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

ING Bank A.Ş.

Publicly Announced Unconsolidated Financial Statements as of and for the Six-Month Period Ended 30 June 2023 and Independent Auditors' Review Report

4 August 2023

This report consists of 2 pages of "Independent Auditors' Review Report" and 86 pages of unconsolidated financial statements and related disclosures and footnotes.

Convenience Translation of the Auditor's Review Report Originally Issued in Turkish

Independent Auditors' Report on Review of Unconsolidated Interim Financial Information

To the Board of Directors of ING Bank Anonim Şirketi

Introduction

We have reviewed the unconsolidated statement of financial position of ING Bank A.Ş. ("the Bank") at June 30, 2023 and the related unconsolidated statement of income, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the six month period then ended. The Bank Management is responsible for the preparation and fair presentation of interim unconsolidated financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard ("TAS34") 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim unconsolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the unconsolidated financial position of ING Bank A.Ş. at June 30, 2023 and of the results of its operations and its unconsolidated cash flows for the six-month-period then ended in all aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim unconsolidated activity report in Section Seven, are not consistent with the unconsolidated financial statements and disclosures in all material respects.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst &Young Global Limited

Fatma Ebru Yücel, SMMM
Partner

4 August 2023
İstanbul, Türkiye

The unconsolidated financial report of ING Bank A.Ş. prepared as of and for the six month period ended 30 June 2023

Address of the Bank	:	**Reşitpaşa Mahallesi Eski Büyükdere Caddesi No: 8 34467 Sarıyer / İstanbul**
Phone and fax numbers of the Bank	:	**(212) 335 10 00** **(212) 286 61 00**
Web-site of the Bank	:	www.ing.com.tr
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The six-month unconsolidated interim financial report includes the following sections in accordance with the "Communiqué on the Financial Statements and Related Disclosures and Footnotes that will be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency.

- General information about the Bank
- Unconsolidated financial statements of the Bank
- Explanations on accounting policies applied in the related period
- Information on financial structure and risk management of the Bank
- Explanations and notes related to unconsolidated financial statements
- Independent Auditors' review report
- Interim activity report

The accompanying six-month period unconsolidated interim financial statements and footnotes to these financial statements which are expressed, unless otherwise stated, in **thousands of Turkish Lira** (TL), have been prepared based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, relating appendices and interpretations on these, and are independently reviewed.

John T. Mc CARTHY Chairman of the Board	Alper İhsan GÖKGÖZ CEO	K. Atıl ÖZUS CFO	M. Gökçe ÇAKIT Financial Reporting and Tax Director

M. Semra KURAN Chairman of the Audit Committee	Nermin GÜNEY Audit Committee Member

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

Name-Surname/Title	:	Nurgül BİLGİÇER FİLİS / Manager
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Section one

General information

I. History of the Bank including its incorporation date, initial legal status, amendments to legal status

The foundations of ING Bank A.Ş. (“The Bank”) were laid in 1984 by the establishment of “The First National Bank of Boston Istanbul Branch” and the current structure has been formed with the below mergers and takeovers. The establishment and historical developments of the Bank are explained below:

“The First National Bank of Boston Istanbul Branch” was established in 1984. In 1990, “The First National Bank of Boston A.Ş.” was established to accept deposits and carry out banking transactions, and the Articles of Association of the Bank were officially registered on 31 October 1990 and published in the Turkish Trade Registry Gazette on 5 November 1990. Upon the establishment of the Bank and permission to accept deposits, the assets and liabilities in the balance sheet of “The First National Bank of Boston Istanbul Branch” were transferred to the Bank.

The title of the Bank which was operating as a Turkish Bank with four shareholders including Ordu Yardımlaşma Kurumu (“OYAK”), was changed as “Türk Boston Bank A.Ş.” in 1991; and OYAK purchased all other shares and became the sole owner of the Bank in 1993. On 10 May 1996, the title of “Türk Boston Bank A.Ş.” was changed as “Oyak Bank A.Ş.”.

On the other hand, on 22 December 1999, upon a Council of Ministers Decree, the shareholding rights, management and supervision of Sümerbank A.Ş. except for its dividend rights were transferred to Savings Deposit Insurance Fund (“the SDIF") as per the third and fourth paragraphs of Article 14 of the Banking Law. In 2001, the SDIF decided to merge the assets and liabilities of the banks, namely Egebank A.Ş., Türkiye Tütüncüler Bankası Yaşarbank A.Ş., Yurt Ticaret ve Kredi Bankası A.Ş., Bank Kapital A.Ş. and Ulusal Bank T.A.Ş. that have been formerly transferred to the SDIF, into Sümerbank A.Ş.

According to a share sale agreement executed between the SDIF and OYAK on 9 August 2001, all the shares constituting the capital of Sümerbank A.Ş. whose shares were transferred to the SDIF; were transferred to OYAK by the SDIF. As of 11 January 2002, it was resolved that Sümerbank A.Ş. would settle all its accounts and merge with the Bank and continue its banking operations under the Bank. The merger through transfer was performed on 11 January 2002 upon the approval of the Banking Regulation and Supervision Agency (“BRSA”).

In accordance with the permissions of the Competition Board with the decree number 07-69/856-324 dated 6 September 2007 and of the BRSA with the decree number 2416 dated 12 December 2007; the transfer of 1,074,098,150 shares of the Bank that represent the total capital which belongs to OYAK in amount of TL 1,074,098 to ING Bank N.V as of 24 December 2007 has been approved by the Board of Directors decision numbered 55/1 and dated 24 December 2007 and the share transfer has been recorded in Shareholders Stock Register as of the same date. It has been decided to change the title of the Bank from “Oyak Bank A.Ş.” to “ING Bank A.Ş.” effective from 7 July 2008. The Articles of Association of the Bank has been changed with the Extraordinary General Meeting dated 26 June 2014 in accordance with Turkish Trade Art numbered 6102 and published in Turkish Trade Registry Gazette numbered 8608 and dated 9 July 2014.

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

II. The Bank's shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the year and information on bank's risk group

The main shareholders and capital structure as of 30 June 2023 and 31 December 2022 are as follows:

	Current period		Prior period	
	Share amount Full TL	**Share percentage**	**Share amount Full TL**	**Share percentage**
ING Bank N.V.	3,486,267,793	100.00	3,486,267,793	100.00
Other shareholders total	4	-	4	-
Total	**3,486,267,797**	**100.00**	**3,486,267,797**	**100.00**

As of 30 June 2023, the Bank's paid-in capital consists of 3,486,267,797 shares with a nominal value of TL 1 (Full TL) each.

The Bank's paid-in capital is TL 3,486,268 as of 30 June 2023 and ING Bank N.V. has full control over the Bank's capital.

Other shareholders total represent the total shares of Chairman of the Board John T. Mc Carthy, Vice Chairman of the BoD A. Canan Ediboğlu, the members of the Board Nermin Güney and Karst Jan Wolters with a nominal value of TL 1 (Full TL) each.

As one of the world's leading financial services institutions, ING Group operates in the retail banking, wholesale and mid-corporate banking, investment banking and portfolio management segments. ING Group was established in 1991 as a result of a merger between NMB Postbank, which has a distinguished 150-year history, and the Netherlands' leading insurance company, Nationale-Nederlanden. Both companies were providing services in international markets before the merger, but ING became a leading global financial service provider with the merger.

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

III. Information on the Bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their responsibilities and shareholdings in the Bank

As of 30 June 2023, the Bank's Board of Directors (BOD), Members of Audit Committee and Chief Executive Officer and Executive Vice Presidents are as follows:

Name and Surname	Title	Responsibility area
John T. Mc Carthy	Chairman of the BoD	Legally declared
A. Canan Ediboğlu	Vice Chairman of the BoD	Legally declared
M. Semra Kuran	BoD Member and Chairman of the Audit Committee	Legally declared
Nermin Güney	BoD Member and Audit Committee Member	Legally declared
Karst Jan Wolters	BoD Member	Legally declared
Alper İhsan Gökgöz	Chief Executive Officer and BoD Member	Legally declared
Ayşegül Akay	Executive Vice President	Corporate Banking
Günce Çakır	Executive Vice President	Legal
İlker Kayseri	Executive Vice President	Treasury
İpek Erhan	Executive Vice President	Corporate Customers
K. Atıl Özus	Chief Financial Officer	Financial Control and Treasury
Kamil Stefanski	Executive Vice President	Financial Markets
Martijn Bastiaan Kamps	Executive Vice President	Credits
Meltem Öztürk	Executive Vice President	Human Resources
Okan Korkmaz	Chief Audit Executive	Internal Audit
Ozan Kırmızı	Executive Vice President	Retail Banking
Öcal Ağar	Executive Vice President	Business Banking
Özge Gürsoy	Executive Vice President	Compliance Risk Management
Tuğçe Bora Kılıç	Executive Vice President	Operation
Umut Pasin	Executive Vice President	Retail and Corporate Credits
Wouter Meijs	Executive Vice President	Technology

Chief Executive Officer and Executive Vice Presidents have no share in the Bank.

Kamil Stefanski has been appointed as Financial Markets Vice President per the Board of Directors resolution No. 25/3 and dated 16 March 2023, starting from 1 April 2023.

IV. Information on the Bank's qualified shareholders

ING Bank N.V. has full control over the Bank's management with 3,486,267,793 shares and 100% paid-in share.

V. Summary information on the Bank's activities and services

The Bank is principally engaged in all types of banking transactions, accepting deposits and all kinds of legal transactions, activities and operations within banking license within the scope provided by the Banking Law, and all existing and/or future laws, regulations and decree laws and related legislation. The Bank carries out its operations with 148 domestic branches.

VI. Differences between the Communiqué on Preparation of Financial Statements of Banks and Turkish Accounting Standards and Short Explanation about the Entities Subject to Full Consolidation or Proportional Consolidation and Entities which are Deducted from Equity or Entities which are not Included in these Three Methods

There is no difference for the Bank, except for the non-financial subsidiary, between the consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Financial Statements of Banks in Turkey.

ING Teknoloji A.Ş., a non-financial subsidiary owned 100% and by the Bank, was registered in the Trade Registry Gazette on 7 March 2023. The Bank presents ING Teknoloji A.Ş. in the non-consolidated non-financial subsidiaries line in its financial statements as it is non-financial institution, and has not been consolidated within the scope of the Communiqué of the Preparation of Consolidated Financial Statements of Banks.

VII. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between the Bank and its subsidiaries

None.

Section two

Unconsolidated financial statements

I. Unconsolidated balance sheet (statement of financial position)
II. Unconsolidated statement of off-balance sheet items
III. Unconsolidated statement of profit or loss
IV. Unconsolidated statement of profit or loss and other comprehensive income
V. Unconsolidated statement of changes in equity
VI. Unconsolidated statement of cash flows

Unconsolidated balance sheet (statement of financial position) as of 30 June 2023
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

					Reviewed			Audited
					Current period			Prior period
	Assets	**Note**			**(30/06/2023)**			**(31/12/2022)**
		(section five)	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**Financial assets (net)**		**25,748,446**	**22,170,720**	**47,919,166**	**10,987,386**	**15,867,697**	**26,855,083**
1.1	**Cash and cash equivalents**		**18,077,163**	**20,831,070**	**38,908,233**	**5,225,752**	**14,701,557**	**19,927,309**
1.1.1	Cash and balances at Central Bank	(I-1)	753,637	18,036,993	18,790,630	2,730,100	12,362,820	15,092,920
1.1.2	Banks	(I-3)	2,565	2,795,972	2,798,537	491	2,340,059	2,340,550
1.1.3	Money market placements		17,333,787	-	17,333,787	2,496,991	-	2,496,991
1.1.4	Expected credit losses (-)	(I-5)	(12,826)	(1,895)	(14,721)	(1,830)	(1,322)	(3,152)
1.2	**Financial assets at fair value through profit or loss**	**(I-2)**	**11,082**	**581,168**	**592,250**	**162,518**	**432,698**	**595,216**
1.2.1	Government securities		10,868	581,168	592,036	162,308	432,698	595,006
1.2.2	Equity instruments		214	-	214	210	-	210
1.2.3	Other financial assets		-	-	-	-	-	-
1.3	**Financial assets at fair value through other comprehensive income**	**(I-4)**	**4,504,039**	**1,616**	**4,505,655**	**4,359,169**	**1,139**	**4,360,308**
1.3.1	Government securities		4,439,273	-	4,439,273	4,294,403	-	4,294,403
1.3.2	Equity instruments		64,766	1,616	66,382	64,766	1,139	65,905
1.3.3	Other financial assets		-	-	-	-	-	-
1.4	**Derivative financial assets**		**3,156,162**	**756,866**	**3,913,028**	**1,239,947**	**732,303**	**1,972,250**
1.4.1	Derivative financial assets measured at fair value through profit or loss	(I-2)	3,095,159	756,866	3,852,025	1,168,071	732,303	1,900,374
1.4.2	Derivative financial assets measured at fair value through other comprehensive income	(I-11)	61,003	-	61,003	71,876	-	71,876
II.	**Financial assets measured at amortised cost**		**51,154,129**	**24,428,938**	**75,583,067**	**43,947,096**	**24,092,194**	**68,039,290**
2.1	**Loans**	**(I-5)**	**46,001,779**	**24,817,164**	**70,818,943**	**38,075,335**	**24,469,836**	**62,545,171**
2.2	**Receivables from leasing transactions**	**(I-10)**	**-**	**-**	**-**	**-**	**-**	**-**
2.3	**Factoring receivables**		**-**	**-**	**-**	**-**	**-**	**-**
2.4	**Other financial assets measured at amortised cost**	**(I-6)**	**6,503,029**	**-**	**6,503,029**	**7,178,958**	**-**	**7,178,958**
2.4.1	Government securities		6,503,029	-	6,503,029	7,178,958	-	7,178,958
2.4.2	Other financial assets		-	-	-	-	-	-
2.5	**Expected credit losses (-)**	**(I-5)**	**(1,350,679)**	**(388,226)**	**(1,738,905)**	**(1,307,197)**	**(377,642)**	**(1,684,839)**
III.	**Assets held for sale and assets of discontinued operations (net)**	**(I-16)**	**660**	**-**	**660**	**660**	**-**	**660**
3.1	Assets held for sale		660	-	660	660	-	660
3.2	Assets from discontinued operations		-	-	-	-	-	-
IV.	**Equity investments**		**638,762**	**970,025**	**1,608,787**	**560,927**	**610,935**	**1,171,862**
4.1	**Investments in associates (net)**	**(I-7)**	**-**	**-**	**-**	**-**	**-**	**-**
4.1.1	Associates consolidated by using equity method		-	-	-	-	-	-
4.1.2	Unconsolidated associates		-	-	-	-	-	-
4.2	**Investments in subsidiaries (net)**	**(I-8)**	**638,762**	**970,025**	**1,608,787**	**560,927**	**610,935**	**1,171,862**
4.2.1	Unconsolidated financial subsidiaries		457,380	970,025	1,427,405	389,545	610,935	1,000,480
4.2.2	Unconsolidated non-financial subsidiaries		181,382	-	181,382	171,382	-	171,382
4.3	**Jointly Controlled Partnerships (Joint Ventures) (net)**	**(I-9)**	**-**	**-**	**-**	**-**	**-**	**-**
4.3.1	Joint ventures consolidated by using equity method		-	-	-	-	-	-
4.3.2	Unconsolidated joint ventures		-	-	-	-	-	-
V.	**Tangible assets (net)**	**(I-12)**	**689,020**	**-**	**689,020**	**637,312**	**-**	**637,312**
VI.	**Intangible assets (net)**	**(I-13)**	**260,198**	**-**	**260,198**	**256,283**	**-**	**256,283**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		260,198	-	260,198	256,283	-	256,283
VII.	**Investment property (net)**	**(I-14)**	**2,800**	**-**	**2,800**	**-**	**-**	**-**
VIII.	**Current tax asset**	**(I-15)**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Deferred tax asset**	**(I-15)**	**849,227**	**-**	**849,227**	**267,637**	**-**	**267,637**
X.	**Other assets (net)**	**(I-17)**	**10,934,055**	**121,671**	**11,055,726**	**1,599,066**	**26,249**	**1,625,315**
	Total assets		**90,277,297**	**47,691,354**	**137,968,651**	**58,256,367**	**40,597,075**	**98,853,442**

ING Bank A.Ş.

Unconsolidated balance sheet (statement of financial position)
as of 30 June 2023
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

					Reviewed			Audited
					Current period			Prior period
	Liabilities	Note			(30/06/2023)			(31/12/2022)
		(section five)	TL	FC	Total	TL	FC	Total
I.	**Deposits**	**(II-1)**	**59,916,164**	**34,611,025**	**94,527,189**	**37,589,697**	**29,703,491**	**67,293,188**
II.	**Loans received**	**(II-3)**	**22,011**	**13,907,936**	**13,929,947**	**84,523**	**8,857,075**	**8,941,598**
III.	**Money market funds**		**11,062**	**488,928**	**499,990**	**3,066,062**	**301,570**	**3,367,632**
IV.	**Securities Issued (net)**	**(II-4)**	**-**	**-**	**-**	**394,172**	**-**	**394,172**
4.1	Bills		-	-	-	394,172	-	394,172
4.2	Asset backed securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	**Funds**		**-**	**-**	**-**	**-**	**-**	**-**
5.1	Borrower funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	**Financial liabilities at fair value through profit or loss**		**-**	**-**	**-**	**-**	**-**	**-**
VII.	**Derivative financial liabilities**		**1,283,773**	**1,886,725**	**3,170,498**	**1,064,487**	**499,791**	**1,564,278**
7.1	Derivative financial liabilities at fair value through profit or loss	(II-2)	1,283,773	1,886,725	3,170,498	1,064,487	499,791	1,564,278
7.2	Derivative financial liabilities at fair value through other comprehensive income	(II-7)	-	-	-	-	-	-
VIII.	**Factoring payables**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Lease payables (net)**	**(II-6)**	**145,892**	**-**	**145,892**	**184,109**	**-**	**184,109**
X.	**Provisions**	**(II-8)**	**388,363**	**319,074**	**707,437**	**376,822**	**226,318**	**603,140**
10.1	Provision for restructuring		-	-	-	-	-	-
10.2	Reserves for employee benefits		187,971	-	187,971	146,727	-	146,727
10.3	Insurance technical reserves (net)		-	-	-	-	-	-
10.4	Other provisions		200,392	319,074	519,466	230,095	226,318	456,413
XI.	**Current tax liability**	**(II-9)**	**446,532**	**-**	**446,532**	**443,134**	**-**	**443,134**
XII.	**Deferred tax liability**	**(II-9)**	**-**	**-**	**-**	**-**	**-**	**-**
XIII.	**Liabilities for assets held for sale and assets of discontinued operations (net)**	**(II-10)**	**-**	**-**	**-**	**-**	**-**	**-**
13.1	Held for sale		-	-	-	-	-	-
13.2	Related to discontinued operations		-	-	-	-	-	-
XIV.	**Subordinated debt**	**(II-11)**	**-**	**-**	**-**	**-**	**-**	**-**
14.1	Loans		-	-	-	-	-	-
14.2	Other debt instruments		-	-	-	-	-	-
XV.	**Other liabilities**	**(II-5)**	**8,495,122**	**1,095,400**	**9,590,522**	**1,478,545**	**1,064,687**	**2,543,232**
XVI.	**Shareholders' equity**	**(II-12)**	**14,950,644**	**-**	**14,950,644**	**13,518,959**	**-**	**13,518,959**
16.1	Paid-in capital		3,486,268	-	3,486,268	3,486,268	-	3,486,268
16.2	Capital reserves		-	-	-	-	-	-
16.2.1	Share premiums		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Other capital reserves		-	-	-	-	-	-
16.3	Other comprehensive income/expense items not to be recycled to profit or loss		(50,737)	-	(50,737)	82,736	-	82,736
16.4	Other comprehensive income/expense items to be recycled in profit or loss		499,116	-	499,116	530,711	-	530,711
16.5	Profit reserves		9,494,742	-	9,494,742	6,792,955	-	6,792,955
16.5.1	Legal reserves		563,562	-	563,562	432,247	-	432,247
16.5.2	Statutory reserves		-	-	-	-	-	-
16.5.3	Extraordinary reserves		8,931,180	-	8,931,180	6,360,708	-	6,360,708
16.5.4	Other profit reserves		-	-	-	-	-	-
16.6	Profit or (loss)		1,521,255	-	1,521,255	2,626,289	-	2,626,289
16.6.1	Prior years' profits or (loss)		-	-	-	-	-	-
16.6.2	Current period profit or (loss)		1,521,255	-	1,521,255	2,626,289	-	2,626,289
	Total liabilities and shareholders' equity		**85,659,563**	**52,309,088**	**137,968,651**	**58,200,510**	**40,652,932**	**98,853,442**

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

ING Bank A.Ş.

