876**	**51.553**	**35.450**
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
Construction	**448.364**	**118.952**	**27.530**
Services	**235.429**	**128.128**	**130.664**
Wholesale and Retail Trade	63.362	50.459	60.082
Accomodation 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	2.788
Self-Employment Services	617	610	1.160
Educational Services	2.318	1.424	35.260
Health and Social Services	9.890	7.815	9.405
Others	**106.216**	**61.884**	**65.634**
Total	**888.713**	**382.736**	**269.476**

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

Aging analysis:

Days past due	Current Period Amount	Prior Period 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
Total	**39.719.229**	**23.003.434**

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 provisoned (*)	--	2.896.777	--
Total	**--**	**2.896.777**	**10.298**

(*) 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 provisoned (*)	--	2.929.219	--
Total	**--**	**2.929.219**	**4.363**

(*) 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	12.599.002	--	--	--	--	--	--
3 Total	**48.797.211**	**1.465.877**	**1.459.541**	**6.336**	**6.336**	-	-
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	5.513.814	--	--	--	--	--	--
3 Total	**24.672.366**	**1.462.995**	**1.445.712**	**17.283**	**17.283**	**-**	**-**
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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X. 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	
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to sovereigns and their central banks	19.580.338	--	19.586.674	--	--	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	5.000.918	23.345	5.000.918	11.530	1.059.107	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	1.136.369	6.285	1.135.843	3.999	644.611	56,6%
11 Past-due items	149.509	2.618	149.509	2.618	125.262	82,3%
12 Exposures in high-risk categories	4.321.488	7.278	4.321.488	3.639	6.895.391	159,4%
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	0,0%
14 Securitization positions	171.714	--	171.714	--	34.343	20,0%
15 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	0,0%
16 Exposures in the form of coll. investment undertakings(*)	1.165.718	--	1.165.718	--	1.165.718	100,0%
17 Other exposures	2.809.759	4.491.985	2.809.759	98.618	1.366.330	47,0%
18 Equity share investments	14.496	--	14.496	--	14.496	100,0%
19 Total	**69.380.888**	**8.827.689**	**69.380.888**	**1.203.863**	**42.768.256**	60,6%

(*)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	
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to sovereigns and their central banks	11.739.928	--	11.757.211	--	--	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	2.882.905	6.306	2.882.905	3.128	788.236	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(*)	559.457	--	559.457	--	559.457	100,0%
16 Other exposures	1.869.493	4.603.996	1.869.493	101.998	1.011.811	51,3%
17 Equity share investments	11.444	--	11.444	--	11.444	100,0%
18 Total	**38.017.046**	**7.238.636**	**38.017.046**	**965.077**	**23.079.469**	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.

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

Exposures by asset classes and risk weights:

(Current Period)

Risk Classes/ Risk Weight	0%	10%	20%	35%(*)	50%	50%(*)	75%	100%	150%	200%	2%	500%	Total Credit Risk (**)
1 Exposures to sovereigns and their central banks	19.586.674	--	--	--	--	--	--	--	--	--	--	--	19.586.674
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	--	3.584.504	--	681.558	--	--	1.252	--	--	8.732	--	5.012.448
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 Short term exposures to banks, brokerage houses and corp.	--	--	171.714	--	--	--	--	--	--	--	--	--	171.714
15 Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	--	--	--	--	--	--
16 Equity share investments	--	--	--	--	--	--	--	1.165.718	--	--	--	--	1.165.718
17 Other Exposures	--	--	--	--	--	--	--	14.496	--	--	--	--	14.496
18 Other Exposures	1.542.047	--	--	--	--	--	--	1.366.330	--	--	--	--	2.908.377
19 Total	22.551.045	--	3.756.218	18.627	839.883	990.462	15.642.172	22.459.248	3.503.785	808.102	8.732	6.477	70.584.751

(*) Collateralized by real estate mortgages
(**) After CCF and CRM
(***) 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)

Risk Classes/ Risk Weight	0%	10%	20%	35%(*)	50%	50%(*)	75%	100%	150%	200%	Total Credit Risk (**)
1 Exposures to sovereigns and their central banks	11.757.211	--	--	--	--	--	--	--	--	--	11.757.211
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	--	1.504.978	--	962.381	--	--	6.050	--	--	2.886.033
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	--	--	--	--	--	--	--	559.457	--	--	559.457
16 Equity share investments	--	--	--	--	--	--	--	11.444	--	--	11.444
17 Other Exposures	959.680	--	--	--	--	--	--	1.011.811	--	--	1.971.491
18 Total	13.252.626	--	1.504.978	29.720	1.187.350	764.959	7.062.607	12.549.723	2.630.160	--	38.982.123

(*) Collateralized by real estate mortgages
(**) After CCF and CRM
(***) 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.
(****) 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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X. Explanations on risk management objectives and policies (continued)

Information on consolidated 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 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 * Current Period	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Receivables from Central Governments	19.586.674	--	--	6.336
Receivables, Coins, Purchased Cheques from Regional or	73.361	--	--	--
Local Governments and CBT Banks	--	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	--	--	--	--
Receivables from Banks and Brokerage Houses	5.012.448	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	--	--	--	--
Short-term Receivables from Banks,	171.714	--	--	--
Investments Similar to Collective Investment Funds	1.165.718	--	--	--
Equity investments	14.496	--	--	--
Other Receivables	2.908.377	--	--	--
Total	**70.584.751**	**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.
(***) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

Exposure Categories * Prior Dönem	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Receivables from Central Governments	11.757.211	--	--	17.283
Receivables, Coins, Purchased Cheques from Regional or	122.086	--	--	--
Local Governments and CBT Banks	--	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	--	--	--	--
Receivables from Banks and Brokerage Houses	2.886.033	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	559.457	--	--	--
Investments Similar to Collective Investment Funds	11.444	--	--	--
Other Receivables	1.971.491	--	--	--
Total	**38.982.123**	**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
(***) 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.