Unconsolidated statement of off-balance sheet items as of 30 June 2023

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

	Off-balance sheet items	Note (section five)	Reviewed Current period (30/06/2023) TL	FC	Total	Audited Prior period (31/12/2022) TL	FC	Total
A.	**Off-balance sheet commitments (I+II+III)**		**63,879,614**	**162,588,025**	**226,467,639**	**56,289,775**	**122,824,145**	**179,113,920**
I.	**Guarantees and warranties**	**(III-1)**	**3,105,215**	**16,649,913**	**19,755,128**	**2,194,805**	**11,167,786**	**13,362,591**
1.1	Letters of guarantee		3,093,587	9,678,490	12,772,077	2,194,805	6,065,891	8,260,696
1.1.1	Guarantees subject to state tender law		6,712	-	6,712	2,948	-	2,948
1.1.2	Guarantees given for foreign trade operations		-	-	-	-	-	-
1.1.3	Other letters of guarantee		3,086,875	9,678,490	12,765,365	2,191,857	6,065,891	8,257,748
1.2	Bank acceptances		-	4,203	4,203	-	-	-
1.2.1	Import letter of acceptance		-	4,203	4,203	-	-	-
1.2.2	Other bank acceptances		-	-	-	-	-	-
1.3	Letters of credit		-	1,741,265	1,741,265	-	1,053,321	1,053,321
1.3.1	Documentary letters of credit		-	1,741,265	1,741,265	-	1,053,321	1,053,321
1.3.2	Other letters of credit		-	-	-	-	-	-
1.4	Pre-financing given as guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other endorsements		-	-	-	-	-	-
1.6	Purchase guarantees for securities issued		-	-	-	-	-	-
1.7	Factoring guarantees		-	-	-	-	-	-
1.8	Other guarantees		-	5,222,306	5,222,306	-	4,045,953	4,045,953
1.9	Other warranties		11,628	3,649	15,277	-	2,621	2,621
II.	**Commitments**	**(III-1)**	**4,501,685**	**165,324**	**4,667,009**	**4,006,168**	**1,890,628**	**5,896,796**
2.1	Irrevocable commitments		4,501,685	165,324	4,667,009	4,006,168	1,890,628	5,896,796
2.1.1	Forward asset purchase commitments		155,807	156,374	312,181	161,667	1,884,522	2,046,189
2.1.2	Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3	Share capital commitments to associates and subsidiaries		-	-	-	-	-	-
2.1.4	Loan granting commitments		2,708,952	-	2,708,952	2,420,233	-	2,420,233
2.1.5	Securities underwriting commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve requirements		-	-	-	-	-	-
2.1.7	Commitments for cheque payments		257,689	-	257,689	187,441	-	187,441
2.1.8	Tax and fund liabilities from export commitments		23,780	-	23,780	23,780	-	23,780
2.1.9	Commitments for credit card limits		1,337,679	-	1,337,679	1,198,791	-	1,198,791
2.1.10	Commitments for credit cards and banking services promotions		17,778	-	17,778	14,256	-	14,256
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		-	8,950	8,950	-	6,106	6,106
2.2	Revocable commitments		-	-	-	-	-	-
2.2.1	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2	Other revocable commitments		-	-	-	-	-	-
III.	**Derivative financial instruments**	**(III-2)**	**56,272,714**	**145,772,788**	**202,045,502**	**50,088,802**	**109,765,731**	**159,854,533**
3.1	Derivative financial instruments for hedging purposes		300,000	-	300,000	540,000	-	540,000
3.1.1	Fair value hedges		-	-	-	-	-	-
3.1.2	Cash flow hedges		300,000	-	300,000	540,000	-	540,000
3.1.3	Net foreign investment hedges		-	-	-	-	-	-
3.2	Derivative financial instruments for trading purposes		55,972,714	145,772,788	201,745,502	49,548,802	109,765,731	159,314,533
3.2.1	Forward foreign currency buy/sell transactions		8,274,875	31,210,726	39,485,601	9,439,007	20,135,301	29,574,308
3.2.1.1	Forward foreign currency transactions-buy		7,685,014	11,642,689	19,327,703	8,589,550	6,400,487	14,990,037
3.2.1.2	Forward foreign currency transactions-sell		589,861	19,568,037	20,157,898	849,457	13,734,814	14,584,271
3.2.2	Swap transactions related to foreign currency and interest rates		47,665,147	106,935,472	154,600,619	33,088,251	80,086,656	113,174,907
3.2.2.1	Foreign currency swap-buy		1,553,685	45,871,139	47,424,824	3,750,108	32,723,409	36,473,517
3.2.2.2	Foreign currency swap-sell		12,799,956	33,128,387	45,928,343	12,362,143	24,158,873	36,521,016
3.2.2.3	Interest rate swap-buy		16,655,753	13,967,973	30,623,726	8,488,000	11,602,187	20,090,187
3.2.2.4	Interest rate swap-sell		16,655,753	13,967,973	30,623,726	8,488,000	11,602,187	20,090,187
3.2.3	Foreign currency, interest rate and securities options		32,692	7,626,590	7,659,282	7,021,544	9,543,774	16,565,318
3.2.3.1	Foreign currency options-buy		16,346	3,813,295	3,829,641	3,510,772	4,771,887	8,282,659
3.2.3.2	Foreign currency options-sell		16,346	3,813,295	3,829,641	3,510,772	4,771,887	8,282,659
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		-	-	-	-	-	-
3.2.4.1	Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2	Foreign currency futures-sell		-	-	-	-	-	-
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	**Custody and pledged items (IV+V+VI)**		**244,011,798**	**149,964,005**	**393,975,803**	**218,244,936**	**109,995,813**	**328,240,749**
IV.	**Items held in custody**		**5,088,446**	**9,799,445**	**14,887,891**	**4,240,630**	**12,283,767**	**16,524,397**
4.1	Customer fund and portfolio balances		4,948,802	-	4,948,802	3,973,324	-	3,973,324
4.2	Investment securities held in custody		3,072	3,390,195	3,393,267	5,973	7,673,344	7,679,317
4.3	Checks received for collection		1,242	709,530	710,772	114,655	519,764	634,419
4.4	Commercial notes received for collection		135,329	5,599,837	5,735,166	146,677	4,019,716	4,166,393
4.5	Other assets received for collection		-	-	-	-	-	-
4.6	Assets received for public offering		-	-	-	-	-	-
4.7	Other items under custody		1	99,883	99,884	1	70,943	70,944
4.8	Custodians		-	-	-	-	-	-
V.	**Pledged received**		**20,809,550**	**14,094,388**	**34,903,938**	**20,386,962**	**11,280,685**	**31,667,647**
5.1	Marketable securities		273,462	34,937	308,399	273,462	50,949	324,411
5.2	Guarantee notes		207,202	1,013,774	1,220,976	207,182	736,205	943,387
5.3	Commodity		910	-	910	910	-	910
5.4	Warranty		-	-	-	-	-	-
5.5	Properties		13,910,791	9,005,315	22,916,106	14,015,614	7,030,122	21,045,736
5.6	Other pledged items		6,417,185	4,040,362	10,457,547	5,889,794	3,463,409	9,353,203
5.7	Pledged items-depository		-	-	-	-	-	-
VI.	**Accepted independent guarantees and warranties**		**218,113,802**	**126,070,172**	**344,183,974**	**193,617,344**	**86,431,361**	**280,048,705**
	Total off-balance sheet items (A+B)		**307,891,412**	**312,552,030**	**620,443,442**	**274,534,711**	**232,819,958**	**507,354,669**

ING Bank A.Ş.

Unconsolidated statement of profit or loss
as of 30 June 2023
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Income and expense items	Note (section five)	Reviewed Current period (01/01/2023-30/06/2023)	Reviewed Current period (01/04/2023-30/06/2023)	Reviewed Prior period (01/01/2022-30/06/2022)	Reviewed Prior period (01/04/2022-30/06/2022)
I.	**Interest income**	**(IV-1)**	**5,810,678**	**3,177,598**	**4,135,268**	**2,169,894**
1.1	Interest on loans		4,583,625	2,459,077	3,405,327	1,806,562
1.2	Interest on reserve requirements		6,463	6,460	39,684	5,704
1.3	Interest on banks		55,372	28,373	4,433	3,492
1.4	Interest on money market transactions		540,871	345,586	163,790	96,648
1.5	Interest on marketable securities portfolio		623,628	337,683	516,402	254,648
1.5.1	Financial assets at fair value through profit or loss		19,715	3,927	22,107	7,271
1.5.2	Financial assets at fair value through other comprehensive income		184,815	98,873	88,077	44,406
1.5.3	Financial assets measured at amortised cost		419,098	234,883	406,218	202,971
1.6	Finance lease income		-	-	-	-
1.7	Other interest income		719	419	5,632	2,840
II.	**Interest expense (-)**	**(IV-2)**	**(4,824,831)**	**(2,826,864)**	**(2,187,423)**	**(1,159,702)**
2.1	Interest on deposits		(4,331,335)	(2,548,967)	(1,846,674)	(987,173)
2.2	Interest on funds borrowed		(345,735)	(214,649)	(129,165)	(67,803)
2.3	Interest on money market transactions		(50,735)	(37,263)	(128,884)	(53,634)
2.4	Interest on securities issued		(33,858)	(11,028)	(15,997)	(15,997)
2.5	Finance lease expense		(13,028)	(6,354)	(13,803)	(6,931)
2.6	Other interest expenses		(50,140)	(8,603)	(52,900)	(28,164)
III.	**Net interest income/expense (I - II)**		**985,847**	**350,734**	**1,947,845**	**1,010,192**
IV.	**Net fees and commissions income/expense**		**393,959**	**216,924**	**253,233**	**127,434**
4.1	Fees and commissions received		533,090	293,025	365,143	186,267
4.1.1	Non-cash loans		109,963	61,757	86,065	33,973
4.1.2	Other	(IV-12)	423,127	231,268	279,078	152,294
4.2	Fees and commissions paid (-)		(139,131)	(76,101)	(111,910)	(58,833)
4.2.1	Non-cash loans		(103)	(15)	(198)	(100)
4.2.2	Other	(IV-12)	(139,028)	(76,086)	(111,712)	(58,733)
V	**Dividend income**	**(IV-3)**	**-**	**-**	**347**	**347**
VI.	**Trading gain/(loss) (net)**	**(IV-4)**	**2,338,399**	**1,773,892**	**583,169**	**345,355**
7.1	Trading gain/(loss) on securities		122,275	19,897	(6,791)	11,935
7.2	Gain/(loss) on derivative financial transactions		3,272,959	2,498,839	1,760,737	791,087
7.3	Foreign exchange gain/(loss)		(1,056,835)	(744,844)	(1,170,777)	(457,667)
VII.	**Other operating income**	**(IV-5)**	**517,191**	**236,674**	**628,142**	**151,442**
VIII.	**Gross operating income (III+IV+V+VI+VII)**		**4,235,396**	**2,578,224**	**3,412,736**	**1,634,770**
IX.	**Expected credit loss (-)**	**(IV-6)**	**(353,830)**	**(109,308)**	**(443,736)**	**(53,809)**
X.	**Other provision expenses (-)**		**(4,906)**	**1,613**	**(27,607)**	**(7,078)**
XI.	**Personnel expenses (-)**		**(1,121,288)**	**(530,888)**	**(553,561)**	**(296,059)**
XII	**Other operating expenses**	**(IV-7)**	**(1,522,677)**	**(757,619)**	**(858,770)**	**(448,210)**
XIII.	**Net operating profit/(loss) (VIII-IX-X-XI-XII)**		**1,232,695**	**1,182,022**	**1,529,062**	**829,614**
XIV.	**Income resulted from mergers**		**-**	**-**	**-**	**-**
XV.	**Income/loss from investments under equity accounting**		**147,025**	**69,385**	**72,658**	**31,153**
XVI.	**Gain/loss on net monetary position**		**-**	**-**	**-**	**-**
XVII.	**Operating profit/loss before taxes (XIII+...+XVI)**	**(IV-8)**	**1,379,720**	**1,251,407**	**1,601,720**	**860,767**
XVIII.	**Provision for taxes of continued operations (±)**	**(IV-9)**	**141,535**	**(266,817)**	**(437,788)**	**(276,656)**
18.1	Current tax provision		(317,687)	(317,687)	(807,981)	(405,945)
18.2	Expense effect of deferred tax (+)		(48,025)	-	-	-
18.3	Income effect of deferred tax (-)		507,247	50,870	370,193	129,289
XIX.	**Net profit/(loss) from continuing operations (XVII±XVIII)**	**(IV-10)**	**1,521,255**	**984,590**	**1,163,932**	**584,111**
XX.	**Income from discontinued operations**		**-**	**-**	**-**	**-**
20.1	Income from non-current assets held for resale		-	-	-	-
20.2	Profit from sales of associates, subsidiaries and joint ventures		-	-	-	-
20.3	Income from other discontinued operations		-	-	-	-
XXI.	**Expenses for discontinued operations (-)**		**-**	**-**	**-**	**-**
21.1	Expenses for non-current assets held for resale		-	-	-	-
21.2	Loss from sales of associates, subsidiaries and joint ventures		-	-	-	-
21.3	Loss from other discontinued operations		-	-	-	-
XXII.	**Profit/(loss) before tax from discontinued operations (XX-XXI)**		**-**	**-**	**-**	**-**
XXIII.	**Tax provision for discontinued operations (±)**		**-**	**-**	**-**	**-**
23.1	Current tax provision		-	-	-	-
23.2	Expense effect of deferred tax (+)		-	-	-	-
23.3	Income effect of deferred tax (-)		-	-	-	-
XXIV.	**Net profit/(loss) from discontinued operations (XXII±XXIII)**		**-**	**-**	**-**	**-**
XXV.	**Net profit/(loss) (XIX+XXIV)**	**(IV-11)**	**1,521,255**	**984,590**	**1,163,932**	**584,111**
	Earnings per share		0.4364	0.2824	0.3339	0.1675

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

Unconsolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2023

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

	Profit or loss and other comprehensive income	Reviewed Current period (01/01/2023- 30/06/2023)	Reviewed Prior period (01/01/2022- 30/06/2022)
I.	**Current period profit/loss**	**1,521,255**	**1,163,932**
II.	**Other comprehensive income**	**(89,570)**	**67,556**
2.1	**Other income/expense items not to be recycled to profit or loss**	**(57,975)**	**(7,798)**
2.1.1	Gains/(losses) on revaluation of property, plant and equipment	-	-
2.1.2	Gains/(losses) on revaluation of intangible assets	-	-
2.1.3	Defined benefit plans' actuarial gains/(losses)	(76,974)	(10,732)
2.1.4	Other income/(expense) items not to be recycled to profit or loss	-	13
2.1.5	Deferred taxes on other comprehensive income not to be recycled to profit or loss	18,999	2,921
2.2	**Other income/expense items to be recycled to profit or loss**	**(31,595)**	**75,354**
2.2.1	Translation differences	280,146	54,638
2.2.2	Income/(expenses) from valuation and/or reclassification of financial assets measured at FVOCI	(369,948)	11,532
2.2.3	Gains/(losses) from cash flow hedges	(45,162)	24,495
2.2.4	Gains/(losses) on hedges of net investments in foreign operations	-	-
2.2.5	Other income/(expense) items to be recycled to profit or loss	-	-
2.2.6	Deferred taxes on other comprehensive income to be recycled to profit or loss	103,369	(15,311)
III.	**Total comprehensive income (I+II)**	**1,431,685**	**1,231,488**

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Unconsolidated statement of changes in equity
for the six-month period ended 30 June 2023
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

Changes in equity

	Statement of changes in shareholders' equity						Other comprehensive income/expense items not to be recycled to profit or loss			Other comprehensive income/expense items to be recycled to profit or loss						
	Reviewed	Note	Paid-in capital	Share premium	Share cancellation profits	Other capital reserves	Revaluation surplus on tangible and intangible assets	Defined benefit plans' actuarial gains/losses	Other (1)	Translation differences	Income/expenses from valuation and/or reclassification of financial assets measured at FVOCI	Other (2)	Profit reserves	Prior period profit or (loss)	Current period profit or (loss)	Total shareholders' equity
	Prior period (01/01/2022-30/06/2022)															
I.	**Balances at beginning of period**		**3,486,268**	**-**	**-**	**-**	**123,394**	**(4,844)**	**3,066**	**187,022**	**(13,032)**	**122,186**	**5,704,846**	**-**	**1,200,113**	**10,809,019**
II.	**Correction made as per TAS 8**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**New balance (I+II)**		**3,486,268**	**-**	**-**	**-**	**123,394**	**(4,844)**	**3,066**	**187,022**	**(13,032)**	**122,186**	**5,704,846**	**-**	**1,200,113**	**10,809,019**
IV.	Total comprehensive income		-	-	-	-	-	(7,563)	(235)	54,638	9,665	11,051	-	-	1,163,932	1,231,488
V.	Capital increase by cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase by internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds to shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/decrease by other changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	(7,996)	-	-	-	-	-	1,088,109	-	(1,200,113)	(120,000)
11.1	Dividends paid		-	-	-	-	-	-	-	-	-	-	(120,000)	-	-	(120,000)
11.2	Transfers to reserves	(II-12)	-	-	-	-	(7,996)	-	-	-	-	-	1,208,109	-	(1,200,113)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period-end balance (III+IV+…...+X+XI)		**3,486,268**	**-**	**-**	**-**	**115,398**	**(12,407)**	**2,831**	**241,660**	**(3,367)**	**133,237**	**6,792,955**	**-**	**1,163,932**	**11,920,507**
	Current period (01/01/2023-30/06/2023)															
I.	**Balances at beginning of period**		**3,486,268**	**-**	**-**	**-**	**115,398**	**(35,694)**	**3,032**	**318,535**	**141,851**	**70,325**	**6,792,955**	**-**	**2,626,289**	**13,518,959**
II.	**Correction made as per TAS 8**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**New balance (I+II)**		**3,486,268**	**-**	**-**	**-**	**115,398**	**(35,694)**	**3,032**	**318,535**	**141,851**	**70,325**	**6,792,955**	**-**	**2,626,289**	**13,518,959**
IV.	Total comprehensive income		-	-	-	-	-	(57,975)	-	280,146	(277,868)	(33,873)	-	-	1,521,255	1,431,685
V.	Capital increase by cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase by internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds to shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/decrease by other changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	(75,498)	-	-	-	-	-	2,701,787	-	(2,626,289)	-
11.1	Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to reserves	(II-12)	-	-	-	-	(75,498)	-	-	-	-	-	2,701,787	-	(2,626,289)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period-end balance (III+IV+…...+X+XI)		**3,486,268**	**-**	**-**	**-**	**39,900**	**(93,669)**	**3,032**	**598,681**	**(136,017)**	**36,452**	**9,494,742**	**-**	**1,521,255**	**14,950,644**

(1) Other (Shares of investments valued by equity method in other comprehensive income not to be recycled to profit or loss and other accumulated amounts of other comprehensive income items not to be recycled to other profit or loss)

(2) Other (Cash flow hedge gain/loss, shares of investments valued by equity method in other comprehensive income recycled to profit or loss and other accumulated amounts of other comprehensive income items recycled to other profit or loss)

ING Bank A.Ş.