X. 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	**Total**	**603.856**	**386.549**	**--**	**1**	**4.663.564**	**2.732.970**

(*) 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	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	**Total**	**703.298**	**215.125**	**--**	**1**	**1.541.064**	**615.138**

(*) 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 ot	4.654.832	736.891	918.423	144.593
4	**Total subject to the CVA capital obligation**	4.654.832	736.891	918.423	144.593

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

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X. 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 entities	--	--	--	--	--	--	--	--	--	--
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	--	--	--	--	--	--	--	--	--	--
Othr Exposures	--	--	--	--	--	--	--	--	--	--
Other Assets*	--	--	--	--	--	--	--	--	--	--
Total	**1.310.371**	**--**	**467.437**	**463.774**	**65.936**	**2.326.004**	**21.310**	**8.732**	**--**	**4.663.564**

* 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%	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 entities	--	--	--	--	--	--	--	--	--
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	--	--	--	--	--	--	--	--	--
Othr Exposures	--	--	--	--	--	--	--	--	--
Other Assets	--	--	--	--	--	--	--	--	--
Total	**420.646**	**--**	**271.477**	**566.685**	**19.024**	**263.232**	**--**	**--**	**1.541.064**

* 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.

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

Collaterals for CCR

	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
Current Period	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**		
Cash-domestic 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	--	--	--	--	--	--
Total	**1.682.713**	**--**	**166.879**	**--**	**1.124.703**	**--**

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

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

* 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 consolidated market risk

Whether the Group 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 Group 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 and 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 also applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations. 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.

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".

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

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	288.588	115.850
4	Commodity risk	234.850	49.138
	Options	--	--
5	Simplified approach	--	--
6	Delta-plus method	47.750	6.137
7	Scenario approach	--	--
8	Securitisation	--	--
9	**Total**	**918.125**	**507.688**

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	--	--	--	--	--

(*) 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.

X. 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.

		Risk Weights						
Current Period	Value	**0%**	**20%**	**50%**	**75%**	**100%**	**150%**	Total RWA
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.

		Risk Weights						
Prior Period	Value	**0%**	**20%**	**50%**	**75%**	**100%**	**150%**	Total RWA
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 consolidated 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 an 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 260.653 (31 December 2021: TL 174.914) represents also the minimum capital requirement to recover the risk amount.

Current Period	**31/12/2019**	**31/12/2020**	**31/12/2021**	**Total/ No. of Years of Positive Gross Income**	**Rate (%)**	**Total**
Gross Income	1.157.197	1.302.892	2.752.974	1.737.688	15	**260.653**
Value at Operational Risk (Total*12,5)						**3.258.164**

Prior Period	**31/12/2018**	**31/12/2019**	**31/12/2020**	**Total/ No. of Years of Positive Gross Income**	**Rate (%)**	**Total**
Gross Income	1.038.186	1.157.197	1.302.892	1.166.092	15	**174.914**
Value at Operational Risk (Total*12,5)						**2.186.422**

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SECTION FIVE

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosure related to the consolidated 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	--	--	--	--
Total	**1.096.323**	**13.921.204**	**936.627**	**11.978.033**

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
Total	**925.454**	**12.070.692**	**854.653**	**11.091.719**

According to the communiqué No: 2005/1 on "Reserve Deposits" of CBRT, banks operating in Turkey are required to keep reserve deposit at the rates varying from 3%-8% (31 December 2021: 1%-6%) for TL liabilities and at the rates varying from 5%-23% (31 December 2021: 5%-21%) for FC liabilities, especially USD and EUR, depending on maturities of liabilities.

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	--
Total	**107**	**--**	**94**	**--**

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 399.306 (31 December 2021: TL 214.911).

When fair value hedge accounting terminated, the fair value amount on the hedged financial instruments are reflected into the statement of profit or loss by amortization during the life time of the hedged financial instruments.

Loans recognised at fair value through profit or loss

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

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

None.

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

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

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	--	--	--	--
Total	**1.085.329**	**24.338**	**1.268.454**	**3.406**

3. Information on Banks

3.1 Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	256.396	1.521.325	397.813	658.294
Foreign	2.926	700.465	557	443.657
Foreign head-offices and branches	--	--	--	--
Total	**259.322**	**2.221.790**	**398.370**	**1.101.951**

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	--
Total	**532.760**	**170.631**	**397.109**	**47.105**

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	--	--	--	--
Total	**1.474.786**	**1.391.824**	**196.700**	**944.749**

As of 31 December 2022 the amount of financial assets valued 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).