Unconsolidated statement of cash flows
for the six-month period ended 30 June 2023
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Statement of cash flows	Note	Reviewed Current period (01/01/2023-30/06/2023)	Reviewed Prior period (01/01/2022-30/06/2022)
A.	**Cash flows from banking operations**			
1.1	**Operating profit before changes in operating assets and liabilities**		**7,399,329**	**6,078,827**
1.1.1	Interest received		6,039,636	3,753,021
1.1.2	Interest paid		(4,220,710)	(1,977,259)
1.1.3	Dividend received		-	347
1.1.4	Fees and commissions received		563,404	413,240
1.1.5	Other income		224,662	86,618
1.1.6	Collections from previously written-off loans and other receivables		166,043	188,064
1.1.7	Payments to personnel and service suppliers		(2,196,790)	(1,148,267)
1.1.8	Taxes paid		(404,352)	(377,245)
1.1.9	Other		7,227,436	5,140,308
1.2	**Changes in operating assets and liabilities**		**11,226,312**	**(9,865,001)**
1.2.1	Net (increase)/decrease in financial assets at fair value through profit or loss		2,006	(68,377)
1.2.2	Net (increase)/decrease in due from bank		(94,189)	(249,515)
1.2.3	Net (increase)/decrease in loans		(547,118)	(6,220,215)
1.2.4	Net (increase)/decrease in other assets		(4,843,425)	(2,185,452)
1.2.5	Net increase/(decrease) in bank deposits		3,003,581	42,094
1.2.6	Net increase/(decrease) in other deposits		14,015,825	1,738,536
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		905,761	(798,441)
1.2.9	Net increase/(decrease) in matured payables		-	-
1.2.10	Net increase/(decrease) in other liabilities		(1,216,129)	(2,123,631)
I.	**Net cash provided from banking operations**		**18,625,641**	**(3,786,174)**
B.	**Cash flow from investing activities**			
II.	**Net cash provided from investing activities**		**(394,045)**	**(35,460)**
2.1	Cash paid for acquisition of subsidiaries, investments in associates and joint ventures	(I-8.6)	(10,000)	-
2.2	Cash obtained from disposal of subsidiaries, investments in associates and joint ventures		-	-
2.3	Purchases of property and equipment		(156,391)	(155,727)
2.4	Disposals of property and equipment		213,057	201,019
2.5	Cash paid for purchase of financial assets at fair value through other comprehensive income		(2,457,082)	(121,201)
2.6	Cash obtained from sale of financial assets at fair value through other comprehensive income		1,971,429	246,765
2.7	Cash paid for purchase of financial assets measured at amortised cost	(I-6)	(884,349)	(1,211,891)
2.8	Cash obtained from sale of financial assets measured at amortised cost	(I-6)	1,616,114	1,120,443
2.9	Other		(686,823)	(114,868)
C.	**Cash flows from financing activities**			
III.	**Net cash provided from financing activities**		**(485,440)**	**476,343**
3.1	Cash obtained from funds borrowed and securities issued	(II-4)	-	648,030
3.2	Cash used for repayment of funds borrowed and securities issued	(II-4)	(428,030)	-
3.3	Issued equity instruments		-	-
3.4	Dividends paid	(II-12)	-	(120,000)
3.5	Payments for finance leases		(57,410)	(51,687)
3.6	Other		-	-
IV.	**Effect of change in foreign exchange rate on cash and cash equivalents**		**(1,406,303)**	**2,127,340**
V.	**Net increase in cash and cash equivalents (I+II+III+IV)**		**16,339,853**	**(1,217,951)**
VI.	**Cash and cash equivalents at beginning of the period**		**12,865,472**	**15,678,935**
VII.	**Cash and cash equivalents at the end of the period**		**29,205,325**	**14,460,984**

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

Section three

Accounting policies

I. Explanations on basis of presentation

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

The unconsolidated financial statements have been prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" and other regulations, communiqués, explanations and circulars promulgated by the Banking Regulation and Supervision Agency ("BRSA") in relation to accounting and financial reporting principles of banks and for the issues not regulated by as per Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") (hereafter, referred as "BRSA Accounting and Financial Reporting Legislation"). The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation. TFRS contains Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards and explanations and interpretations related to the standards.

The unconsolidated financial statements have been prepared at Turkish Lira on a historical cost basis, except for the financial assets and financial liabilities measured on a fair value basis.

The preparation of unconsolidated financial statements in conformity with BRSA Accounting and Financial Reporting Legislation requires the use of certain critical accounting estimates and assumptions by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates and assumptions include fair value calculation of financial instruments and impairment of financial assets are being reviewed regularly and, when necessary, adjustments are made and the effects of these adjustments are reflected to the statement of profit or loss.

The tension between Russia and Ukraine since January 2022 has turned into a crisis and an armed conflict as of the date of the report. Bank does not carry out any activities in these two countries that are subject to the crisis. Considering the geographies in which the Bank operates, the crisis has no direct impact on the Bank's operations as of 30 June 2023. However, still uncertain of crisis as of the date of this report, the effects of the global developments and their potential impact on the global and regional economy, effects on the Bank operations are closely monitored.

b. Accounting policies and valuation principles applied in the presentation of financial statements

The accounting policies and valuation principles applied in the preparation of unconsolidated financial statements are determined and applied in accordance with BRSA Accounting and Financial Reporting Legislation. The accounting policies adopted in the preparation of the unconsolidated financial statements are consistent with the standards used in the previous year.

Supporting to this region due to the earthquake disaster occurred in Kahramanmaraş and the surrounding provinces in February, interest-free deferral of loan and credit card debts and free transaction/service opportunities were offered to customers affected by the earthquake. The effects of the earthquake disaster were reviewed and it was evaluated that there was no effect continually on the financial statements.

c. Changes in accounting policies and disclosures

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 2023 have no material effect on accounting policies, financial position and financial performance of the Bank. New and revised TAS and TFRS issued but not yet effective as of the finalization date of the financial statements will not have material effect on accounting policies, financial position and financial performance of the Bank.

The Indicator Interest Rate Reform - 2nd Phase, which brings changes in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from 1 January 2021, was published in December 2020. With the modifications made, certain exceptions are provided for the basis used in the determination of contractual cash flows and hedge accounting implementations. The effects of the changes on the Bank's financials have been evaluated and it has been concluded that there is no material impact.

I. Explanations on basis of presentation (continued)

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 30 June 2023 in accordance with TAS 29. In this context, TAS 29 is not applied and inflation adjustment has not been reflected in the unconsolidated financial statements as of 30 June 2023.

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

The Bank manages its financial instruments strategies according to its liability structure. The liability structure is mainly comprised of deposits. The investment instruments are generally chosen from liquid instruments. Thus, liquidity is sustained to meet liabilities. As reporting date, the Bank's asset and shareholder's equity structure is sufficient to meet its liabilities.

Due to the risks management policy, the Bank does not take significant currency positions. In case of a currency risk due from the customer transactions, the Bank makes contra transactions in order to close the position.

The investment decisions are made taking the balance sheet items' maturity structure and interest rates into consideration. Limits related to the balance sheet are determined. The distribution of assets is determined and income analyses are made according to this distribution.

When carrying out off-balance sheet forward transactions, the Bank aims to perform contra transactions as well, thus paying maximum attention to the currency and interest rate risks. The customer limits for transactions are determined.

Explanations on foreign currency transactions:

Translation gains and losses arising from foreign currency transactions are accounted for within the period in which the transaction occurs. In period-ends, foreign currency denominated monetary assets and liabilities are translated into TL with the exchange buying rates of the Bank prevailing at the reporting date. Gains and losses arising from such transactions are recognized in the statement of profit or loss under the account of foreign exchange gains or losses.

III. Presentation of information related to consolidated subsidiaries

"Communique on amending the Communique on the Turkish Accounting Standard 27 ("TAS 27") Separate Financial Statements" has been published in the Official Gazette dated 9 April 2015 and numbered 29321 to be applied for accounting periods after 1 January 2016.

Entities have the opportunity to recognize their investments in associates, subsidiaries and joint ventures with equity method in their separate financial statements in line with the amendment while it is stated for entities preparing separate financial statements before the amendment in communique to recognize their investments in associates, subsidiaries and joint ventures in accordance with cost value or TFRS 9 Financial Instruments standard.

The Bank decided to account for its financial subsidiaries in the unconsolidated financial statements as of 31 December 2021 according to the equity method within the scope of TAS 27 and implemented the application retrospectively within the framework of TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

IV. Explanations on forward and options contracts and derivative instruments

The Bank's derivative instruments consist of forward buy/sell, swaps, futures, and options contracts.

Derivative financial instruments of the Bank are classified as "Derivative Financial Assets Designated at Fair Value through Profit or Loss" per "TFRS 9 Financial Instruments" ("TFRS 9").

Derivatives are initially recorded at their fair values. The related transaction costs are recognized in profit or loss statement at the date they incur. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss". The fair value differences of derivative financial instruments are recognized in the statement of profit or loss under trading profit/loss line in profit/loss from derivative financial transactions. The fair value of derivative instruments is calculated by taking into account the market value of the derivatives or by using the discounted cash flow model.

As of 2022, the Bank started to use the TL OIS interest rate curve in order to more accurately reflect the fair value measurement for CBRT and BIST swap transactions and made the necessary fair value measurement arrangements.

Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values.

Explanations on derivative financial instruments held for hedging purpose

As permitted by TFRS 9, the Bank continues to apply hedge accounting in accordance with "TAS 39 Financial Instruments: Recognition and Measurement ("TAS 39").

The Bank applies cash flow hedge accounting using interest rate and cross currency swap transactions, in order to hedge its TL floating rate deposits and revolving loans. Within the scope of cash flow hedge accounting, change in fair value of the hedging instrument, being positive or negative, is accounted in "Derivative financial assets measured at fair value through other comprehensive income" or "Derivative financial liabilities at fair value through other comprehensive income", respectively, in the balance sheet. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TAS 39, in financial statements under equity "accumulated other comprehensive income or expense to be reclassified to profit or loss" whereas the amount concerning ineffective parts is recognised in profit or loss statement. The changes recognized in shareholders' equity is removed and included in profit or loss statement in the same period when the hedged cash flows effect the income or loss.

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

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

When the cash flows of hedged item incur, the gain/losses accounted for under shareholders' equity are recognised in profit or loss statement considering the original maturity.

V. Explanations on interest income and expenses

Interest income and expenses are recognized on an accrual basis using the effective interest method (the rate which equals the future cash flows of a financial asset or liability to its net book value) by taking into consideration present principal amount.

As of 1 January 2018, the Bank applies the effective interest rate on the amortized cost of the asset for subsequent reporting periods for the financial assets impaired and classified as non-performing loan. Such interest income calculation is based on contractual basis for all financial assets subject to impairment calculation. During calculation of loss given default rate in expected credit loss models effective interest rate is used, thus, calculation of expected credit losses includes calculated interest amount. Therefore, a reclassification is made between the accounts of "Expected Credit Losses" and "Interest Income from Loans" for such calculated interest amount. If the credit risk of the financial instrument improves to the extent that the financial asset is no longer considered as impaired and the improvement can be attributed to an incident that eventually takes place (such as an increase in the loan's credit rating), the system calculates interest income at subsequent reporting periods by applying the effective interest rate to the gross amount.

VI. Explanations on fee and commission income and expenses

Fees and commissions except for which are integral part of the effective interest rates of financial instruments measured at amortized costs, are accounted for in accordance with "TFRS 15 - Revenue from Contracts with Customers". Depending on the nature of the transaction, fee and commission income / expenses are recorded on an accrual basis or using the effective interest method during the service period. Income generated by contract or through the purchase of assets for third parties are recognized in the income accounts according to the periods in which they are realized.

VII. Explanations on financial instruments

Initial recognition of financial instruments

A financial asset or a financial liability is recognized in the statement of financial position only when it is a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date.

Initial measurement of financial instrument

The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. Except for the assets in the scope of "TFRS 15 Revenue from Contracts with Customers", at initial recognition, the Bank measures financial asset or financial liabilities at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit/loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification of financial instruments

On which category a financial instruments shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Thus, the Bank has classified all financial assets beginning from 1 January 2018 on the basis of the business model used for the management of these assets and the contractual cash flows.

As per TFRS 9, the Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In order to assess whether the element provides consideration for only the passage of time, an entity applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. When the contractual conditions are exposed to the risks which are not consistent with the basic lending arrangement or variability of cash flows, the relevant financial asset is measured at fair value through profit or loss. The Bank has tested the "Solely Payments of Principal and Interest" test for all financial assets within the scope of TFRS 9 transition and evaluated asset classifications within the business model.

VII. Explanations on financial instruments (continued)

Assessment of business model

As per TFRS 9, the business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Bank's business models are divided into three categories.

A business model whose objective is to hold assets in order to collect contractual cash flows:

A business model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortised cost when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Central Bank, banks, money market placements, financial assets measured at amortized cost, loans, lease receivables, factoring receivables and other receivables are evaluated within this business model.

A business model whose objective is achieved by both collecting contractual cash flows and selling financial assets:

The business model in which financial assets are held both for the collection of contractual cash flows and for the sale of financial assets. Fair value change of the financial assets that are held within the scope of this business model are accounted under other comprehensive income when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at fair value through other comprehensive income are evaluated within this business model.

Other business models:

Financial assets are measured at fair value through profit or loss if they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets measured at fair value through profit/loss derivative financial instruments are evaluated within this business model.

Measurement categories of financial assets and liabilities

According to TFRS 9, the Bank's financial assets are classified in three main categories as listed below:

- Financial assets measured at fair value through profit/loss
- Financial assets measured at fair value through other comprehensive income and
- Financial assets measured at amortized cost (including credits).

Financial assets measured at fair value through profit/loss:

Financial assets at fair value through profit/loss are financial assets other than the ones that are managed with business model that aims 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 recognized in profit or loss.

VII. Explanations on financial instruments (continued)

Financial assets measured at fair value through other comprehensive income:

As per TFRS 9, the financial investments 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 the principal amount outstanding.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to 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 Expenses to be Reclassified to Profit or Loss" under shareholders' equity.

Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment. In this context, the Bank has evaluated that the costs of equity securities, which are classified as financial assets measured at fair value through other comprehensive income, has been assessed that they reflect the approximate fair values. The fair value level of the related assets has been determined as Level 3.

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

Financial assets measured at amortized cost:

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

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

Loans:

Loans represents financial assets other than those held for trading in short term or generated through providing money, commodity and services to debtors.

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

Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the effective interest rate method.

The Bank's loans are recorded under the "Loans Measured at Amortized Cost" account.

VIII. Explanations on impairment of financial assets

With the "Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside (Provision Regulation)" promulgated by BRSA in the Official Gazette, no. 29750, dated 22 June 2016, the Bank has started calculating provisions as of 1 January 2018, in scope of TFRS 9 for financial instruments, loans and other receivables. Accordingly, loss allowance for expected credit losses is recognized for the financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income.

Per TFRS 9, loss allowance for expected credit losses is recognised on financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit or loss. Expected credit loss estimates should include objective information weighted according to possibilities and that can be supported about past events, existing conditions and predictions about future economic conditions.

Financial assets within the scope of TFRS 9 are allocated to the three stages according to the change in the quality of the loan after initial recognition and are calculated on the basis of the expected credit loss stage:

- **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 is 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 is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses.

A financial asset is transferred from Stage 1 to Stage 2 when there is a significant increase in credit risk after initial recognition. Bank has established a framework which incorporates quantitative and qualitative information to identify significant risk increase on an asset level applying a relative assessment. Each financial asset is assessed at the reporting date to determine significant risk increase.

Bank considers the following criteria.

Quantitative criteria: The change in lifetime probability of default is the main trigger the transfer between Stage 1 and Stage 2. The trigger compares probability of default at the origination date versus probability of default at the reporting date, considering the remaining maturity. Assets can be transferred in both directions between Stage 1 and Stage 2. In order to determine if movements can be considered as significant, Bank implements different probability of default thresholds to evaluate absolute and relative changes occurring in both retail and corporate portfolios. Related thresholds are being analyzed by back-testing and revised accordingly if necessary.

Qualitative criteria: Bank considers several indicators aligned with those used in credit risk management. Specific qualitative criteria for retail and corporate portfolio has been defined, according to its particularities and with the policies currently in use. The use of these qualitative criteria is complemented with the use of expert judgement.

- ➢ Having past due more than legal regulations,
- ➢ Loans classified to watch list status according to the decision of the Bank's management,
- ➢ Restructured loans in compliance with "Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside ",
- ➢ Restructured loans according to an administrative judgement,
- ➢ Other consumer loans of individual clients whose one of the consumer loan transferred to non-performing loan portfolio.

- **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 and interest revenue is calculated on the net carrying amount.

The following criteria are taken into consideration in determining the impairment:

- ➢ Having past due more than legal regulations,
- ➢ Problems in aspect of client's creditworthiness,
- ➢ Collaterals and/or debtor's equities are insufficient for the timely payment of receivables,
- ➢ Collection of receivables is considered to be delayed for more than legal regulations due to macroeconomic, industry specific or customer specific reasons.

VIII. Explanations on impairment of financial assets (continued)

Use of present, past, future information and macroeconomic predictions:

Expected loss estimations take into consideration multiple macroeconomic scenarios for which the probability is measured according to past events, existing conditions and predictions about future economic conditions for economic variables (such as unemployment rates, GDP growth, real estate prices index and interest rates). Bank has defined three macroeconomic scenarios to use for future predictions, a baseline, an up-scenario and a down-scenario. Macroeconomic models are used to convert the parameters used in expected loss estimations to forward looking versions. Different models exist for large corporate, financial institutions, corporate, retail mortgage and retail portfolios.

Expected credit loss measurement:

Bank applies "Probability of Default x Exposure at Default x Loss Given Default" method which also takes the time value of money into account. For Stage 1 financial assets; a forward-looking approach on a twelve-month period is applied in order to calculate expected credit loss. For Stage 2 financial assets; a lifetime expected loss is calculated. The lifetime expected loss is the discounted sum of the portions of lifetime losses related to default events within each period of twelve months till maturity. For Stage 3 financial assets; the probability of default equals 100%, the loss given default and the exposure at default represent a lifetime expected loss calculated based on properties of the defaulted loan.