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**
Total	**5.140.910**	**2.077.753**

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

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	
	TL	FC	TL	FC
Direct Loans to Shareholders	--	--	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
Indirect Loans to Shareholders	**--**	**--**	**--**	**--**
Loans to Employees	**11.478**	**--**	**6.805**	**--**
Total	**11.478**	**--**	**6.805**	**--**

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
Loans	**35.805.335**	**351.691**	**2.896.777**	**--**
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	**--**	**--**	**--**	**--**
Total (*)	**35.805.335**	**351.691**	**2.896.777**	**--**

(*) 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
Total	**340.842**	**450.534**	**159.887**	**348.256**

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

5.2 Information on Standard Loans, Loans Under Close Monitoring and Loans Under Close Monitoring That Are Restructured (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
Total	**28.796**	**161.814**	**190.610**

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
Total	**22.666**	**112.244**	**134.910**

Maturity analysis of cash loans

Not prepared in compliance with the Article 25 of the communique "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*
Short-term Loans and Other Receivables	**27.455.414**	**218.135**	**13.816**
Loans	27.455.414	218.135	13.816
Specialized Loans			
Other Loans			
Medium and Long-term Loans and Other Receivables	**8.349.921**	**133.555**	**2.882.962**
Loans	8.349.921	133.555	2.882.962
Specialized Loans			
Other Loans			

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

5.3 Information on consumer loans, individual 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**

I. Explanations and disclosure related to the consolidated 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 Entities)	**216.103**	**--**	**216.103**
Overdraft Loans-FC (Legal Entities)	**--**	**--**	**--**
Total	**1.969.205**	**963.778**	**2.932.983**

5.5 Allocations 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 Allocation 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.

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).

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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
Total	**498.895**	**382.736**

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

5.9.2 Movement on non-performing loans

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Balances at the End of Prior Period	**61.679**	**524.861**	**302.173**
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	--	--	--
Balances at End of the Period	**132.120**	**98.733**	**434.573**
Provisions (-)	**93.007**	**70.418**	**335.470**
Net Balance on Balance Sheet	**39.113**	**28.315**	**99.103**

(*) 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.

I. Explanations and disclosure related to the consolidated 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)
Movements of Stage 1 and Stage 2			
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)	--
Movements of Stage 3			
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 Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period			
Balance as of Period End	--	--	224.039
Provisions (-)	--	--	173.182
Net Balance on Balance Sheet	**--**	**--**	**50.857**
Prior Period			
Balance as of Period End	1.935	457.522	86.790
Provisions (-)	1.623	167.758	28.102
Net Balance on Balance Sheet	**312**	**289.764**	**58.688**

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

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

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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 policy of 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.

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**

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 (-)	--	--
Total	**7.067.342**	**3.230.721**

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

7. Information on associates

As of 31 December 2022, the Bank's associates in the amount of TL 844.496 with a total cost of TL 841.588 is available. (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.

	Current Period	Prior Period
Banks	--	--
Insurance Companies	844.496	--
Factoring Companies	--	--
Leasing Companies	--	--
Finance Companies	--	--
Other Subsidiaries	--	--

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Associates listed on the stock exchange within the scope of consolidation

	Current Period	Prior Period
Valued by equity method	844.496	--
Valuation at fair value	--	--

Associates listed on the stock exchange within the scope of consolidation

None.

8. Information on consolidated 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 subsidiary 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.	İstanbul	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 subsidiary as of 31 December 2022 (31 December 2021: TL 5.445).

The Extraordinary General Assembly with the agenda of increasing the share capital and Registered capital ceiling amount of 10.000 TL without change, the duration of 2021-2025 to be valid for years 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.	İstanbul	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.

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

Information on the capital adequacy status of associates of significant size

Current Period	Fiba Portföy Yönetimi A.Ş.
Core Capital	**68.813**
Paid-in Capital	8.000
Inflation Adjustments to Paid-in Capital	--
Share Premium	--
Reserves	--
Current Period's Profit and Prior Periods' Profit	60.813
Current Period's Losses and Prior Periods' Losses	--
Leasehold Improvements on Operational Leases (-)	--
Intangible Assets (-)	--
Goodwill (Net) (-)	--
Supplementary Capital	--
Capital	**68.813**
Deductions From Capital	--
Net Available Equity	**68.813**

The Parent Bank does not have any capital needs for its subsidiary included in the calculation of its consolidated capital adequacy standard ratio.

Movement table on consolidated financial associates

	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	--	--
Reversal of Impairment Loses/ Impairment Losses (-)	--	--
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 %99 participation of Fibabanka A.Ş.

Sectoral information on consolidated financial associates 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 associates 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 associates

None.

9. Information on joint ventures

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

10. Information on lease receivables

The Group 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).

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

12. Information on tangible assets

Current Period	Land and Buildings	Vehicles	Property Under Contruction(**)	Other Tangible Assets (*)	Total
Cost					
Opening Balance, 1 January 2022	296.042	29.930	121.436	137.965	585.373
Additions	43.203	13.869	90.474	159.303	306.849
Disposals	--	--	--	3.788	3.788
Closing Balance, 31 December 2022	**339.245**	**43.799**	**211.910**	**293.480**	**888.434**
Accumulated Depreciation					
Opening Balance, 1 January 2022	(67.657)	(7.961)	--	(95.102)	(170.720)
Depreciation	(25.363)	(10.388)	--	(31.563)	(67.314)
Disposals	--	--	--	42.113	42.113
Closing Balance, 31 December 2022	**(93.020)**	**(18.349)**	**--**	**(84.552)**	**(195.921)**
Net Book Value, 31 December 2022	**246.225**	**25.450**	**211.910**	**208.928**	**692.513**

(*) Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.
(**) The investment item that is being made includes the total capitalized project cost following the completion of the projects.