As of 30 June 2023, the Bank has additional expected loan loss provision for its existing loans in the earthquake zone, taking into account the reasonable and supportable information, in order to reflect the possible effects of the earthquake disaster in its financial statements.

Disclosures on write-off policy:

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette no.31533 on 6 July 2021. Pursuant to the regulation, the Bank may write-off the portion of the loans, classified as "Group V Loan" (Loans Classified as Loss)", for which there is no reasonable expectation of recovery, within the scope of TFRS 9, as of the first reporting period (interim or year-end reporting period) following their classification in this Group, deducted from the records within the period deemed appropriate by the Bank, taking into account the situation of the debtor. The Bank performs objective and subjective assessments whether there is a reasonable expectation.

Partial write-off transactions from the financial statements mean that the financial asset will be reimbursed at a certain rate by the debtor, and the amount remaining after the payment of the amount in question or the part of the bank that is classified under group 5 and which does not have reasonable expectations to be recovered.

IX. Explanations on offsetting financial assets

Financial assets and liabilities are shown on the balance sheet at their net amounts when the Bank has a legally enforceable right to offset the recognized amounts and intents to settle the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

X. Explanations on sales and repurchase agreements and securities lending transactions

Marketable securities sold under repurchase agreements ("Repo") are classified as financial assets whose fair value difference is reflected on profit-loss, and which are other comprehensive income or will be measured at amortised cost, in parallel to the classification of financial instruments. Funds provided in return for repo transactions are recognized in the "funds provided by repo transactions" accounts. The income related to repurchase agreements are reflected to the interest income on marketable securities and expenses paid in relation to repurchase agreements are recognized in "interest on money market borrowings" accounts.

Securities ("Reverse repo") that are purchased with repurchase agreements are classified under "Receivables from reverse repo transactions". Interest income obtained from reverse repo transactions are recognized under the account "Interest obtained from money market transactions".

Securities lending transactions are classified under "Money Market Placements" and accruals are calculated for the interest expense occurred.

XI. Explanations on property and equipment held for sale and related to discontinued operations and on payables regarding these assets

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

The assets that meet the criteria of being classified under assets held for sale are measured at the lower of their book values or fair value less costs to be incurred for sale, depreciation for these assets is ceased and these assets are presented separately in the balance sheet. In order for an asset to be classified as an asset held for sale, the related asset (or the asset group to be disposed) shall be ready to be sold immediately under usual conditions and should have a high possibility to be sold. To have a high possibility of a sale or sales, a plan should have been made for the sale of the asset (or the asset group to be disposed) and an active program should have been started by the management, aiming to complete the plan and determine the buyers.

The properties obtained from the Bank's receivables are shown at the fixed assets held for sale line, according to the execution of the forward sales agreement.

A discontinued operation is a part of an entity which is classified as to be disposed or held for sale. The results related to discontinuing operations are presented separately in the statement of profit or loss. The Bank does not have any discontinued operations.

XII. Explanations on goodwill and other intangible assets

The intangible assets are measured at their cost calculated by adding the acquisition costs and other direct costs necessary for making the asset in working order. Subsequently, intangible assets are carried at cost less accumulated depreciation and provision for value decrease.

Intangible assets are depreciated according to straight line method and depreciation rates are determined in line with the useful lives of related assets.

The intangible assets	33%

The Bank does not have goodwill.

XIII. Explanations on property and equipment

Property and equipment are initially measured at cost calculated by adding the acquisition fees and any directly attributable costs for making the asset in working order. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for value decrease.

According to precautionary and materiality principles, when the current value of property and equipment is less than their net cost, the net cost which exceeds their current value is recognized in expense account as provision for impairment.

Property and equipment are depreciated according to straight line method and depreciation rates are determined in line with the useful lives of related assets.

Immovables	2%
Movables, assets acquired by financial leasing	2% - 50%
Right-of-use assets	9% - 50%

The depreciation is set aside at the amount calculated through proportion of the yearly depreciation amount foreseen for the assets held for less than one accounting period to the time for which the asset is held in asset.

Gains and losses on the disposal of property and equipment are reflected to the profit and loss of the related period.

Expenditures for the repair and maintenance of property and equipment are recognized as expense.

There is no injunction, pledge or mortgage on property and equipment.

There is no purchase commitment related to property and equipment.

XIV. Explanations on investment properties

"TAS 40 Investment Properties" was republished in the Official Gazette no. 29826 dated 16/04/2018 and as a Board Decision to be implemented in the accounting periods starting after 01/01/2005. The purpose of this standard; to determine the rules regarding the accounting and disclosure of investment properties. Rather than use in the production of goods and services, for administrative purposes, or for sale in the normal course of business, land and buildings held for the purpose of earning rent or appreciation, or both; its classified as investment property. The Bank uses the cost method within the scope of TAS 40 for its investment properties. Investment properties are shown at from acquisition cost less accumulated depreciation. Investment properties (excluding lands) are depreciated using the straight line method.

XV. Explanations on leasing transactions

a. Accounting of leasing operations as lessor

The Bank does not have any leasing operations as "lessor".

b. Accounting of leasing operations as lessee

Assets acquired under financial leases are capitalized at lower of the fair values of leased assets or discounted value of lease installments. While the total amounts of lease amounts are recognized as liability, the related interest amounts are accounted for as deferred interest. Assets subject to financial leases are followed under property and equipment and are depreciated by using straight-line method. The estimated depreciation rates are determined according to their estimated useful lives.

The Bank performs operating lease for branches. With the "TFRS 16 Leases" standard which became effective as of 1 January 2019, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognised under "Tangible Fixed Assets" as an asset (right of use asset) and under "Liabilities from Leasing" as a liability. Other operating leases are not considered within the scope of TFRS 16 as they are below the materiality level and the corresponding rent payments are recognized under "Other Operating Expenses".

The Bank – as lessee:

The Bank assesses whether a contract is (or contains) a lease at the inception of the contract. A contract is a lease contract or contains a lease on the basis of whether the right to control the use of an identified asset is being transferred for a period of time, against remuneration. In this case, at the commencement date, the right-of-use assets are recognized under "Tangible Assets" and lease liabilities are recognized under "Lease Payables" by the Bank.

The Bank initially measures the right-of-use asset applying a cost model in the financial statements and it includes the following:

(a) Lease liabilities in the balance sheet, initially measured at the present value,

(b) Remaining lease payment amount before or at the commencement date, after all lease incentives are eliminated,

(c) All initial direct costs beared by the Bank and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Bank measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability.

The Bank applies the depreciation requirements in "TAS 16 Property, Plant and Equipment" standards in depreciating the right-of-use asset.

At the commencement date, the Bank measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the alternative borrowing interest rate.

XV. Explanations on leasing transactions (continued)

At the commencement date, the lease payments included into the measurement of lease liabilities are composed of payments will be made during the underlying asset’s lease term and payments that are not made at the commencement date are indicated below:

(a) Remaining amount of fixed payments after elimination of any lease incentives receivable,

(b) Variable future lease payments resulting from a change in an index or a rate used to determine those payments’ initial measurement at the commencement date,

(c) Amounts expected to be payable under a residual value guarantee by the Bank,

(d) Purchasing option’s cost if the Bank is sure at a reasonable level that purchasing option will be used and

(e) Payment of the fine due to the termination of the lease if the lease period refers to an option for the termination of the lease.

After the commencement date, the Bank measures the lease liability as indicated below:

(a) Measures the lease liability by increasing the carrying amount to reflect interest on the lease liability,

(b) Measures the lease liability by reducing the carrying amount to reflect the lease payments made and

(c) Remeasures the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease.

XVI. Explanations on provisions, contingent assets and liabilities

Provisions and contingent liabilities are accounted in accordance with, “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets” (“TAS 37”).

Provisions are recognized when there is a present legal or constructive obligation as a result of past events at the balance sheet date; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Provisions are set aside for highly probable and reliably estimated amount of liabilities arisen as a result of prior period events, at the time when such liabilities arise.

XVII. Explanations on obligations related to employee rights

Provision for employee severance benefits has been accounted for in accordance with “TAS 19 Employee Benefits” (“TAS 19”).

In accordance with the existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Bank over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Bank.

The Bank has calculated provision for employee severance benefits in the attached financial statements in accordance with “Turkish Accounting Standard for Employee Benefits (“TAS 19”)” by using the “Projection Method” and discounted the total provision by using the current market yield on government bonds based on their previous experience in the issues of completion of personnel service period and severance pay eligibility. Actuarial gains and losses are recognized under equity in accordance with the TAS 19 standard.

In accordance with the existing social legislation in Turkey, the Bank is required to make contribution to Social Security Institution (“SSI”) on behalf of their employees. Other than the contributions that the Bank is required to pay, there is no additional requirement to make payment to neither their employees nor SSI. These premiums are reflected to personnel expenses when they accrue.

Provision for the employees’ unused vacations has been booked in accordance with TAS 19 and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the employees are members.

XVIII. Explanations on taxation

a. Current tax

The Bank is subject to tax legislation and practices effective in Turkey.

While corporate tax which is applied to corporate earnings at the rate of 20% in Turkey, in accordance with the regulation introduced by the Law No. 7394 on the "Law on Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law" , this rate has been determined to be applied as 25% for the corporate earnings of 2022 and later taxation periods for the banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. In accordance with the Law numbered 7456 which is published in Official Gazette dated 15 July 2023 and numbered 32249, the corporate tax rate for the banks has been determined as 30%. This rate starting from the declarations of 1 October 2023 and to be valid for to the earnings to be obtained in 2023 and the following accounting periods.

The corporate tax rate is applied to the net corporate income after the addition of expenses not subject to deduction according to tax legislation, deduction of exemptions in tax laws (such as participation earnings exemption) and application of tax relief (reduction). No further tax is paid if the profit is not distributed.

While according to the provisions of Corporate Tax Law, no. 5520, exemption shall be applied for 75% of the earnings from the sale of the properties and participation shares that corporations have kept among their assets for at least two full years (provided that they are added in the capital or kept in a special fund account in liabilities for five years as provided in the Law), and from the sales of founders' shares, preference shares and preferred rights they have kept for same duration; Article 89/a of the Law, no. 7061 effective upon promulgation in the Official Gazette, no. 30261, dated 5 December 2017 and Articles 5.1.e and 5.1.f of Corporate Tax Law have been amended, the exemption applied as 75% was decreased to 50% to be effective as of the promulgation of the Law for the above mentioned sale of properties. In accordance with the Law numbered 7456 which is published dated of 15 July 2023, the tax exemption on profits from the sales of immovables has been terminated as of 15 July 2023, and immovables that were a part of company's assets before the this date, the exemption rate on profits arising from their sales has been set as 25%.

According to the Corporate Tax Law, financial losses can be carried forward to offset against corporate tax base of the related period for up to five years. Tax authorities inspect tax returns and the related accounting records within five years and check the tax calculations.

Corporate tax is required to be filed by the last day of the fourth month following the balance sheet date and taxes must be paid in one installment by the end of the fourth month. Pursuant to the tax legislation, an advance tax is calculated and paid based on earnings generated for each quarter. The amounts thus paid are deducted from the tax calculated over annual earning. Current year tax amounts to be paid are netted off as they are related with prepaid tax amounts.

As of 30 June 2023, 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 of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting periods including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law no. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law no. 7352 published in the Official Gazette no.31734 dated 29 January 2022 and the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, will not be subject to inflation adjustment, and for the 2023 accounting period; will not be subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

XVIII. Explanations on taxation (continued)

The procedures and principles of the articles of law that allow the revaluation of immovable and depreciable economic assets have been rearranged on the Communiqué Amending the General Communiqué on Tax Procedure Law no. 547 (no. 537) published in the Official Gazette dated 14 January 2023 and numbered 32073. Accordingly, the Bank will be able to revalue its immovable and depreciable economic assets in the balance sheet, provided that the conditions in the Provisional Article 32 and Repeated Article 298/ç of the Tax Procedure Law are met. Thus, corporate tax will be calculated and paid according to the values of immovable and depreciable economic assets after revaluation. In this context, as of the end of the 2022 accounting period, the economic assets registered in the Bank's assets were revalued within the scope of Provisional Article 32 and Repeated Article 298/ç of the Tax Procedure Law.

With the Law No. 7440 on the Restructuring of Certain Receivables and Amending Certain Laws published in the Official Gazette dated 12 March 2023 and numbered 32130, by the corporate taxpayers, by being shown in their corporate tax return for the year 2022, in accordance with the Law No. 5520 and the regulations in other laws, the exemption and discount amounts subject to deduction from corporate income and the bases subject to reduced corporate tax within the scope of Article 32/A of the same Law, an additional tax is calculated at the rate of 10% without being associated with the income for the period, and at the rate of 5% over the exempted earnings obtained from abroad with the exception regulated in subparagraph (a) of the first paragraph of Article 5 of the Law No. 5520 and proven to have at least 15% tax burden.

b. Deferred tax

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12"). In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date. In accordance with the Law no. 5520 published in the Official Gazette no. 31810 and dated 15 April 2022, the corporate tax rate has been applied as 25%. As of 30 June 2023, the Bank has calculated deferred tax at the rates of 25% for assets and liabilities.

If transactions and events are recorded in the statement of profit or loss, then the related tax effects are also recognized in the statement of profit or loss. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

The deferred tax assets and liabilities are reported as net in the financial statements.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. An entity shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of deferred tax asset to be utilized.

c. Transfer pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "Disguised Profit Distribution" by way of transfer pricing. "The General Communique on Disguised Profit Distribution by way of Transfer Pricing" published on 18 November 2007 explains the application related issues in detail. According to this Communique, 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. Disguised profit distribution amount will be recognized as share in net profit and stoppage tax will be calculated depending on whether the profit distributing institution is a real or corporate entity, full-fledged or foreign based taxpayer, is subject to or exempt from tax.

As discussed under subject Communique's "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization Form" section, 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.

XIX. Explanations on borrowings

The Bank, whenever required, generates funds from domestic and foreign sources in the form of borrowings, syndications, securitizations, and bill and bond issuances in the local and international markets. The funds borrowed are recorded at their purchase costs and valued at amortised costs using the effective interest method.

XX. Explanation on issuance of equity securities

There are no issuance of equity securities in 2023.

XXI. Explanations on guarantees and acceptances

The Bank's letters of acceptances with its customers are simultaneously realized with customers' payments and are followed in off-balance sheet items.

XXII. Explanations on government incentives

As of the balance sheet date, there is no government grant for the Bank.

XXIII. Explanations on segment reporting

An operating segment is a component of an entity:

a. That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

b. Whose operating results are regularly reviewed by the entity's authorised decision maker for the purpose of taking decisions about resources to be allocated to the segment and assessing its performance and

c. For which discrete financial information is available.

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

XXIV. Profit reserves and distribution of profit

Under the Turkish Commercial Code ("TCC"), legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated 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 at least 10% of distributions in excess of 5% of issued and fully paid-in share capital.

XXV. Explanations on other disclosures

None.

Section four

Information on financial position and risk management

I. Explanations on unconsolidated capital

Unconsolidated total capital and capital adequacy ratio has been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks".

Within the scope of the measures announced by the Banking Regulation and Supervision Agency on 31 January 2023 and 21 December 2021, the amount subject to credit risk shall be calculated by using the 30 December 2022 dated Central Bank's foreign exchange buying rates and negative revaluation differences of the securities classified under financial assets measured at fair value through other comprehensive income are not included in capital calculation.

As of 30 June 2023, according to Banking Regulation and Supervision Agency 31 January 2023 dated decision the amount subject to credit risk in calculating the regulatory capital adequacy ratio was calculated by taking into account the 30 December 2022 dated Central Bank's foreign exchange buying rates. In addition, in accordance with the Banking Regulation and Supervision Board's Decision dated 16 April 2020 and numbered 8999, 0% risk weight is used in the calculation of the amount subject to credit risk for FX receivables of Banks which are from Republic of Turkey Central Management within the scope of Regulation on Measurement and Assessment of Capital Adequacy of Banks published on the Official Gazette dated 23 October 2015 and numbered 29511. If the specified measure is not taken into account, the unconsolidated capital adequacy ratio decreases to 15.96% as of 30 June 2023.

As of 30 June 2023, taking into consideration the above-mentioned regulations, the Bank's total capital is TL 15,569,391 and the capital adequacy ratio is 17.92%. As of 31 December 2022, the Bank's total capital amounted to TL 13,907,995 and capital adequacy ratio was 19.59%.

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

I. Explanations on unconsolidated capital (continued)

	Current period	Amount related to implementation before 01.01.2014 (*)
COMMON EQUITY Tier I Capital		
Paid-in capital to be entitled for compensation after all creditors	3,486,268	
Share premium	-	
Legal reserves	9,494,742	
Other comprehensive income according to TAS	640,458	
Profit	1,521,255	
Net profit for the period	1,521,255	
Prior period profit	-	
Bonus shares from investments in associates, subsidiaries and joint ventures that are not recognized in profit	1,797	
Common equity Tier I capital before deductions	**15,144,520**	
Deductions from common equity		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on the Capital of Banks	-	
Portion of the current and prior periods' losses not covered by reserves and losses accounted under equity as per TAS	230,328	
Leasehold improvements on operational leases	39,879	
Goodwill netted off deferred tax liability	-	
Other intangibles netted off deferred tax liability except for mortgage servicing rights	260,769	260,769
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Portion of the total expected loss amount calculated as per Communiqué on Calculation of Credit Risk with the Internal Rating Based Approach, which exceeds total provisions	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair value of Bank's liabilities	-	
Net amount of defined-benefit plan assets	-	
Direct and indirect investments of the Bank in its own Common Equity Tier I Capital	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital, which exceeds 10% of common equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, which exceeds 10% of common equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the common equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the common equity	-	
Amounts exceeding 15% of the common equity as per the 2nd clause of the provisional article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity in case adequate additional Tier I capital or Tier II capital is not available	-	
Total deductions from common equity Tier I capital	**530,976**	
Total common equity Tier I capital	**14,613,544**	
ADDITIONAL TIER I CAPITAL		
Preferred stock not included in common equity tier I capital and the related share premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (in scope of Temporary Article 4)	-	
Additional Tier I capital before deductions	**-**	
Deductions from additional Tier I capital	**-**	
Bank's direct and indirect investments in its own Additional Tier I capital	-	
Investments in equity instruments issued by banks and financial institutions that have invested in Bank's additional Tier I Capital, which are compatible with Article 7 of the regulation	-	
Portion of total 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, which Exceeds 10% of Bank's Tier I Capital	-	
The Total of Net Long Positions 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 continuing to be deducted from Tier I Capital during the Transition Period	-	
Portion of the goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier I capital as per the first sub-paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
Portion of the net deferred tax asset/liability not deducted from Common Equity Tier I capital as per the first sub-paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
Deductions to be made from common equity in case adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total deductions from additional Tier I capital	**-**	
Total additional Tier I capital	-	
Total Tier I capital (Tier I Capital = Common Equity + Additional Tier I Capital)	**14,613,544**	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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

I. Explanations on unconsolidated capital (continued)

	Current period	Amount related to implementation before 01.01.2014 (*)
TIER II CAPITAL		
Bank's borrowing instruments and issue premiums	-	
Bank's borrowing instruments and issue premiums (in scope of Temporary Article 4)	-	
Provisions (amounts stated in Article 8 of the Regulation on the Equity of Banks)	959,689	
Tier II Capital Before Deductions	**959,689**	
Deductions From Tier II Capital		
Bank's direct and indirect investments in its own Tier II Capital (-)	-	
Bank's investments in in equity instruments issued by banks and financial institutions that have invested in Bank's additional Tier I Capital, which are compatible with Article 8 of the regulation	-	
Portion of total 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, which Exceeds 10% of Bank's Tier I Capital (-)	-	
The Total of Net Long Positions 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 (-)	-	
Total Deductions from Tier II Capital	**-**	
Total Tier II Capital	**959,689**	
Total capital (the sum of tier i capital and tier ii capital)	**15,573,233**	
Total of core capital and additional capital (total equities)		
Loans granted against Article 50 and 51 of Banking Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in Article 57, Clause 1 of the Banking Law and of Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Three Years	-	
Other items to be defined by the BRSA (-)	3,842	
Items to be deducted from the sum of Tier I and Tier II Capital (Capital) during transition period	**-**	
Portion of total 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 10% of Bank's Tier I Capital, which is not deducted from Tier I, Tier II and additional capital as per Temporary Article 2 of the Regulation on the Equity of Banks	-	
Portion of total 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 10% of Bank's Tier I Capital, which is not deducted from the tier II capital and additional capital as per Temporary Article 2 of the Regulation on the Equity of Banks (-)	-	
Portion of the total of net long positions of investments made in the common equity items of banks and financial institutions outside the scope of consolidation where the bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per paragraph 1 and 2 of Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
TOTAL CAPITAL		
Total Capital	15,569,391	
Total risk weighted amounts	86,880,466	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	16.82	
Tier I Capital Adequacy Ratio (%)	16.82	
Capital Adequacy Ratio (%)	17.92	
BUFFERS		
Total buffer requirement	2.62	
Capital protection buffer requirement (%)	2.50	
Bank specific cyclical buffer requirement (%)	0.12	
Systemically important banks buffer ratio (%)	-	
The ratio of Additional Common Equity Tier I capital to be calculated as per the first paragraph of Article 4 of Regulation on Capital Protection and Countercyclical Capital buffers to Risk Weighted Assets (%)	9.92	
Amounts below the Excess Limits as per the Deduction Principles		
Amounts arising from the net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital	-	
Amounts arising from the net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital	-	
Mortgage Servicing Rights	-	
Amount arising from deferred tax assets based on temporary differences	603,849	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before ten thousand twenty five limitation)	1,012,445	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	959,689	
Amount of total provision exceeding the total expected loss amount calculated according to the Communiqué on the Calculation of the Credit Risk Based Amount as per the Internal Ratings Based Approach	-	
Amount up to 0.6% of the portion of total provision exceeding the total expected loss amount calculated according to the Communiqué on the Calculation of the Credit Risk Based Amount as per the Internal Ratings Based Approach	-	
Debt instruments subject to Temporary Article 4 (to be implemented between 1 January 2018 and 1 January 2022)	-	
Upper limit for Additional Tier I Capital subject to Temporary Article 4	-	
Amounts exceeding the upper limits of Additional Tier I Capital subject to Temporary Article 4	-	
Upper limit for Additional Tier II Capital subject to temporary Article 4	-	
Amounts exceeding the upper limits of Additional Tier II Capital subject to temporary Article 4	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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

I. Explanations on unconsolidated capital (continued)

	Prior period	Amount related to implementation before 01.01.2014 (*)
COMMON EQUITY Tier I Capital		
Paid-in capital to be entitled for compensation after all creditors	3,486,268	
Share premium	-	
Legal reserves	6,792,955	
Other comprehensive income according to TAS	577,019	
Profit	2,626,289	
Net profit for the period	2,626,289	
Prior period profit	-	
Bonus shares from investments in associates, subsidiaries and joint ventures that are not recognized in profit	1,797	
Common equity Tier I capital before deductions	**13,484,328**	
Deductions from common equity		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on the Capital of Banks	-	
Portion of the current and prior periods' losses not covered by reserves and losses accounted under equity as per TAS	35,694	
Leasehold improvements on operational leases	44,416	
Goodwill netted off deferred tax liability	-	
Other intangibles netted off deferred tax liability except for mortgage servicing rights	249,790	249,790
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Portion of the total expected loss amount calculated as per Communiqué on Calculation of Credit Risk with the Internal Rating Based Approach, which exceeds total provisions	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair value of Bank's liabilities	-	
Net amount of defined-benefit plan assets	-	
Direct and indirect investments of the Bank in its own Common Equity Tier I Capital	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital, which exceeds 10% of common equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, which exceeds 10% of common equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the common equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the common equity	-	
Amounts exceeding 15% of the common equity as per the 2nd clause of the provisional article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity in case adequate additional Tier I capital or Tier II capital is not available	-	
Total deductions from common equity Tier I capital	**329,900**	
Total common equity Tier I capital	**13,154,428**	
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I capital and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (in scope of Temporary Article 4)	-	
Additional Tier I capital before deductions	**-**	
Deductions from additional Tier I capital	**-**	
Bank's direct and indirect investments in its own Additional Tier I capital (-)	-	
Investments in equity instruments issued by banks and financial institutions that have invested in Bank's additional Tier I Capital, which are compatible with Article 7 of the regulation	-	
Portion of total 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, which Exceeds 10% of Bank's Tier I Capital	-	
The Total of Net Long Positions 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 continuing to be deducted from Tier I Capital during the Transition Period	-	
Portion of the goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier I capital as per the first sub-paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
Portion of the net deferred tax asset/liability not deducted from Common Equity Tier I capital as per the first sub-paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
Deductions to be made from common equity in case adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total deductions from additional Tier I capital	**-**	
Total additional Tier I capital	**-**	
Total Tier I capital (Tier I Capital = Common Equity + Additional Tier I Capital)	**13,154,428**	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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

I. Explanations on unconsolidated capital (continued)

	Prior period	Amount related to implementation before 01.01.2014 (*)
TIER II CAPITAL		
Bank's borrowing instruments and issue premiums	-	
Bank's borrowing instruments and issue premiums (in scope of Temporary Article 4)	-	
Provisions (amounts stated in Article 8 of the Regulation on the Equity of Banks)	759,085	
Tier II Capital Before Deductions	**759,085**	
Deductions From Tier II Capital		
Bank's direct and indirect investments in its own Tier II Capital (-)	-	
Bank's investments in in equity instruments issued by banks and financial institutions that have invested in Bank's additional Tier I Capital, which are compatible with Article 8 of the regulation.	-	
Portion of total 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, which Exceeds 10% of Bank's Tier I Capital (-)	-	
The Total of Net Long Positions 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 (-)	-	
Total Deductions from Tier II Capital	**-**	
Total Tier II Capital	**759,085**	
Total capital (the sum of tier i capital and tier ii capital)	**13,913,513**	
Total of core capital and additional capital (total equities)		
Loans granted against Article 50 and 51 of Banking Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in Article 57, Clause 1 of the Banking Law and of Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Three Years	-	
Other items to be defined by the BRSA	5,518	
Items to be deducted from the sum of Tier I and Tier II Capital (Capital) during transition period	**-**	
Portion of total 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 10% of Bank's Tier I Capital, which is not deducted from Tier I, Tier II and additional capital as per Temporary Article 2 of the Regulation on the Equity of Banks	-	
Portion of total 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 10% of Bank's Tier I Capital, which is not deducted from the tier II capital and additional capital as per Temporary Article 2 of the Regulation on the Equity of Banks (-)	-	
Portion of the total of net long positions of investments made in the common equity items of banks and financial institutions outside the scope of consolidation where the bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per paragraph 1 and 2 of Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
TOTAL CAPITAL		
Total Capital	13,907,995	
Total risk weighted amounts	70,986,888	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	18.53	
Tier I Capital Adequacy Ratio (%)	18.53	
Capital Adequacy Ratio (%)	19.59	
BUFFERS		
Total buffer requirement	2.57	
Capital protection buffer requirement (%)	2.50	
Bank specific cyclical buffer requirement (%)	0.07	
Systemically important banks buffer ratio (%)	-	
The ratio of Additional Common Equity Tier I capital to be calculated as per the first paragraph of Article 4 of Regulation on Capital Protection and Countercyclical Capital buffers to Risk Weighted Assets (%)	11.60	
Amounts below the Excess Limits as per the Deduction Principles		
Amounts arising from the net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital	-	
Amounts arising from the net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital	-	
Mortgage Servicing Rights	-	
Amount arising from deferred tax assets based on temporary differences	427,938	
Limits related to provisions considered in Tier II calculation	-	
General provisions for standard based receivables (before ten thousand twenty five limitation)	759,085	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	759,085	
Amount of total provision exceeding the total expected loss amount calculated according to the Communiqué on the Calculation of the Credit Risk Based Amount as per the Internal Ratings Based Approach	-	
Amount up to 0.6% of the portion of total provision exceeding the total expected loss amount calculated according to the Communiqué on the Calculation of the Credit Risk Based Amount as per the Internal Ratings Based Approach	-	
Debt instruments subject to Temporary Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subject to Temporary Article 4		
Amounts exceeding the upper limits of Additional Tier I Capital subject to Temporary Article 4	-	
Upper limit for Additional Tier II Capital subject to temporary Article 4	-	
Amounts exceeding the upper limits of Additional Tier II Capital subject to temporary Article 4	-	

(*) Amounts represent the amounts of items to be taken into consideration and subject to transition provisions in accordance with Temporary Articles of "Regulation on the Equity of Banks".

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

I. Explanations on unconsolidated capital (continued)

Information about debt instruments that will be included in total capital calculation

There is no debt instruments that will be included in total capital calculation as of 30 June 2023.

Explanations on reconciliation of capital items to balance sheet

Risk classifications	Carrying amount	Amounts in equity calculation
Shareholders' equity	14,950,644	14,950,644
Gains from cash flow hedge transactions	36,452	(36,452)
Leasehold improvements on operational leases	39,879	(39,879)
Goodwill and intangible assets	260,198	(260,769)
General provision	1,012,445	959,689
Other deductions from shareholders' equity	3,842	(3,842)
Capital		**15,569,391**

II. Explanations on unconsolidated currency risk

Management of foreign currency risk is differentiated on the basis of ("banking book") and ("trading book"), where trading book is managed in accordance with foreign currency trading position limits as well as value at risk ("VaR") and banking book is also managed in terms of foreign currency position limits scope. The results of limit utilizations are shared periodically with related senior management, Asset Liability Committee, Risk Committee and the Board of Directors. Besides, currency risk is also taken into account in the capital adequacy ratio calculation as part of the market risk under the standard method.

The simple arithmetic average of USD and EUR buying rates of the Bank for the thirty days before the balance sheet date are 23.6322 (Full TL) and 25.6328 (Full TL) respectively.

The Bank's USD and EUR buying rates as of balance sheet date and five business days prior to this date are as follows:

	1 USD	1 EUR
The Bank's "foreign exchange buying rates" (30 June 2023)	26.0623	28.3193
Previous days;		
27 June 2023	26.0426	28.5192
26 June 2023	25.9034	28.2813
23 June 2023	25.2463	27.4781
22 June 2023	24.2375	26.6249
21 June 2023	23.5597	25.7343

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

II. Explanations on unconsolidated currency risk (continued)

Information related to currency risk:

	EURO	USD	Other FC	Total
Current period				
Assets				
Cash (cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	8,810,053	8,819,179	407,761	18,036,993
Banks	840,229	1,411,020	544,723	2,795,972
Financial assets at fair value through profit or loss	710,104	114,777	-	824,881
Money market placements	-	-	-	-
Financial assets measured at fair value through other comprehensive income	1,616	-	-	1,616
Loans	15,253,537	9,565,230	7,750	24,826,517
Investments in associates, subsidiaries and joint ventures (business partnerships)	969,691	334	-	970,025
Financial assets measured at amortised cost	-	-	-	-
Hedging derivative financial assets	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets (*)	(116,276)	(152,418)	244	(268,450)
Total assets	**26,468,954**	**19,758,122**	**960,478**	**47,187,554**
Liabilities				
Bank deposit	-	-	-	-
Foreign currency deposits	10,884,553	16,188,491	7,537,981	34,611,025
Funds from interbank money market	488,928	-	-	488,928
Borrowings	8,507,107	5,400,829	-	13,907,936
Marketable securities issued	-	-	-	-
Miscellaneous payables	265,526	145,126	10	410,662
Hedging derivative financial liabilities	-	-	-	-
Other liabilities	966,466	306,291	968	1,273,725
Total liabilities	**21,112,580**	**22,040,737**	**7,538,959**	**50,692,276**
Net on balance sheet position	**5,356,374**	**(2,282,615)**	**(6,578,481)**	**(3,504,722)**
Net off-balance sheet position	**(4,695,576)**	**3,099,670**	**6,569,684**	**4,973,778**
Financial derivative assets	18,541,658	33,967,801	8,974,038	61,483,497
Financial derivative liabilities	23,237,234	30,868,131	2,404,354	56,509,719
Non-cash loans	**8,899,753**	**7,346,151**	**404,009**	**16,649,913**
Prior period				
Total assets	**21,814,353**	**17,104,348**	**1,158,733**	**40,077,434**
Total liabilities	**15,138,687**	**19,595,795**	**5,629,681**	**40,364,163**
Net on-balance sheet position	**6,675,666**	**(2,491,447)**	**(4,470,948)**	**(286,729)**
Net off-balance sheet position	**(5,923,483)**	**2,674,678**	**4,479,392**	**1,230,587**
Financial derivative assets	10,276,205	27,408,137	7,153,891	44,838,233
Financial derivative liabilities	16,199,688	24,733,459	2,674,499	43,607,646
Non-cash loans	**6,608,471**	**4,223,934**	**335,381**	**11,167,786**

(*) Includes TFRS 9 provisions classified as Foreign Currency Expected Credit Losses as of the current period.

In the foreign currency risk table:

The principal and accrual amount of the foreign currency indexed loans amounting to TL 9,353 (31 December 2022: TL 6,456) is presented in the loans line.

The foreign currency amounts which are not included in currency risk table according to the regulation about foreign currency net general position/capital adequacy standard ratio are explained below with the order in the table above.

Held-for-trading derivative financial assets: TL 513,153 (31 December 2022: TL 526,097).
Held-for trading derivative financial liabilities: TL 1,616,812 (31 December 2022: TL 288,769).
Interest rate swap-buy transactions and options-buy: TL 13,967,973 (31 December 2022: TL 11,602,187).
Interest rate swap-sell transactions and options-sell: TL 13,967,973 (31 December 2022: TL 11,602,187).

II. Explanations on unconsolidated currency risk (continued)

Financial derivative assets/liabilities include the foreign currency buy/sell transactions indicated below.

Forward foreign currency-buy transactions: TL 156,374 (31 December 2022: TL 942,450).
Forward foreign currency-sell transactions: None (31 December 2022: TL 942,072).

III. Explanations on unconsolidated interest rate risk

Interest risk, which refers to the loss due to interest sensitive assets and liabilities in balance sheet and off balance sheet items that might be subject to the changes in the interest rate as a result of maturity/repricing mismatch, is differentiated and managed on the basis of banking book and trading book as part of compliance with both Basel regulations and other international standards. Within this context, in addition to the value at ("VaR") risk limit for trading book, sensitivity limits against interest rate shocks are defined for trading books and banking books. Capital requirement that relates to market risk is calculated through the "Standard Method" according to Basel II.

In order to hedge interest rate risk, hedging strategies are applied through off-balance sheet transactions within the limits approved by the Board of Directors, and interest rate risk is managed by ensuring optimum balance between fixed and floating rate assets and liabilities within the balance sheet.

The limit utilizations and sensitivity analysis related to the interest rate risk on the balance sheet are performed regularly and the results are shared with the related senior management, Asset Liability Committee, Risk Committee and the Board of Directors periodically. Internal analysis for the interest rate risk in the banking books are made on a daily and monthly basis, whereas interest rate risk in the banking books standard ratio is reported to BRSA on a monthly basis.

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

III. Explanations on unconsolidated interest rate risk (continued)

1. Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on re-pricing dates)

Current period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non-interest bearing	Total
Assets							
Cash (cash in vault, foreign currency cash, money in transit, checks-purchased) and balances with the Central Bank of Turkey	-	-	-	-	-	18,790,630	18,790,630
Banks	1,775,777	-	-	-	-	1,022,760	2,798,537
Financial assets at fair value through profit and loss	1,559,545	2,529,656	241,302	80,349	33,209	214	4,444,275
Money market placements	17,333,787	-	-	-	-	-	17,333,787
Financial assets measured at fair value through other comprehensive income	18,389	152,781	1,272,685	3,056,421	-	66,382	4,566,658
Loans	28,401,378	11,614,510	19,968,446	8,880,509	681,275	1,272,825	70,818,943
Financial assets measured at amortised cost	29,234	65,933	159,268	6,248,594	-	-	6,503,029
Other assets (*)	-	-	-	-	-	12,712,792	12,712,792
Total assets	**49,118,110**	**14,362,880**	**21,641,701**	**18,265,873**	**714,484**	**33,865,603**	**137,968,651**
Liabilities							
Bank deposits	3,250,883	-	-	-	-	4,009	3,254,892
Other deposits	43,856,064	11,088,882	11,237,135	-	-	25,090,216	91,272,297
Money market borrowings	499,990	-	-	-	-	-	499,990
Miscellaneous payables	429,340	-	-	-	-	858,793	1,288,133
Securities issued	-	-	-	-	-	-	-
Funds obtained from other financial institutions	12,139,329	62,706	1,727,912	-	-	-	13,929,947
Other liabilities (**)	1,177,504	1,689,363	441,640	7,883	-	24,407,002	27,723,392
Total liabilities	**61,353,110**	**12,840,951**	**13,406,687**	**7,883**	**-**	**50,360,020**	**137,968,651**
Balance sheet long position	-	1,521,929	8,235,014	18,257,990	714,484	-	28,729,417
Balance sheet short position	(12,235,000)	-	-	-	-	(16,494,417)	(28,729,417)
Off-balance sheet long position	-	-	3,220,677	4,664,125	-	-	7,884,802
Off-balance sheet short position	(1,858,508)	(5,229,441)	-	-	(130,000)	-	(7,217,949)
Total position	**(14,093,508)**	**(3,707,512)**	**11,455,691**	**22,922,115**	**584,484**	**(16,494,417)**	**666,853**

(*) Non-interest bearing column in other assets line consists of tangible assets, intangible assets, assets held for sale, associates and subsidiaries, expected credit losses, investment property and other assets.

(**) Non-interest bearing column in other liabilities line consists of other liabilities except than miscellaneous payables, provisions, current tax liability, deferred tax liability and equity.