Prior Period	Land and Buildings	Vehicles	Property Under Contruction(**)	Other Tangible Assets (*)	Total
Cost					
Opening Balance, 1 January 2021	290.917	19.539	62.911	117.516	490.883
Additions	58	10.391	58.525	24.242	93.216
Disposals	(5.067)	--	--	3.793	(1.274)
Closing Balance, 31 December 2021	**296.042**	**29.930**	**121.436**	**137.965**	**585.373**
Accumulated Depreciation					
Opening Balance, 1 January 2021	(51.717)	(3.166)	--	(75.865)	(130.748)
Depreciation	(15.940)	(4.795)	--	(21.287)	(42.022)
Disposals	--	--	--	2.050	2.050
Closing Balance, 31 December 2021	**(67.657)**	**(7.961)**	**--**	**(95.102)**	**(170.720)**
Net Book Value, 31 December 2021	**228.385**	**21.969**	**121.436**	**42.862**	**414.653**

(*) Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.
(**) The investment item that is being made 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 statement individually

None.

I. Explanations and disclosure related to the consolidated 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 Group'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 for the current period

	Current Period	Prior Period
Cost		
Opening Balance, 1 January	236.961	185.483
Additions	192.921	52.244
Disposal	--	766
Closing Balance, 31 December	**429.882**	**236.961**
Accumulated Depreciation		
Opening Balance, 1 January	(130.402)	(94.456)
Amortisation Expense for Current Period (-)	(55.828)	(35.946)
Disposal	--	--
Closing Balance, 31 December	**(186.230)**	**(130.402)**
Net Book Value, 31 December	**243.652**	**106.559**

***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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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 490.914 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2021: TL 309.094 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/ (Liability)
Financial Assets Valuation	439.020	109.755
Unearned Commission Income/Prepaid Commission Expenses	113.049	28.262
Retirement Pay and Unused Vacation Provision	233.882	58.470
Tangible Assets Base Differences	(208.394)	(52.098)
Provisions	2.130.620	532.655
Other	(744.510)	(186.130)
Deferred Tax Asset/(Liability)	**1.963.667**	**490.914**

	Prior Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	516.556	101.634
Unearned Commission Income/Prepaid	113.656	24.783
Retirement Pay and Unused Vacation Provision	51.942	12.258
Tangible Assets Base Differences	(37.872)	(7.575)
Provisions	858.646	187.676
Other	10.944	(9.682)
Deferred Tax Asset/(Liability)	**1.513.872**	**309.094**

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	309.094	191.840
Deferred Tax Income / (Expense)	400.065	141.263
Deferred Tax Recognized Directly Under Equity	(218.245)	(24.009)
Deferred Tax Asset/(Liability) , Period End Balance	**490.914**	**309.094**

I. Explanations and disclosure related to the consolidated 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 Group 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 94.343 (31 December 2021: TL 41.196).

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II. Explanations and disclosures related to consolidated 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	**1.380.847**	**--**	**1.902.199**	**2.990.905**	**93.110**	**34**	**48.087**	**--**	**6.415.182**
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	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total	**8.638.049**	**--**	**15.419.140**	**19.758.824**	**2.619.945**	**47.449**	**375.419**	**--**	**46.858.826**

(*) 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	**633.668**	**--**	**138.081**	**366.682**	**1.021**	**14.724**	**125**	**--**	**1.154.301**
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**	**--**	**107.920**	**5.254.043**	**881.168**	**--**	**--**	**--**	**6.386.358**
Central Bank of Turkey	--	--	151	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	--	--	--	--	--	--	--	--	--
Total	**6.592.476**	**--**	**13.832.670**	**9.004.671**	**1.095.928**	**175.055**	**299.564**	**--**	**31.000.365**

(*) 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.

II. Explanations and disclosures related to consolidated 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	--	--	--	--
Total	**8.855.154**	**6.215.163**	**20.771.917**	**13.657.756**

(*) 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 Deposits of Chairman and Members of the Board of Directors and their Close Families	6.773	8.595
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	--	--	--	--
Total	**538.129**	**23.811**	**1.674.998**	**3.398**

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
Total	**--**	**3.179.212**	**15.646**	**507.931**

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II. Explanations and disclosures related to consolidated 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
Total	**--**	**3.179.212**	**15.646**	**507.931**

3.3 Additional explanation related to the concentrations of the Group's major liabilities

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

4. Information related with issued instruments

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	56.663	55.912	40.021
Between 1-4 Years	117.021	81.630	33.097	8.631
More than 4 Years	8.183	3.314	2.702	497
Total	**186.436**	**141.607**	**91.711**	**49.149**

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: TL 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 loss on the foreign currency indexed loans. (31 December 2021: None).