Prior year's information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on re-pricing dates)

Prior period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non-interest bearing	Total
Assets							
Cash (cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	-	-	-	-	-	15,092,920	15,092,920
Due from other banks and financial institutions	1,783,079	-	-	-	-	557,471	2,340,550
Financial assets at fair value through profit and loss	541,291	1,207,045	585,425	128,962	32,657	210	2,495,590
Money market placements	2,456,991	40,000	-	-	-	-	2,496,991
Available-for-sale financial assets	518,386	827,440	1,119,979	1,900,474	-	65,905	4,432,184
Loans and receivables	14,091,921	11,766,959	23,168,458	11,427,045	693,631	1,397,157	62,545,171
Held-to-maturity investments	286,333	2,035,831	1,441,660	3,415,134	-	-	7,178,958
Other assets (*)	-	-	-	-	-	2,271,078	2,271,078
Total assets	**19,678,001**	**15,877,275**	**26,315,522**	**16,871,615**	**726,288**	**19,384,741**	**98,853,442**
Liabilities							
Bank deposits	746,689	-	-	-	-	5,162	751,851
Other deposits	39,287,172	9,277,308	2,798,666	23,206	-	15,154,985	66,541,337
Money market borrowings	3,066,062	-	301,570	-	-	-	3,367,632
Miscellaneous payables	283,987	-	-	-	-	1,161,872	1,445,859
Securities issued	-	-	394,172	-	-	-	394,172
Funds obtained from other financial institutions	2,537,809	5,453,263	933,315	17,211	-	-	8,941,598
Other liabilities (**)	837,641	836,281	73,995	470	-	15,662,606	17,410,993
Total liabilities	**46,759,360**	**15,566,852**	**4,501,718**	**40,887**	**-**	**31,984,625**	**98,853,442**
Balance sheet long position	-	310,423	21,813,804	16,830,728	726,288	-	39,681,243
Balance sheet short position	(27,081,359)	-	-	-	-	(12,599,884)	(39,681,243)
Off-balance sheet long position	-	-	-	4,148,759	-	-	4,148,759
Off-balance sheet short position	(88,228)	(2,769,896)	(794,497)	-	(130,000)	-	(3,782,621)
Total position	**(27,169,587)**	**(2,459,473)**	**21,019,307**	**20,979,487**	**596,288**	**(12,599,884)**	**366,138**

(*) Non-interest bearing column in other assets line consists of tangible assets, intangible assets, assets held for sale, associates and subsidiaries expected credit losses, investment property, current tax asset and other assets.

(**) Non-interest bearing column in other liabilities line consists of other liabilities except than miscellaneous payables, provisions, current tax liability and equity.

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

III. Explanations on unconsolidated interest rate risk (continued)

2. Current period average interest rates applied to monetary financial instruments

Current period	EUR (%)	USD (%)	Yen (%)	TL (%)
Assets				
Cash (Cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	-	-	-	-
Banks	1.89	4.67	-	-
Financial assets at fair value through profit and loss	1.81	6.79	-	12.37
Money market placements	-	-	-	16.63
Financial assets measured at fair value through other comprehensive income	-	-	-	10.84
Loans	6.43	10.38	-	18.69
Financial assets measured at amortised cost	-	-	-	11.93
Liabilities				
Bank deposits	-	-	-	6.32
Other deposits	0.20	0.73	-	21.19
Money market borrowings	-	-	-	7.65
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	-
Funds obtained from other financial institutions	4.51	7.10	-	14.29

Prior period average interest rates applied to monetary financial instruments

Prior period	EUR (%)	USD (%)	Yen (%)	TL (%)
Assets				
Cash (Cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	-	-	-	-
Banks	1.78	4.09	-	-
Financial assets at fair value through profit and loss	1.88	6.33	-	8.35
Money market placements	-	-	-	13.31
Financial assets measured at fair value through other comprehensive income	-	-	-	10.33
Loans	5.28	8.10	-	20.93
Financial assets measured at amortised cost	-	-	-	11.88
Liabilities				
Bank deposits	-	-	-	11.79
Other deposits	0.24	0.62	-	14.62
Money market borrowings	-	-	-	8.99
Miscellaneous payables	-	-	-	-
Securities issued	-	-	-	25.71
Funds obtained from other financial institutions	3.75	5.38	-	15.44

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

IV. Explanations on equity securities position risk derived from unconsolidated banking books

1. Explanations on accounting policies for equity investments in subsidiaries and associates

Accounting policies for equity investments in subsidiaries and associates are disclosed in section III disclosure III.

2. Comparison of carrying value, fair value and market value of equity investments

Current period	Carrying value	Fair value (*)	Market value
Quoted	**-**	**-**	**-**
Equity investments	-	-	-
Not quoted	**66,382**	**34,144**	**34,144**
Equity investments	66,382	34,144	34,144
Financials subsidiaries	**1,608,787**	**-**	**-**
Financials subsidiaries	1,608,787	-	-

Prior period	Carrying value	Fair value (*)	Market value
Quoted	**-**	**-**	**-**
Equity investments	-	-	-
Not quoted	**65,905**	**34,144**	**34,144**
Equity investments	65,905	34,144	34,144
Financials subsidiaries	**1,171,862**	**-**	**-**
Financials subsidiaries	1,171,862	-	-

(*) Only equity investments having market value are presented under “Fair value” column.

3. Information on realized gains or losses on revaluation of securities, revaluation surplus and unrealized gains or losses and their included amounts in core and additional capital

	Realized	Revaluation increases		Unrealized gains/ losses		
Current period	gains/losses during the period	Total	Including into the additional capital	Total	Including into the core capital	Including into the additional capital
Private equity investments	-	-	-	-	-	-
Shares traded on a stock exchange	-	-	-	-	-	-
Other stocks	-	24,452	-	23,443	23,443	-
Total	**-**	**24,452**	**-**	**23,443**	**23,443**	**-**

	Realized	Revaluation increases		Unrealized gains/ losses		
Prior period	gains/losses during the period	Total	Including into the supplementary capital	Total	Including into the core capital	Including into the supplementary capital
Private equity investments	-	-	-	-	-	-
Shares traded on a stock exchange	-	-	-	-	-	-
Other stocks	-	24,452	-	23,443	23,443	-
Total	**-**	**24,452**	**-**	**23,443**	**23,443**	**-**

4. Capital requirement as per equity shares

Current period	Carrying value	Total RWA	Minimum capital requirement (*)
Private equity investments	-	-	-
Shares traded on a stock exchange	-	-	-
Other equity shares	1,675,169	1,675,169	134,014

Prior period	Carrying value	Total RWA	Minimum capital requirement (*)
Private equity investments	-	-	-
Shares traded on a stock exchange	-	-	-
Other equity shares	1,237,767	1,237,767	99,021

(*) The amount is calculated by using standard method within the scope of the “Regulation on Measurement and Evaluation of Capital Adequacy of Banks”.

V. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio

1. Information on matters related to liquidity risk

a. Information on liquidity risk management, such as risk capacity, responsibilities and the structure of liquidity risk management, the Bank's internal liquidity risk reporting, communication between the Board of Directors and business lines on liquidity risk strategy, policy and application

A policy ("Market Risk Management Policy") was established which includes actions to be taken and practices that might be applied in business as usual and stressed conditions for liquidity risk management and responsibilities of the senior management. This policy has been approved by the Asset Liability Committee and by the Board of Directors. Within the scope of this policy, the liquidity risk is managed by Asset Liability Committee where senior representatives of businesses are members of the Committee.

In accordance with the policy, a liquidity buffer that can supply adequate liquidity level under any economic circumstances and which is unpledged, has been defined. In addition, the Contingency Capital and Funding Plan ("CCFP") to be implemented in times of stress is currently in force. Besides, liquidity risk appetite (that is approved by Asset Liability Committee and Board of Directors) has been established in order to enable monitoring and managing the risk quantitatively. The relevant parameters are analyzed regularly and reported to the members of Asset Liability Committee and Board of Directors.

Furthermore, the Bank's liquidity buffer is evaluated under different stress scenarios with the comprehensive liquidity stress test approach established in accordance with ING Group's common policies on market risk and global regulations (Internal Liquidity Adequacy Assessment Process / ILAAP-Internal Liquidity Adequacy Assessment Process). In addition, there is also the Risk Control Self- Assessment process still within scope of ILAAP, comprehensive assessments are performed related to liquidity risk, and after the relevant risks are identified, and their potential financial impact on the Bank's operations and the impact on risk metrics is assessed periodically.

To ensure proactive management of funding liquidity risk, risk thresholds specified on the deposit flows are monitored. The CCFP monitoring metrics are not limited to this scope but also include other liquidity risk indicators. The CCFP monitoring metrics can trigger decision-making conditions on whether the Bank will implement the CCFP in order to anticipate the potential development in liquidity stressed conditions.

b. Information on the centralization degree of liquidity management and funding strategy and the functioning between the Bank and the Bank's subsidiaries

The liquidity risk of the Bank is managed by the Asset Liability Management. Furthermore, subsidiaries manage their own liquidity risk by themselves. In order to make a central funding strategy, a funding plan including subsidiaries is established every year. In addition, information about the implementation and realization of the funding plan is shared with the Asset Liability Committee. According to the limits that are approved by the Board of Directors, liquidity gap and surplus are monitored and actions are taken in accordance with the price, interest rate and maturity structure.

c. Information on the Bank's funding strategy including the policies on funding types and variety of maturities

As for the funding diversification; short, medium and long term targets are determined in parallel to business line planning as part of the budgeting process in the Bank. Besides, the Bank's funding capacity is monitored regularly, and shared with Asset Liability Committee and Board of Directors. In this way, the factors which may affect the ability to create additional funding and the validity of the estimated funding capacity can be monitored closely by senior management.

V. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

ç. Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Bank's total liabilities

Almost all of the Bank's liabilities are in TL, USD or EUR, and TL funds consist of mainly equity and deposits. The Bank's liquidity in TL is managed via repo / reverse repo transactions with / in CBRT/BIST using high quality securities owned by the Bank. While the main purpose is using liabilities in TL to fund TL assets, the necessary FX swap transactions and FC funds are used in creating assets in TL within the limits that is approved by the Board of Directors. Foreign currency funds are obtained through FC deposit and foreign based FC borrowings including syndications. Liquidity shortage/surplus are calculated on a daily basis by Asset Liability Management and these figures are reported to the related Asset Liability Committee members. Besides, the Total and FC liquidity coverage ratio is calculated on a daily basis, and shared with all related units and senior management, and reported separately to Asset Liability Committee and Board of Directors. The Bank has TL/FC borrowing limits ready to use in CBRT and other banks.

d. Information on liquidity risk mitigation techniques

The first measure towards the mitigation of the liquidity risk as part of the budget process is planning the reduction of maturity mismatch and funding diversity. Within this context, syndication, other foreign funding, parent funding and other domestic funding facilities are used. In addition to this, active swap markets are used to provide liquidity in a particular currency. In addition to all these, Contingency Capital and Funding Plan monitoring indicators are continuously monitored and reported regularly to Asset Liability Committee and Board of Directors. With these indicators, intervals indicating the actions to be taken according to the triggering levels and measurement methods such as actual deposit inflows and outflows, stress test, liquidity buffer level, regulatory and structural liquidity ratios and so on are defined and these intervals support the decision making process. Moreover, a set of mitigating actions was set in the Contingency Capital and Funding Plan to bring the Bank's liquidity buffer back to reasonable levels during the crisis period. The important factors that will support the decision making mechanism, including the feasibility of these actions depending on the financial impact and stress scenarios, execution time of the actions are also explained.

e. Information on the use of stress tests

The Bank has a written liquidity stress testing procedure which includes the implementation of stress testing and responsibilities that is approved by Asset Liability Committee. To ensure that the existing positions remain within risk tolerance, the Market Risk Management Directorate plans, designs, manages the stress tests, reports the results to Asset Liability Committee and Board of Directors on a regularly basis and reviews the stress tests annually. Stress test scenarios of the Bank consider Bank specific, market-wide and combined scenario, and reflect short term or long term consequences, are used in stress testing where the scenario and parameters are reviewed annually with the participation of the Asset and Liability Management and related business lines. On the other hand, results of stress testing are used as the leading indicator within the process of activating the Contingency Capital and Funding Plan.

f. Overview on contingency funding plan

The Bank has established the Contingency Capital and Funding Plan that was approved by Asset Liability Committee and Board of Directors, which includes the policies, methods and responsibilities of senior management and business lines that can be applied in stressed situations or in liquidity shortages. In addition, as an early warning of liquidity shortage or an unexpected situation, contingency capital and funding plan monitoring indicators are monitored and presented to the ALCO members monthly and to the Board of Directors (per meeting) by the Market Risk Management Directorate. The effective internal and external communication channels and a Liquidity Contingency Team are defined in order to ensure the liquidity contingency management and implement various elements of the plan/realistic actions of the plan. Monitoring metrics of the Contingency Capital and Funding Plan are reviewed annually in terms of changes in market and stress conditions.

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

V. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

2. Liquidity coverage ratio

In accordance with BRSA's "Regulation on Banks' Liquidity Coverage Ratio Calculation", promulgated in the Official Gazette, no. 28948, dated 21 March 2014, the Bank calculates and shares the Liquidity Coverage Ratio to BRSA on a weekly basis. Liquidity Coverage Ratio is above the values stated in the regulation.

Weeks and values of the lowest and highest FC and total liquidity coverage ratio calculated over the last three months are presented in the below table.

	Minimum	Date	Maximum	Date
TL+FC	136.83%	30 June 2023	311.72%	19 May 2023
FC	125.92%	30 June 2023	493.19%	26 May 2023

Liquidity coverage ratio

	Total unweighted value (*)		Total weighted value (*)	
Current period	**TL+FC**	**FC**	**TL+FC**	**FC**
High quality liquid assets				
High quality liquid assets			27,268,030	14,055,802
Cash Outflows				
Real person and retail deposits	62,335,236	23,332,261	5,472,439	2,327,632
Stable deposits	15,221,700	111,876	761,085	5,593
Less stable deposits	47,113,536	23,220,385	4,711,354	2,322,039
Unsecured funding other than real person and retail deposits	24,296,106	10,812,959	15,083,680	6,739,077
Operational deposits	139,475	-	32,302	-
Non-operational deposits	19,044,845	7,527,966	10,032,444	3,459,075
Other unsecured debt	5,111,786	3,284,993	5,018,934	3,280,002
Secured funding			-	-
Other cash outflows	26,316,188	11,492,860	14,076,108	5,283,726
Derivative exposures and collateral completion liabilities	12,012,194	3,728,424	12,012,194	3,728,424
Payables due to structured financial instruments	-	-	-	-
Payment commitments and other off-balance sheet commitments granted for debts to financial markets	14,303,994	7,764,436	2,063,914	1,555,302
Other contractual funding obligations	-	-	-	-
Other irrevocable or conditionally revocable off balance sheet liabilities	-	-	-	-
Total cash outflows			**34,632,227**	**14,350,435**
Cash inflows				
Secured lending	5,789,407	-	-	-
Unsecured lending	15,050,200	3,463,734	9,975,471	2,433,044
Other cash inflows	12,403,049	8,897,406	11,779,560	8,888,213
Total cash inflows	**33,242,656**	**12,361,140**	**21,755,031**	**11,321,257**
				Total adjusted value
Total high quality liquid assets stock			27,268,030	14,055,802
Total net cash outflows			12,905,747	4,790,593
Liquidity coverage ratio (%)			**231.00**	**373.20**

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

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

V. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

	Total unweighted value (*)		Total weighted value (*)	
Prior period	**TL+FC**	**FC**	**TL+FC**	**FC**
High quality liquid assets				
High quality liquid assets			21,893,962	14,793,914
Cash Outflows				
Real person and retail deposits	54,269,980	25,670,400	4,840,871	2,565,245
Stable deposits	11,722,532	35,895	586,127	1,795
Less stable deposits	42,547,448	25,634,505	4,254,744	2,563,450
Unsecured funding other than real person and retail deposits	17,905,248	8,643,538	10,281,320	4,555,487
Operational deposits	83,437	328	19,380	81
Non-operational deposits	15,371,723	7,557,955	7,884,534	3,474,106
Other unsecured debt	2,450,088	1,085,255	2,377,406	1,081,300
Secured funding			-	-
Other cash outflows	31,053,787	14,125,806	20,491,789	8,775,946
Derivative exposures and collateral completion liabilities	18,604,156	7,363,003	18,604,156	7,363,003
Payables due to structured financial instruments	-	-	-	-
Payment commitments and other off-balance sheet commitments granted for debts to financial markets	12,449,631	6,762,803	1,887,633	1,412,943
Other contractual funding obligations	-	-	-	-
Other irrevocable or conditionally revocable off balance sheet liabilities	-	-	-	-
Total cash outflows			**35,613,980**	**15,896,678**
Cash inflows				
Secured lending	438,533	-	-	-
Unsecured lending	9,131,702	3,112,915	6,309,591	2,226,600
Other cash inflows	18,577,777	11,392,563	18,077,998	11,371,133
Total cash inflows	**28,148,012**	**14,505,478**	**24,387,589**	**13,597,733**
				Total adjusted value
Total high quality liquid assets stock			21,893,962	14,793,914
Total net cash outflows			11,227,720	4,024,831
Liquidity coverage ratio (%)			**197.32**	**368.24**

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

V. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

3. Other explanations on unconsolidated liquidity coverage ratio

Short term liquidity is managed within the regulatory limits in the Bank, the liquid assets are managed by using "Liquidity Coverage Ratio" calculations to monitor the minimum liquidity limits and keep sufficient stock of high quality liquid assets to meet the net cash outflows. Liquidity coverage ratio is calculated as per the Regulation on Banks' Liquidity Coverage Ratio Calculation. The ratio is affected from Bank's unpledged high quality liquid asset value that can be converted to cash any time and the possible cash inflows and outflows arising from assets, liability and off balance sheet items of the Bank.

The Bank evaluates cash equivalents, time and demand deposit accounts held in Central Bank of Turkey ("CBRT"), reserve requirements and the unencumbered securities issued by the Treasury as high quality liquid assets.

The primary sources to meet the liquidity needs of the Bank are funds from interbank money market or repurchasing agreements or direct sales of the HTC&S portfolio. Besides the borrowing from the parent company in the medium and long term, in order to manage concentration risk with respect to funding resources, the Bank aims to reduce maturity mismatch and mitigate the liquidity risk by taking actions aiming to increase diversification in funding resources. A strategy in targeting small ticket size on the deposits is implemented as another element of the strategy to mitigate the concentration risk.

Although the Bank's wide range and small ticket size deposit structure including Orange Account represents a short term funding source parallel to the sector it renews itself at the maturity date and remains in the Bank for a longer period compared to its original maturity.

Details of the Bank's foreign currency balance sheet as of 30 June 2023 are summarized as follows:

Foreign currency deposits constitute the majority of the foreign currency liabilities. 27% of the Bank's foreign currency liabilities consist of funds obtained from other financial institutions and 66% is composed of deposits. Cash and cash equivalents comprise 44% and loans comprise 52% of the foreign currency assets. The bank placements have the shortest maturity within the assets denominated in foreign currency.

Details of the Bank's Turkish Lira balance sheet as of 30 June 2023 are summarized as follows:

The majority of Turkish Lira balance sheet's liability consists of deposits. 70% of the Bank's total Turkish Lira liabilities consists of deposits. However, in case of necessity, the Bank has borrowing facilities both in domestic & foreign banks and Takasbank & BIST repo market. 49% of the assets in Turkish Lira balance sheet are net loans and 12% are marketable securities.

The cash flows from derivative financial instruments are included in LCR calculations according to the terms of regulation. The Bank also considers changes in fair value of the liabilities that result in margin calls when calculating cash outflows.

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

V. Explanations on unconsolidated liquidity risk management and liquidity coverage ratio (continued)

4. Breakdown of assets and liabilities according to their outstanding maturities

Current period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Unallocated	Total
Assets								
Cash (cash in vault, foreign currency cash, money in transit, checks purchased) and balances with the Central Bank of Turkey	9,942,208	8,848,422	-	-	-	-	-	18,790,630
Banks	1,885,847	912,690	-	-	-	-	-	2,798,537
Financial assets at fair value through profit or loss	-	1,394,133	2,256,066	436,363	324,284	33,215	214	4,444,275
Money market placements	-	17,333,787	-	-	-	-	-	17,333,787
Financial assets measured at fair value through other comprehensive income	-	2,548	115,081	442,311	3,938,481	1,855	66,382	4,566,658
Loans	19,621	16,265,695	11,208,620	29,226,288	12,128,964	716,551	1,253,204	70,818,943
Financial assets measured at amortised cost	-	29,234	65,933	159,268	6,248,594	-	-	6,503,029
Other assets (*)	-	-	-	-	-	-	12,712,792	12,712,792
Total assets	**11,847,676**	**44,786,509**	**13,645,700**	**30,264,230**	**22,640,323**	**751,621**	**14,032,592**	**137,968,651**
Liabilities								
Bank deposits	4,009	3,250,883	-	-	-	-	-	3,254,892
Other deposits	25,123,336	43,822,944	11,088,882	11,237,135	-	-	-	91,272,297
Borrowings	-	8,997,606	75,578	4,856,763	-	-	-	13,929,947
Funds from interbank money market	-	499,990	-	-	-	-	-	499,990
Securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	858,793	-	-	-	-	-	429,340	1,288,133
Other liabilities (**)	-	1,072,346	733,804	605,296	904,944	-	24,407,002	27,723,392
Total liabilities	**25,986,138**	**57,643,769**	**11,898,264**	**16,699,194**	**904,944**	**-**	**24,836,342**	**137,968,651**
Liquidity (deficit)/surplus	**(14,138,462)**	**(12,857,260)**	**1,747,436**	**13,565,036**	**21,735,379**	**751,621**	**(10,803,750)**	**-**
Net Off Balance Sheet Position	**-**	**48,855**	**1,275,355**	**(71,106)**	**(586,818)**	**-**	**-**	**666,286**
Derivative financial assets	-	29,897,344	34,190,345	20,631,000	16,507,205	130,000	-	101,355,894
Derivative financial liabilities	-	29,848,489	32,914,990	20,702,106	17,094,023	130,000	-	100,689,608
Non-cash loans	**20,764**	**737,677**	**3,002,925**	**7,703,278**	**6,923,774**	**1,366,710**	**-**	**19,755,128**
Prior period								
Total assets	10,127,954	22,723,007	12,116,647	26,620,233	22,764,865	793,204	3,707,532	98,853,442
Total liabilities	16,349,531	44,041,039	9,487,453	12,232,948	795,878	-	15,946,593	98,853,442
Liquidity (deficit)/surplus	**(6,221,577)**	**(21,318,032)**	**2,629,194**	**14,387,285**	**21,968,987**	**793,204**	**(12,239,061)**	**-**
Net Off Balance Sheet Position	**-**	**(381,775)**	**411,411**	**714,637**	**(386,006)**	**-**	**-**	**358,267**
Derivative financial assets	-	29,079,703	22,569,171	18,458,777	9,868,749	130,000	-	80,106,400
Derivative financial liabilities	-	29,461,478	22,157,760	17,744,140	10,254,755	130,000	-	79,748,133
Non-cash loans	**132,927**	**556,279**	**1,967,138**	**4,154,765**	**5,458,237**	**1,093,245**	**-**	**13,362,591**

(*) Unallocated column in other assets mainly consists of other assets that are necessary for banking activities and that cannot be liquidated in the short term as tangible assets, intangible assets, assets held for sale, associates and subsidiaries, expected credit losses, investment property and other assets.

(**) Unallocated column in other liabilities mainly consists of provisions, current tax liability, deferred tax liability, other liabilities except than miscellaneous payables and shareholders' equity.

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

VI. Explanations on unconsolidated leverage ratio

Leverage ratio table prepared in accordance with the communique "Regulation on Measurement and Assessment of Leverage Ratios of Banks" published in the Official Gazette no.28812 dated 5 November 2013 is presented below. As of 30 June 2023, the Bank's leverage ratio is calculated by taking average of end of month leverage ratios for the last three months is 9.28% (31 December 2022: 10.29%). This ratio is above the minimum ratio of 3%. While the capital increased by 7% mainly as a result of increase in net profits, total risk amount increased by 19% compared to the prior period. Therefore, the current period leverage ratio decreased by 101 basis points compared to prior period.

Information on unconsolidated leverage ratio

	Current period (*)	Prior period (*)
On-balance sheet items		
On-balance sheet exposures (excluding derivatives and credit derivatives including collateral)	*121,639,070*	*101,219,749*
Asset deducted from core capital	*(312,699)*	*(140,813)*
The total amount of risk on-balance sheet exposures	121,326,371	101,078,936
Derivative financial instruments and credit derivative exposures		
Replacement cost associated with derivative financial instruments and credit derivatives	*2,605,119*	*2,092,038*
The potential credit risk amount of derivative financial instruments and credit derivatives	*2,829,561*	*2,520,858*
The total risk amount of derivative financial instruments and credit derivatives	5,434,680	4,612,896
Securities or commodity guaranteed financing transactions		
Risk amount of securities or commodity collateral financing transactions (excluding on balance sheet items)	*389,017*	*71,339*
Risk amount of exchange brokerage operations	-	-
The total risk amount of securities or commodity collateral financing transactions	389,017	71,339
Off-balance sheet items		
Gross notional amount for off-balance sheet items	*25,340,174*	*22,275,103*
Adjustments for conversion to credit equivalent amounts	-	-
The total amount of risk for off-balance sheet items	25,340,174	22,275,103
Capital and total exposures		
Core capital	14,077,629	13,168,808
Total exposures	152,490,242	128,038,274
Leverage ratio		
Leverage ratio	9.28	10.29

(*) The amounts in the table represents the average of last three months.

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

VII. Explanations on unconsolidated risk management

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to be announced to Public by Banks, promulgated in the Official Gazette, no. 29511, dated 23 October 2015 and became effective as of 31 March 2016. Due to usage of standard approach for credit risk in the calculation of capital adequacy by the Bank, tables required by Internal Rating Based approach ("IRB") are not presented.

1. Overview of risk weighted amounts

	Risk weighted amount		Minimum capital requirement
	Current period	**Prior period**	**Current period**
Credit risk (excluding counterparty credit risk) (CCR)	**67,823,653**	**58,473,029**	**5,425,892**
Standardized approach (SA)	67,823,653	58,473,029	5,425,892
Internal rating-based (IRB) approach	-	-	-
Counterparty credit risk	**8,951,480**	**3,804,175**	**716,118**
Standardized approach for counterparty credit risk (SA-CCR)	8,951,480	3,804,175	716,118
Internal model method	-	-	-
Basic risk weight approach to internal models equity position in the banking account	-	-	-
Investments made in collective investment companies – look-through approach	-	-	-
Investments made in collective investment companies – mandate-based approach	-	-	-
Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
Settlement Risk	-	-	-
Securitization positions in banking accounts	-	-	-
IRB ratings-based approach (RBA)	-	-	-
IRB Supervisory Formula Approach (SFA)	-	-	-
SA/simplified supervisory formula approach	-	-	-
Market risk	**1,466,175**	**1,501,363**	**117,294**
Standardized approach (SA)	1,466,175	1,501,363	117,294
Internal model approaches (IMM)	-	-	-
Operational risk	**8,639,158**	**7,208,321**	**691,133**
Basic indicator approach	8,639,158	7,208,321	691,133
Standard approach	-	-	-
Advanced measurement approach	-	-	-
The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
Floor adjustment	-	-	-
Total	**86,880,466**	**70,986,888**	**6,950,437**

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

VII. Explanations on unconsolidated risk management (continued)

2. Credit risk explanations

a. Credit quality of assets

Current period	Gross carrying values of (according to TAS)			
	Defaulted	Non-defaulted	Provisions / amortization and impairment	Net values
Loans	1,253,204	69,565,739	1,738,049	69,080,894
Debt securities (*)	-	10,942,302	1,498	10,940,804
Off-balance sheet exposures	474,770	23,947,367	330,917	24,091,220
Total	**1,727,974**	**104,455,408**	**2,070,464**	**104,112,918**

(*) Includes provisions accounted under equity for financial assets at fair value through other comprehensive income.

Prior period	Gross carrying values of (according to TAS)			
	Defaulted	Non-defaulted	Provisions / amortization and impairment	Net values
Loans	1,370,339	61,174,832	1,683,891	60,861,280
Debt securities (*)	-	11,473,361	1,557	11,471,804
Off-balance sheet exposures	361,228	18,898,159	205,791	19,053,596
Total	**1,731,567**	**91,546,352**	**1,891,239**	**91,386,680**

(*) Includes provisions accounted under equity for financial assets at fair value through other comprehensive income.

b. Changes in stock of defaulted loans and debt securities

	Current period	Prior period
Defaulted loans and debt securities at the end of the previous reporting period	1,370,339	1,726,270
Loans and debt securities defaulted since the last reporting period	63,337	170,312
Transferred to non-defaulted status	-	-
Amounts written off (*)	(14,429)	(131,315)
Other changes (**)	(166,043)	(394,928)
Defaulted loans and debt securities at the end of the reporting period	**1,253,204**	**1,370,339**

(*) Specific provisions for undrawn non-cash loans are not included in the table. Amounts written off from assets, there is no amount sale from Bank's NPL portfolio (31 December 2022: TL 108,058).

(**) Collections within the period have included "Other changes" account.

c. Credit risk mitigation techniques

Current period	Exposures unsecured carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collaterals	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
Loans (*)	63,118,855	5,962,039	3,719,185	41,567	35,392	-	-
Debt securities (*)	10,940,804	-	-	-	-	-	-
Total	**74,059,659**	**5,962,039**	**3,719,185**	**41,567**	**35,392**	**-**	**-**
Of which defaulted	1,253,204	-	-	-	-	-	-

(*) Stage 1 and Stage 2 expected credit losses are deducted from the related balance sheet amounts according to regulation.

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

VII. Explanations on unconsolidated risk management (continued)

Prior period	Exposures unsecured carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collaterals	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
Loans (*)	56,347,374	4,513,906	3,225,319	118,761	102,009	-	-
Debt securities (*)	11,471,804	-	-	-	-	-	-
Total	**67,819,178**	**4,513,906**	**3,225,319**	**118,761**	**102,009**	**-**	**-**
Of which defaulted	1,370,339	-	-	-	-	-	-

(*) Stage 1 and Stage 2 expected credit losses are deducted from the related balance sheet amounts according to regulation.

ç. Credit risk exposure and credit risk mitigation effects

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
Claims on sovereigns and Central Banks	32,036,802	73,770	32,064,129	73,770	-	-
Claims on regional governments or local authorities	484,330	-	484,330	-	278,653	57.53%
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-
Claims on banks and intermediary institutions	22,624,929	3,860,269	5,703,474	2,188,298	1,059,683	13.43%
Claims on corporates	38,418,501	12,070,217	37,919,096	8,388,947	34,424,996	74.34%
Claims on retails	10,786,319	4,741,124	10,511,571	872,617	8,505,336	74.71%
Claims secured by residential property	827,357	-	827,357	-	289,575	35.00%
Claims secured by commercial property	1,293,976	30,938	1,293,975	7,866	783,552	60.19%
Past due loans	307,818	-	307,818	-	252,715	82.10%
Higher risk categories decided by the Board	11,823,368	-	11,287,170	-	16,195,819	143.49%
Secured by mortgages	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-
Other receivables	8,052,426	24,663	8,052,426	4,933	4,645,821	57.66%
Equity securities	1,387,503	-	1,387,503	-	1,387,503	100.00%
Total	**128,043,329**	**20,800,981**	**109,838,849**	**11,536,431**	**67,823,653**	**55.88%**

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
Claims on sovereigns and Central Banks	24,451,904	27,664	21,486,355	27,664	-	-
Claims on regional governments or local authorities	668,649	-	668,649	-	458,705	68.60%
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-
Claims on banks and intermediary institutions	6,786,624	3,924,967	5,484,484	1,452,216	1,129,767	16.29%
Claims on corporates	34,884,646	9,019,464	34,331,731	5,742,420	34,078,199	85.04%
Claims on retails	8,374,741	3,302,542	8,172,185	406,009	6,380,885	74.38%
Claims secured by residential property	1,017,581	-	1,017,581	-	356,153	35.00%
Claims secured by commercial property	728,209	45,639	728,209	12,674	434,064	58.59%
Past due loans	337,555	-	337,555	-	283,541	84.00%
Higher risk categories decided by the Board	9,323,934	-	8,863,857	-	12,041,973	135.85%
Secured by mortgages	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-
Other receivables	4,640,239	24,690	4,640,237	4,938	2,392,924	51.51%
Equity securities	916,818	-	916,818	-	916,818	100.00%
Total	**92,130,900**	**16,344,966**	**86,647,661**	**7,645,921**	**58,473,029**	**62.01%**

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

VII. Explanations on unconsolidated risk management (continued)

d. Standardised approach – exposures by asset classes and risk weights

Current period

Risk classes/Risk weights	**0%**	**10%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**250%**	**Others**	**Total credit exposures amount (post CCF and post-CRM)**
Claims on sovereigns and Central Banks	32,137,899	-	-	-	-	-	-	-	-	-	32,137,899
Claims on regional governments or local authorities	-	-	-	-	411,355	-	72,975	-	-	-	484,330
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	-	-	6,633,996	-	1,129,251	-	128,525	-	-	-	7,891,772
Claims on corporates	748,035	-	7,245,058	-	7,174,748	-	30,990,028	150,174	-	-	46,308,043
Claims on retails	2,319	-	-	-	-	11,381,781	70	18	-	-	11,384,188
Claims secured by residential property	-	-	-	827,357	-	-	-	-	-	-	827,357
Claims secured by commercial property	-	-	-	-	1,036,579	-	265,262	-	-	-	1,301,841
Past due loans	-	-	-	-	164,700	-	88,624	54,494	-	-	307,818
Higher risk categories decided by the Board	-	-	-	-	356	-	3,845,792	5,319,829	-	2,121,193	11,287,170
Secured by mortgages	-	-	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-	-	-
Other receivables	3,230,155	-	-	-	-	-	4,827,204	-	-	-	8,057,359
Stock investments	-	-	-	-	-	-	1,387,503	-	-	-	1,387,503
Total	**36,118,408**	**-**	**13,879,054**	**827,357**	**9,916,989**	**11,381,781**	**41,605,983**	**5,524,515**	**-**	**2,121,193**	**121,375,280**

Prior period

Risk classes/Risk weights	**0%**	**10%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**250%**	**Others**	**Total credit exposures amount (post CCF and post-CRM)**
Claims on sovereigns and Central Banks	21,514,019	-	-	-	-	-	-	-	-	-	21,514,019
Claims on regional governments or local authorities	-	-	-	-	512,713	-	109,524	-	-	-	622,237
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	-	-	5,242,756	-	1,564,195	-	129,749	-	-	-	6,936,700
Claims on corporates	568,058	-	5,558,831	-	5,156,784	-	26,551,488	103,047	-	-	37,938,208
Claims on retails	-	-	-	-	-	8,578,136	51	7	-	-	8,578,194
Claims secured by residential property	-	-	-	1,017,581	-	-	-	-	-	-	1,017,581
Claims secured by commercial property	-	-	-	-	613,638	-	127,245	-	-	-	740,883
Past due loans	-	-	-	-	171,364	-	102,856	63,335	-	-	337,555
Higher risk categories decided by the Board	-	-	-	-	3,727	-	2,721,297	5,986,766	-	2,334,422	11,046,212
Secured by mortgages	-	-	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-	-	-
Other receivables	2,252,250	-	-	-	-	-	2,392,925	-	-	-	4,645,175
Stock investments	-	-	-	-	-	-	916,818	-	-	-	916,818
Total	**24,334,327**	**-**	**10,801,587**	**1,017,581**	**8,022,421**	**8,578,136**	**33,051,953**	**6,153,155**	**-**	**2,334,422**	**94,293,582**

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

VII. Explanations on unconsolidated risk management (continued)

3. Counterparty credit risk (CCR) approach analysis

Current period	Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
Standardised Approach - CCR (for derivatives)	6,241,101	1,352,571	-	1.40	7,593,672	2,637,385
Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	903,097	180,656
Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	-	-	-	-	-	-
Total						**2,818,041**

(*) Effective expected positive exposure

Prior period	Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
Standardised Approach - CCR (for derivatives)	2,508,814	590,169	-	1.40	3,098,983	1,461,921
Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	125,923	11,391
Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	-	-	-	-	-	-
Total						**1,473,312**

(*) Effective expected positive exposure

4. Credit valuation adjustment (CVA) capital charge

	Current period		Prior period	
	Exposure at default post-CRM	RWA	Exposure at default post-CRM	RWA
Total portfolios subject to the advanced CVA capital charge	-	-	-	-
(i) VaR component (including the 3*multiplier)	-	-	-	-
(ii) Stressed VaR component (including the 3*multiplier)	-	-	-	-
All portfolios subject to the standardised CVA capital charge	7,593,672	6,133,439	3,098,983	2,330,863
Total subject to the CVA capital charge	7,593,672	6,133,439	3,098,983	2,330,863

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

VII. Explanations on unconsolidated risk management (continued)

5. CCR exposures by risk class and risk weights

Current period Asset classes/Risk weight	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure (*)
Claims on sovereigns and Central Banks	3,108,747	-	-	-	-	-	-	-	3,108,747
Claims on regional governments or local authorities	-	-	-	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	-	-	2,499,843	920,593	-	-	-	-	3,420,436
Claims on corporates	-	-	-	198,890	-	1,727,236	-	-	1,926,126
Claims included in the regulatory retail portfolios	-	-	-	-	41,460	-	-	-	41,460
Other receivables (**)	-	-	-	-	-	-	-	-	-
Total	**3,108,747**	**-**	**2,499,843**	**1,119,483**	**41,460**	**1,727,236**	**-**	**-**	**8,496,769**

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

(**) Other receivables: Includes counterparty credit risk that does not reported in "central counterparty" table.

Prior period Asset classes/Risk weight	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure (*)
Claims on sovereigns and Central Banks	152,590	-	-	-	-	-	-	-	152,590
Claims on regional governments or local authorities	-	-	-	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	-	-	1,247,802	1,162,140	-	-	-	-	2,409,942
Claims on corporates	-	-	116	4,014	-	587,873	-	-	592,003
Claims included in the regulatory retail portfolios	-	-	-	-	70,371	-	-	-	70,371
Other receivables (**)	-	-	-	-	-	-	-	-	-
Total	**152,590**	**-**	**1,247,918**	**1,166,154**	**70,371**	**587,873**	**-**	**-**	**3,224,906**

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

(**) Other receivables: Includes counterparty credit risk that does not reported in "central counterparty" table.

6. Collaterals for counterparty credit risk (CCR)

Related table is not presented due to not having derivative collaterals which is considered in the calculation of capital adequacy ratio.

7. Credit derivatives

There is no credit derivative transaction.

8. Exposures to central counterparties (CCP)

There is no exposure to central counterparties.

9. Explanations on securitization

There is no securitisation transaction.