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

8.2 The specific provisions provided for unindemnified non cash loans

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 subsidiary 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 234.316 (31 December 2021: TL 51.975) comprise of TL 69.065 reserve for employee termination benefits (31 December 2021: TL 24.307), TL 15.228 unused vacation pay liability (31 December 2021: TL 6.689) and TL 150.023 personnel bonus accrual (31 December 2021: TL 20.978).

The table below shows the predicted total net cost from employee termination benefits.

	Current Period	Prior Period
Balance at the Beginning	24.307	19.874
Change in the period	99.485	12.459
Actuarial Loss/Profit Transferred to Equity	(45.745)	(3.036)
Paid in the Period	(8.982)	(4.990)
Balance at the End	**69.065**	**24.307**

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 Group's current tax liability is TL 511.067 (31 December 2021: TL 290.810).

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

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)	41.778	20.744
Taxes on foreign exchange transactions	6.065	28.193
Value added taxes payable	8.268	3.707
Income tax ceased from wages	31.340	13.088
Other	16.008	1.818
Total	**471.639**	**282.048**

9.1.3 Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	16.732	3.701
Social Security Premiums- Employer	19.232	4.286
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	1.165	258
Unemployment Insurance- Employer	2.299	517
Other	--	--
Total	**39.428**	**8.762**

9.2 *Explanations on deferred tax liabilities*

None (31 December 2021: None).

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

10. Information on liabilities regarding assets held for sale and discounted operations

None (31 December 2021: None).

11. Explanations on subordinated loans

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.

	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
Total	**100.000**	**4.543.945**	**100.000**	**3.790.148**

(*) 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 Group'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 Group's equity:

None.

12.7 Information on privileges given to stocks representing the capital

The Group does not have any preferred shares.

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II. Explanations and disclosures related to consolidated 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 Priviliged 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	--	--	--	--
Total	**1.245.199**	**(6.718)**	**129.399**	**(23.035)**

12.10 Information on other capital reserves

The Parent 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 is under "Other Capital Reserves" account and interest expense is under "Prior Periods Profit or Losses" 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	--	--

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

13. Information on minority shares:

	Current Period	Prior Period
Opening Balance	244	160
Minority Shares in Net Profit of Subsidiaries	459	84
Dividend Payment in Prior Period	--	--
Increase /(Decrease) in Minority Shares due to Sale	--	--
Others	--	--
Period-end Balance	**703**	**244**

III. Explanations and disclosures related to consolidated off-balance sheet contingencies and commitments

1. Information on consolidated 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
Total	**9.664.551**	**8.054.129**

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
Total	**745.961**	**1.004.177**

The Bank has set aside TL 15.642 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
Total	**641.662**	**681.903**

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
Total	**745.961**	**1.004.177**

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III. Explanations and disclosures related to consolidated off-balance sheet contingencies and commitments (continued)

3. Information on sectorial risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	**3.649**	**0,7%**	**--**	**0,0%**	**4.015**	**0,9%**	**63.946**	**11,7%**
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%
Manufacturing	**114.853**	**23,6%**	**54.423**	**21,0%**	**132.769**	**29,1%**	**223.186**	**40,8%**
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%
Construction	**107.153**	**22,0%**	**56.955**	**22,0%**	**114.846**	**25,2%**	**51.876**	**9,5%**
Services	**173.648**	**35,7%**	**135.229**	**52,2%**	**139.209**	**30,5%**	**177.295**	**32,4%**
Wholesale and retail trade	112.524	23,1%	80.784	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-employement 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%
Other	**87.567**	**18,0%**	**12.484**	**4,8%**	**65.725**	**14,4%**	**31.310**	**5,7%**
Total	**486.870**	**100,0%**	**259.091**	**100,0%**	**456.564**	**100,0%**	**547.613**	**100,0%**

4. Information on the first and second group of non-cash loans

	Stage I		Stage II	
Current Period	**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	--	--	--	--
Non-Cash Loans	**432.223**	**259.091**	**54.647**	**--**

	Stage I		Stage II	
Prior Period	**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	--	--	--	--
Non-Cash Loans	**398.904**	**542.403**	**57.660**	**5.210**

III. Explanations and disclosures related to consolidated off-balance sheet contingencies and commitments (continued)

5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	**117.786.955**	**53.187.119**
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
Interest Related Derivative Transactions (II)	**1.747.146**	**4.895.510**
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
A. Total Derivative Transactions Held for Trading (I+II+III))	**121.906.903**	**58.497.661**
Types of hedging transactions		
Fair Value Hedges	--	--
Cash Flow Hedges	--	--
Net Investment Hedges	--	--
B. Total Derivative Transactions Held for Hedging Purposes	**--**	**--**
Total Derivative Transactions (A+B)	**121.906.903**	**58.497.661**

6. Credit derivatives and risk exposures on credit derivatives

None.

7. Explanations on contingent liabilities and assets

The Group provided provision of TL 50.760 for the legal cases pending against the Group where the cash outflows are probable (31 December 2021: TL 6.015).

8. Custodian and intermediary services

The Group 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	--	--	--	--
Total (*)	**5.254.605**	**382.979**	**2.691.891**	**414.513**

(*) 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	--	--	--	--
Total	**10.035**	**14.141**	**20.017**	**279**

1.3 *Interest received from marketable securities*

	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 Income	170.980	125.967	8.134	55.027
Financial Assets Measured at Amortized Cost	220.018	235.036	22.253	105.404
Total	**391.029**	**361.146**	**33.031**	**160.543**

1.4 *Information on interest income received from associates and subsidiaries*

Total interest income received from subsidiaries is TL 13.800 (31 December 2021: TL 13.936).

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
Banks	**833**	**21.739**	**3.037**	**13.925**
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	--	--	--	--
Other Institutions	--	349.464	--	197.812
Total	**833**	**371.203**	**3.037**	**211.737**

(*)Includes fees and commission expenses on borrowings, as well.

2.2 *Information on interest expenses to associates and subsidiaries*

Total interest expense given to subsidiaries is TL 8.179 (1 January – 31 December 2021: TL 12.350).

2.3 *Information on interest expenses to marketable securities*

	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: Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	Cumulative Deposits	Total
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	149.859	6.828	13.444	37	--	**323.800**
Other	--	2.247	20.183	15	280	--	--	**22.725**
7 Days Notice	--	--	--	--	--	--	--	**--**
Total	**--**	**2.008.724**	**1.388.751**	**31.082**	**36.554**	**11.242**	**--**	**3.476.353**
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**	**1.449.856**	**34.538**	**37.229**	**18.245**	**--**	**3.592.311**

3. Information on dividend income

In the current period, the Group has dividend income from subsidiaries in the amount of TL 200.000 (31 December 2021: TL 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	**13.706.131**	**7.001.847**
Gains on Capital Market Operations	107.308	57.253
Gains on Derivative Financial Instruments	2.983.347	1.934.648
Foreign Exchange Gains	10.615.476	5.009.946
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)	**2.957.062**	**164.372**

5. Information on other operating income

Other operating income mainly consists of provision reversals, 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 legal cases provision of TL 43.806 (Prior period: TL 186.000 of possible losses provision).

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	586	1.429
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	27.921	19.237
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	55.880	35.998
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	--	--
Impairment of Assets Held for Sale	39.323	22.693
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	393.291	194.361
Operational leases expenses related with TFRS 16 exceptions	699	1.287
Repair and Maintenance Expenses	4.704	2.373
Advertisement Expenses	109.315	24.356
Other Expenses	278.573	166.345
Losses on Sale of Assets	290.070	2.985
Other	388.414	149.669
Total	**1.195.485**	**426.372**

(*) 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 it includes consultancy fees and personnel bonus/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 Group's profit/loss before tax is from its continued operations. The Group has no discontinued operations.

	Current Period	Prior Period
Interest Income	6.522.214	3.411.084
Interest Expenses (-)	4.292.618	2.367.790
Net Fee and Commission income	650.621	275.682
Dividend income	200.000	197.009
Trading Profit/Loss (Net)	2.957.062	164.372
Other Operating Income(*)	1.113.038	327.059
Provision for Impairment in Loans and Other Receivables	626.607	513.460
Other Provision Expenses (-)	1.026.806	187.587
Personnel Expenses (-)	842.494	397.397
Other Operating Expenses (-)	1.195.485	426.372
Profit/(loss) Before Tax	**3.458.925**	**482.600**

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 Group provided current tax expense of TL 1.141.697 in the statement of profit or loss for the 12 months period (1 January – 31 December 2021: TL 205.517 expense).

For the period ended 31 December 2022, the Group provided the deferred tax expense of TL 400.065 in the statement of profit or loss for 12 months period (1 January – 31 December 2021: TL 141.263 net deferred tax expense).

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10. Information on profit/loss from continued and discontinued operations

	Current Period	Prior Period
Profit/(Loss) Before Tax from Continuing Operations	3.462.221	482.600
Tax Benefit/(Charge) on Continuing Operations	(741.632)	(64.254)
Net Profit/(Loss) from Continuing Operations	**2.720.589**	**418.346**

IV. Explanations and disclosures related to the statement of profit or loss (continued)

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 Group 's performance for the period

In the current and prior periods, the Group'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 Group with respect to the financial statement items do not have a material effect on profit/loss.

11.3 Consolidated profit in current period from minority shares

Consolidated profit in current period from minority shares is TL 459 (1 January – 31 December 2021: TL 84).

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 credit limit allocation commissions, valuation commissions, insurance commissions, contracted merchant commissions, credit card commissions and account maintenance fees.

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.

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 Parent Bank was decided to be distributed as follows:

Profit or Loss	**409.967**
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 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.

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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 on marketable 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	10.544.077	1.788.538
Money Market Placements	128.720	412.231
Total Cash and Cash Equivalent Assets	**11.641.085**	**2.537.372**

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	11.675.717	10.544.077
Money Market Placements	1.636.551	128.720
Total Cash and Cash Equivalent Assets	**15.333.649**	**11.641.085**

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

"Other items" amounting to TL (857.815) in "operating profit before changes in operating assets and liabilities" consists of other operating expenses and realized derivative losses (31 December 2021: TL 93.032).

"Net increase/decrease in other liabilities" amounting to TL 3.949.530 in "Changes in operating assets and liabilities" consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2021: TL 1.348.029).

"Net increase/decrease in other assets" amounting to TL 133.569 in "Changes in operating assets and liabilities" consists of changes in sundry receivables, other receivables (31 December 2021: TL (335.620)).

"Other" amounting to TL 187.298 in "Net cash flows from investment activities" consists of purchases of intangible assets (31 December 2021: TL (93.195)).

"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 3.553.221 the current period (1 January- 31 December 2021: TL 1.544.713).

VII. Explanations and disclosures on the risk group of the Parent Bank

I. Information on the volume of transactions with the Group's risk group, lending and deposits outstanding at period end and income and expenses in the current period

1.1 The volume of trasnsactions 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 Entities 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 Entities 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

Bankanın Dahil Olduğu Risk Grubu*	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
Deposits						
Balance at the Beginning of the Period	224.366	2.544	2.204	18.479	399.459	512.953
Balance at the End of the Period	250.214	224.366	1.249.692	2.204	1.150.446	399.459
Deposit Interest Expense	8.712	12.350	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 procured from real and legal persons included in the Bank's. (31 December 2021: None).

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VII. Explanations and disclosures on the risk group of the Parent Bank (continued)

1.4 Information on forward and option agreements and similar agreements made with Bank's risk group

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.

2. Information on transactions with the Bank's risk group

2.1 Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties

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.

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

As of 31 December 2022, the ratio of the loans and other receivables to the risk group to total loans and receivables is 2,33% (31 December 2021: 2,10%), 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 52.761 (1 January – 31 December 2021: TL 28.235).

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

None.

2.4 Transactions accounted for under equity method

None.

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

None.

VIII. Explanations on the Group's domestic, foreign, off-shore branches or investments in associates and foreign representative offices

1. Information related to the Group's domestic and foreign branch and representatives

	Number	Number of Employees	
Domestic Branch	44	1.994	
			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-

Domestic Consolidated Subsidiaries

	Number of Employees	Assets	Legal Capital
Fiba Portföy Yönetimi A.Ş.	15	84.157	8.000

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	834
Tax Consultancy Fee	--	--
Other Assurance Services Fee	--	--
Other Fee For Non-Audit Services	--	--
Total	**4.889**	**834**

(*) Excluding VAT

X. Events after 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 Parent Bank

Summary information of Parent 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-
Viability Rating	Unrated
Support Rating	A (tur)-
Senior Unsecured Debt Rating	CCC-
Subordinated Debt Rating	Negative

SECTION SEVEN

DISCLOSURES ON AUDIT REPORT

I. Disclosures on audit report

The consolidated 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.

CONTACT AND BRANCHES

No	Branch Code	Branch Name	Province	District	Branch Address	Telephone	Fax
1	62	Adana	Adana	Seyhan	Cemalpaşa Mah. Atatürk Cad. No: 52/A	(322) 459 97 11	(322) 459 79 93
2	30	Akdeniz	Antalya	Muratpaşa	Mehmetçik Mah. Aspendos Bulvarı No: 81/D	(242) 314 10 21	(242) 322 24 93
3	34	Alanya	Antalya	Alanya	Saray Mah. Yunusemre Cad. No: 52/A	(242) 511 50 50	(242) 511 69 95
4	87	Ankara Kurumsal	Ankara	Çankaya	Koç Kuleleri Söğütözü Mah. Söğütözü Cad. No: 2 A Blok K: 27 Ofis No: 78-79	(312) 284 47 72	(312) 287 64 41
5	94	Atatürk OSB	İstanbul	Başakşehir	İkitelli OSB Şubesi Atatürk Bulvarı Haseyad 1. Kısım Göksu İş Merkezi No: 56/D	(212) 549 65 98	(212) 549 32 84
6	42	Bakırköy	İstanbul	Bakırköy	İncirli Cad. Aydın İşhanı No: 90	(212) 571 17 01	(212) 571 17 15
7	70	Balgat	Ankara	Çankaya	Oğuzlar Mah. Ceyhun Atuf Kansu Cad. No: 50/A Balgat	(312) 220 16 77	(312) 220 16 78
8	14	Beşiktaş Çarşı	İstanbul	Beşiktaş	Barbaros Bulvarı No:23/A	(212) 363 82 02	(212) 299 36 02
9	85	Beylikdüzü	İstanbul	Büyükçekmece	Cumhuriyet Mah. D100 Karayolu Cad. No:374/26-27	(212) 873 68 85	(212) 872 98 87
10	40	Bodrum	Muğla	Bodrum	Hasan Reşat Öncü Cad. No: 20	(252) 313 16 80	(252) 313 16 90
11	58	Bornova	İzmir	Bornova	Kazım Dirik Mah. Mustafa Kemal Cad. No:117/A	(232) 343 33 04	(232) 343 66 62
12	76	Bursa	Bursa	Nilüfer	Odunluk Mah. Akpınar Cad. R Plaza No:21/E	(224) 441 44 08	(224) 441 44 28
13	18	Caddebostan	İstanbul	Kadıköy	Bağdat Cad. No:300/A Caddebostan	(216) 569 71 20	(216) 372 69 34
14	67	Çallı	Antalya	Kepez	Ulus Mah. Namık Kemal Bulvarı No:6/5 Çetin İş Merkezi Kepez	(242) 344 54 20	(242) 344 54 21
15	63	Çorlu	Tekirdağ	Çorlu	Cemaliye Mah. Eski Hükümet Cad. No:6/2B	(282) 653 70 20	(282) 652 19 69
16	47	Denizli	Denizli	Merkezefendi	Saraylar Mah. Enverpaşa Cad. No:15	(258) 264 44 21	(258) 264 44 02
17	21	Eminönü	İstanbul	Fatih	Hobyar Mah. Ankara Cad. No:39	(212) 455 81 12	(212) 526 20 30
18	86	Eskişehir	Eskişehir	Odunpazarı	İstiklal Mah. Şair Fuzuli Cad. No:12/A	(222) 220 85 81	(222) 220 03 54
19	23	Etiler	İstanbul	Beşiktaş	Nispetiye Cad. No:77 Etiler	(212) 359 82 03	(212) 257 20 59
20	97	Etiler Özel Bankacılık Merkezi	İstanbul	Beşiktaş	Etiler Mah. Ayazma Yolu Sok. No:5	(212) 349 99 99	(212) 351 00 99
21	39	Gaziantep	Gaziantep	Şehitkamil	İncilipınar Mah. Prof. Muammer Aksoy Cad. No:19	(342) 215 16 88	(342) 215 16 78
22	41	Gebze	Kocaeli	Gebze	Hacı Halil Mah. Atatürk Cad. No:55/1 A Blok	(262) 643 10 53	(262) 643 10 72
23	15	İzmir	İzmir	Konak	Cumhuriyet Meydanı, Meydan Apt. No:11/B Alsancak	(232) 466 01 24	(232) 422 49 24
24	82	İzmit	Kocaeli	İzmit	Hürriyet Cad. No:169 41040 İzmit-Kocaeli	(262) 324 03 31	(262) 324 03 32
25	79	Kadıköy	İstanbul	Kadıköy	Osmanağa Mah. Söğütlüçeşme Cad. No:46-48	(216) 450 56 96	(216) 450 56 97
26	20	Kalamış	İstanbul	Kadıköy	Fenerbahçe Mah. Ahmet Mithat Efendi Cad. No:13	(216) 477 72 50	(216) 369 14 89
27	61	Karşıyaka	İzmir	Karşıyaka	Bostanlı Mah. Girne Bulvarı No:63/A Karşıyaka İzmir	(232) 368 70 85	(232) 368 70 21
28	77	Kayseri Çarşı	Kayseri	Melikgazi	Cumhuriyet Mah. Millet Cad. No:22	(352) 231 30 00	(352) 231 30 12
29	54	Konya	Konya	Selçuklu	Feritpaşa Mah. No:7/C	(332) 345 02 30	(332) 345 09 91
30	25	Kozyatağı	İstanbul	Kadıköy	Sahtayıcedit Mah. Atatürk Cad. No:36/A Kozyatağı	(216) 477 71 32	(216) 369 11 36

CONTACT AND BRANCHES

No	Branch Code	Branch Name	Province	District	Branch Address	Telephone	Fax
31	45	Maltepe	İstanbul	Maltepe	Cevizli Mah. Bağdat Cad. No:444/A	(216) 457 33 69	(216) 457 33 70
32	24	Maslak	İstanbul	Sarıyer	Büyükdere Cad. Nurol Plaza No:255/205 Maslak Sarıyer-İstanbul	(212) 368 81 22	(212) 219 42 54
33	31	Merkez	İstanbul	Şişli	Esentepe Mah. Büyükdere Cad. No:129/A	(212) 381 85 55	(212) 227 24 52
34	48	Mersin	Mersin	Akdeniz	Uray Cad. No:17 Şıhman İş Merkezi	(324) 233 11 49	(324) 233 69 32
35	59	Muratpaşa	Antalya	Muratpaşa	Muratpaşa Mah. Adnan Menderes Bulvarı No:9 Muratpaşa	(242) 229 10 24	(242) 229 10 28
36	29	Necatibey	Ankara	Çankaya	Necatibey Cad. No:23/B Kızılay	(312) 205 10 83	(312) 229 67 90
37	22	Nişantaşı	İstanbul	Şişli	Harbiye Mah. Teşvikiye Cad. No:49/B	(212) 368 81 58	(212) 219 66 17
38	37	Ostim	Ankara	Yenimahalle	Organize Sanayi Bölgesi, 100.Yıl Bulvarı No:17	(312) 386 04 01	(312) 386 04 62
39	32	Özyeğin Ün.	İstanbul	Çekmeköy	Nişantepe Mah. Orman Sok. No:28/30 Öğrenci Merkezi	(216) 525 50 00	(216) 525 50 01
40	36	Pendik	İstanbul	Pendik	Çınardere Mah. Gönenli Mehmet Efendi Cad. No:87/B Pendik	(216) 598 15 25	(216) 598 15 85
41	55	Ümraniye	İstanbul	Ümraniye	Alemdağ Cad. No:372/1	(216) 481 91 01	(216) 481 91 03
42	53	Üsküdar	İstanbul	Üsküdar	Aziz Mahmut Hüdayi Mah. Halk Cad. No:4-6/A	(216) 532 33 07	(216) 532 34 75
43	12	Yeşilköy	İstanbul	Bakırköy	İstasyon Cad. No:23/B Yeşilköy	(212) 468 84 80	(212) 662 94 57
44	26	Yıldız	Ankara	Çankaya	Hilal Mah. Hollanda Cad. No:3/A	(312) 405 80 03	(312) 442 24 93



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