10. Explanations on market risk

	Current period RWA	Prior period RWA
Outright products	**1,466,175**	**1,501,363**
Interest rate risk (general and specific)	583,988	476,138
Equity risk (general and specific)	-	-
Foreign exchange risk	882,187	1,025,225
Commodity risk	-	-
Options	**-**	**-**
Simplified approach	-	-
Delta-plus method	-	-
Scenario approach	-	-
Securitisation	**-**	**-**
Total	**1,466,175**	**1,501,363**

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

VIII. Explanations on hedge transactions

Breakdown of the derivative transactions used in cash flow hedges

	Current period			Prior period		
	Notional	Assets	Liabilities	Notional	Assets	Liabilities
Interest rate swaps	300,000	61,003	-	540,000	71,876	-
Cross currency swaps	-	-	-	-	-	-
Total	**300,000**	**61,003**	**-**	**540,000**	**71,876**	**-**

Explanations on derivative transactions used in cash flow hedges

Current period

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV Assets	Hedging instrument FV Liabilities	Net gain / (loss) recognized in OCI during the period	Net gain / (loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
Interest rate swaps	TL/FC customer deposits	Cash flow risk due to the changes in the interest rates of TL and FC customer deposits	61,003	-	(43,553)	20,549	(6,573)
Cross currency swaps	TL customer deposits and FC borrowings	Cash flow risk due to the changes in the interest rates of deposits and currency risk of FC borrowings	-	-	(1,609)	-	-
Total			**61,003**	**-**	**(45,162)**	**20,549**	**(6,573)**

Prior period

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV Assets	Hedging instrument FV Liabilities	Net gain / (loss) recognized in OCI during the period	Net gain / (loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
Interest rate swaps	TL/FC customer deposits	Cash flow risk due to the changes in the interest rates of TL and FC customer deposits	71,876	-	(46,387)	(65,093)	806
Cross currency swaps	TL customer deposits and FC borrowings	Cash flow risk due to the changes in the interest rates of deposits and currency risk of FC borrowings	-	-	(13,001)	-	-
Total			**71,876**	**-**	**(59,388)**	**(65,093)**	**806**

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

IX. Explanations on segment reporting

The Bank operates mainly in corporate, business and retail banking services. In scope of corporate, business banking operations, customers are provided with special banking services including cash management service. In retail banking operations, customers are provided with debit and credit card, retail loan, online banking and private banking services. Spot TL, foreign exchange buy/sell transactions, derivative transactions, and treasury bill/government bond buy/sell transactions are performed at treasury operations.

Information on operating segments is prepared in accordance with the data provided by the Bank's Management Reporting System.

Current period – 30 June 2023	**Corporate, Business Banking**	**Retail Banking**	**Other**	**Total**
Net interest income	1,923,013	549,789	(1,486,955)	985,847
Net fees and commissions income and other operating income	507,720	286,607	116,823	911,150
Trading gain/loss	689,138	256,125	1,393,136	2,338,399
Dividend income	-	-	-	-
Expected credit loss	(286,315)	(66,734)	(781)	(353,830)
Segment results	2,833,556	1,025,787	22,223	3,881,566
Other operating expenses (*) (**)	-	-	-	(2,648,871)
Income/loss from investments under equity accounting	-	-	-	147,025
Income from continuing operations before tax	-	-	-	1,379,720
Tax provision (*)	-	-	-	141,535
Net profit	**-**	**-**	**-**	**1,521,255**

Prior period – 30 June 2022	**Corporate, Business Banking**	**Retail Banking**	**Other**	**Total**
Net interest income	860,515	735,898	351,432	1,947,845
Net fees and commissions income and other operating income	579,076	326,065	(23,766)	881,375
Trading gain/loss	168,716	94,840	319,613	583,169
Dividend income	-	-	347	347
Expected credit loss	(305,819)	(137,917)	-	(443,736)
Segment results	1,302,488	1,018,886	647,626	2,969,000
Other operating expenses (*) (**)	-	-	-	(1,439,938)
Income/loss from investments under equity accounting	-	-	-	72,658
Income from continuing operations before tax	-	-	-	1,601,720
Tax provision (*)	-	-	-	(437,788)
Net profit				**1,163,932**

(*) Other operational expenses and tax provision are presented at total column due to inability to allocate among the sections.
(**) Includes "Personnel Expenses" and "Other Provision Expenses" that presented in the statement of profit or loss as a different items.

Current period – 30 June 2023	**Corporate, Business Banking**	**Retail Banking**	**Other**	**Total**
Asset	54,556,817	16,014,369	67,397,465	137,968,651
Liability	32,999,902	61,136,378	28,881,727	123,018,007
Equity	-	-	14,950,644	14,950,644

Prior period – 31 December 2022	**Corporate, Business Banking**	**Retail Banking**	**Other**	**Total**
Asset	46,397,576	16,049,479	36,406,387	98,853,442
Liability	19,146,506	48,212,630	17,975,347	85,334,483
Equity	-	-	13,518,959	13,518,959

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

Section five

Information and disclosures related to unconsolidated financial statements

I. Explanations and notes related to assets of the unconsolidated balance sheet

1. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey

1.1. Information on cash equivalents

	Current period		Prior period	
	TL	**FC**	**TL**	**FC**
Cash in TL/foreign currency	274,605	4,415,043	160,443	2,842,566
Central Bank of Turkey	479,032	13,621,950	2,569,657	9,520,254
Other	-	-	-	-
Total	**753,637**	**18,036,993**	**2,730,100**	**12,362,820**

1.2. Information related to the account of the Central Bank of Turkey

	Current period		Prior period	
	TL	**FC**	**TL**	**FC**
Unrestricted demand deposit	479,032	4,773,528	2,569,657	3,213,222
Restricted time deposit	-	-	-	-
Reserve requirement	-	8,848,422	-	6,307,032
Total	**479,032**	**13,621,950**	**2,569,657**	**9,520,254**

As per the "Communiqué on Reserve Requirements" promulgated by the Central Bank, Banks must keep required reserves as of the balance sheet date at a rate ranging between 0% and 8% for Turkish lira deposits and liabilities depending on their maturity. The reserve rates vary between 5% and 25% for foreign currency deposits and other foreign currency liabilities and vary between 22% and 26% for gold liabilities depending on their maturity.

TL 478,758 (31 December 2022: TL 2,561,866) of the TL reserve deposits provided over the average balance and TL 4,773,528 (31 December 2022: TL 3,213,222) of the FC reserve deposits provided over the average balance are presented under unrestricted demand deposit account.

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

2.1. Information on financial assets at fair value through profit/loss subject to repo transactions and those given as collateral/blocked

Financial assets at fair value through profit/loss subject to repo transactions and those given as collateral/blocked are stated below in net amount.

	Current period	Prior period
Unrestricted portfolio	558,069	434,391
Collateral / blocked	34,181	160,825
Total	**592,250**	**595,216**

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

2.2. Positive differences related to derivative financial assets held for trading

	Current period		Prior period	
	TL	FC	TL	FC
Forward transactions	-	183,981	-	349,648
Swap transactions	3,095,159	469,902	1,155,200	380,544
Futures transactions	-	-	-	-
Options	-	102,983	12,871	2,111
Other	-	-	-	-
Total	**3,095,159**	**756,866**	**1,168,071**	**732,303**

3. Information on banks and foreign banks accounts

3.1. Information on banks

	Current period		Prior period	
	TL	FC	TL	FC
Banks	2,565	2,795,972	491	2,340,059
Domestic	2,565	17,574	491	10,017
Foreign	-	2,778,398	-	2,330,042
Headquarters and branches abroad	-	-	-	-
Total	**2,565**	**2,795,972**	**491**	**2,340,059**

As of 30 June 2023, restricted bank balance amounting to TL 863,087 (31 December 2022: TL 757,778) all of which is comprised of (31 December 2022: all amount) collaterals that is held by counter banks under CSA (credit support annex) contracts and is calculated based on related derivatives market price.

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

4.1. Financial assets at fair value through other comprehensive income subject to repo transactions and those given as collateral/blocked

Financial assets at fair value through other comprehensive income subject to repo transactions and those given as collateral/blocked with net amounts are shown in below table.

Financial assets measured at fair value through other comprehensive income:

	Current period	Prior period
Unrestricted portfolio	1,764,707	1,564,289
Repo transactions	-	486,503
Collateral / blocked	2,740,948	2,309,516
Total	**4,505,655**	**4,360,308**

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

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

Financial assets measured at fair value through other comprehensive income:

	Current period	Prior period
Debt securities	4,655,721	4,307,854
Quoted to stock exchange	4,655,721	4,307,854
Not quoted	-	-
Equity certificates	66,382	65,905
Quoted to stock exchange	-	-
Not quoted	66,382	65,905
Provision for impairment (-)	(216,448)	(13,451)
Total	**4,505,655**	**4,360,308**

5. Information on loans

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

	Current period		Prior period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders of the Bank	70	1,898,345	56	1,210,575
Corporate shareholders	-	1,898,345	-	1,210,494
Real person shareholders	70	-	56	81
Indirect loans granted to shareholders of the Bank	1,849	1,024,844	1,486	530,274
Loans granted to employees of the Bank	106,481	-	90,570	-
Total	**108,400**	**2,923,189**	**92,112**	**1,740,849**

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

5.2. Information on the first and second group loans and other receivables including restructured or rescheduled loans

Current period

Cash loans	Standard loans	Loans and other receivables under close monitoring		
		Loans and receivables not subject to restructuring	Restructured loans and receivables	
			Revised contract terms	Refinance
Non-specialized loans	61,092,494	8,275,195	95,942	102,108
Business loans	17,574,690	4,083,378	23,264	102,108
Export loans	23,549,589	2,343,373	-	-
Import loans	-	-	-	-
Loans given to financial sector	3,686,793	493,396	-	-
Consumer loans	13,799,098	1,249,066	69,255	-
Credit cards	634,465	64,131	3,423	-
Other	1,847,859	41,851	-	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	**61,092,494**	**8,275,195**	**95,942**	**102,108**

Prior period

Cash loans	Standard loans	Loans and other receivables under close monitoring		
		Loans and receivables not subject to restructuring	Restructured loans and receivables	
			Revised contract terms	Refinance
Non-specialized loans	52,340,117	8,503,209	151,787	179,719
Business loans	13,387,052	4,919,459	44,020	179,719
Export loans	18,073,039	1,235,582	-	-
Import loans	-	-	-	-
Loans given to financial sector	3,902,631	1,242,989	-	-
Consumer loans	14,095,685	999,675	102,127	-
Credit cards	577,716	51,031	5,640	-
Other	2,303,994	54,473	-	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	**52,340,117**	**8,503,209**	**151,787**	**179,719**

	Current period		Prior period	
	Standard loans	Loans under close monitoring	Standard loans	Loans close monitoring
12 months expected credit losses	402,777	-	360,108	-
Lifetime expected credit losses significant increase in credit risk	-	390,640	-	295,614

5.3. Loans according to their maturity structure

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

5.4. Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel

	Short term	Medium and long term	Total
Consumer loans – TL	**1,637,674**	**13,181,509**	**14,819,183**
Mortgage loans	2,908	2,739,499	2,742,407
Automotive loans	133,109	1,271,757	1,404,866
General purpose loans	1,501,657	9,170,253	10,671,910
Other	-	-	-
Consumer loans – Indexed to FC	**-**	**-**	**-**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Consumer loans – FC	**-**	**-**	**-**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Consumer credit cards – TL	**614,984**	**2,401**	**617,385**
With installments	194,429	2,401	196,830
Without installments	420,555	-	420,555
Consumer credit cards – FC	**-**	**-**	**-**
With installments	-	-	-
Without installments	-	-	-
Personnel loans – TL	**42,204**	**31,948**	**74,152**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	42,204	31,948	74,152
Other	-	-	-
Personnel loans – Indexed to FC	**-**	**-**	**-**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel loans – FC	**-**	**-**	**-**
Mortgage loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel credit cards – TL	**32,399**	**-**	**32,399**
With installments	15,307	-	15,307
Without installments	17,092	-	17,092
Personnel credit cards – FC	**-**	**-**	**-**
With installments	-	-	-
Without installments	-	-	-
Overdraft accounts – TL (real person)	**224,084**	**-**	**224,084**
Overdraft accounts – FC (real person)	**-**	**-**	**-**
Total	**2,551,345**	**13,215,858**	**15,767,203**

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

5.5. Information on commercial loans with installments and corporate credit cards

	Short term	Medium and long term	Total
Commercial installment loans - TL	**645,052**	**450,467**	**1,095,519**
Real estate loans	-	1,284	1,284
Automotive loans	26,454	36,120	62,574
General purpose loans	-	-	-
Other	618,598	413,063	1,031,661
Commercial installment loans – Indexed to FC	**-**	**9,353**	**9,353**
Real estate loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	9,353	9,353
Commercial installment loans - FC	**-**	**-**	**-**
Real estate residential loans	-	-	-
Automotive loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Corporate credit cards – TL	**52,235**	**-**	**52,235**
With installments	16,135	-	16,135
Without installments	36,100	-	36,100
Corporate credit cards – FC	**-**	**-**	**-**
With installments	-	-	-
Without installments	-	-	-
Overdraft loans – TL (legal entity)	**100,370**	**-**	**100,370**
Overdraft loans – FC (legal entity)	**-**	**-**	**-**
Total	**797,657**	**459,820**	**1,257,477**

5.6. Loans according to borrowers

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

5.7. Domestic and foreign loans

	Current period	Prior period
Domestic loans	69,560,478	61,171,638
Foreign loans	5,261	3,194
Total	**69,565,739**	**61,174,832**

5.8. Loans granted to subsidiaries and associates

	Current period	Prior period
Direct loans granted to subsidiaries and associates	895,685	705,641
Indirect loans granted to subsidiaries and associates	-	-
Total	**895,685**	**705,641**

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

5.9. Specific provisions set aside against loans

	Current period	Prior period
Loans and receivables with limited collectability	9,804	18,215
Loans and receivables with doubtful collectability	22,974	27,624
Uncollectible loans and receivables	911,854	982,330
Total	**944,632**	**1,028,169**

5.10. Information on non-performing loans (net)

5.10.1 Information on non-performing loans and other receivables restructured or rescheduled

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period			
Gross amounts before specific provision	-	54	64,823
Restructured loans	-	54	64,823
Prior period			
Gross amounts before specific provision	98	877	85,422
Restructured loans	98	877	85,422

5.10.2. Information on total non-performing loans

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior period end balance	**27,406**	**40,860**	**1,302,073**
Additions (+)	33,897	1,208	28,232
Transfers to other categories of non-performing loans (+)	-	30,395	28,492
Transfers from other categories of non-performing loans (-)	(30,395)	(28,492)	-
Collections (-)	(16,067)	(10,975)	(139,001)
Write-offs (-) (*)	-	-	(14,429)
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current period end balance	**14,841**	**32,996**	**1,205,367**
Provisions (-)	(9,804)	(22,974)	(911,854)
Net balance on balance sheet	**5,037**	**10,022**	**293,513**

(*) In current period, the amount of write-off made 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 6 July 2021 and numbered 31533, there is no write-off process and the values in the table are the amounts written off from the assets (31 December 2022: None).

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

5.10.3. Information on foreign currency non-performing loans and other receivables

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period			
Balance at the end of the period	-	2,311	139,458
Provision (-)	-	(1,923)	(104,485)
Net balance on balance sheet	**-**	**388**	**34,973**
Prior period			
Balance at the end of the period	2,311	-	147,251
Provision (-)	(1,475)	-	(104,027)
Net balance on balance sheet	**836**	**-**	**43,224**

Non-performing loans granted as foreign currency are followed under TL accounts at the balance sheet.

5.10.4. Gross and net amounts of non-performing loans per customer categories

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period (net)	**5,037**	**10,022**	**293,513**
Loans granted to corporate entities and real person (gross)	14,841	32,996	1,205,367
Provision amount(-)	(9,804)	(22,974)	(911,854)
Loans granted to corporate entities and real person (net)	5,037	10,022	293,513
Banks (gross)	-	-	-
Provision amount (-)	-	-	-
Banks (net)	-	-	-
Other loans (gross)	-	-	-
Provision amount (-)	-	-	-
Other loans (net)	-	-	-
Prior period (net)	**9,191**	**13,236**	**319,743**
Loans granted to corporate entities and real person (gross)	27,406	40,860	1,302,073
Provision amount (-)	(18,215)	(27,624)	(982,330)
Loans granted to corporate entities and real person (net)	9,191	13,236	319,743
Banks (gross)	-	-	-
Provision amount (-)	-	-	-
Banks (net)	-	-	-
Other loans (gross)	-	-	-
Provision amount (-)	-	-	-
Other loans (net)	-	-	-

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

5.10.5. According to TFRS 9, accruals, valuation differences and related provisions calculated for non-performing loans

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectable loans and receivables
Current period (Net)	**405**	**844**	**18,356**
Interest accruals and valuation differences	1,316	2,910	65,971
Provision (-)	(911)	(2,066)	(47,615)
Prior period (Net)	**651**	**1,003**	**18,746**
Interest accruals and valuation differences	2,213	3,447	70,420
Provision (-)	(1,562)	(2,444)	(51,674)

5.11. Liquidation policy for uncollectible loans and receivables

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

5.12. Information on the write-off policy

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

6. Financial assets measured at amortised cost

6.1. Financial assets subject to repurchase agreements and provided as collateral/blocked:

	Current period	Prior period
Investments subject to repurchase agreements	10,976	2,621,819
Collateralised / blocked investments (*)	4,286,721	2,198,288
Total	**4,297,697**	**4,820,107**

(*) Consists of bonds given as collaterals by the Bank to be a member of Interbank, BIST, Derivatives Exchange, Takasbank, Money Markets and to operate in those markets.

6.2. Government securities measured at amortised cost:

	Current period	Prior period
Government bonds	6,503,029	7,178,958
Treasury bills	-	-
Other government securities	-	-
Total	**6,503,029**	**7,178,958**

6.3. Financial assets measured at amortised cost:

	Current period	Prior period
Debt securities	6,503,029	7,178,958
Quoted to stock exchange	6,503,029	7,178,958
Not quoted	-	-
Impairment provision (-)	-	-
Total	**6,503,029**	**7,178,958**

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

6.4. Movement of financial assets measured at amortised cost:

	Current period	Prior period
Balances at the beginning of the period	7,178,958	5,609,794
Foreign currency differences on monetary assets	-	-
Purchases during the period	884,349	1,975,027
Disposals through sales and redemptions	(1,616,114)	(381,869)
Provision for impairment (-)	-	-
Valuation effect	55,836	(23,994)
Period end balance	**6,503,029**	**7,178,958**

7. Information on associates (net)

7.1. Explanations related to the associates

The Bank does not have any associates.

8. Information on subsidiaries (net)

8.1. Information on equity of subsidiaries (*)

8.1.1. Information on the consolidated subsidiaries

As of 30 June 2023, information on the equities of subsidiaries is as follows:

	ING European Financial Services Plc.	ING Leasing	ING Securities
Paid in capital and adjustment to paid-in capital	5,469	50,000	21,274
Profit reserves, capital reserves and prior year profit/loss	292,393	226,065	112,430
Profit	78,944	56,630	23,279
Development cost of operating lease (-)	-	-	-
Intangible assets (-)	-	(143)	-
Total core capital	**376,806**	**332,552**	**156,983**
Supplementary capital	**-**	**-**	**-**
Capital	**376,806**	**332,552**	**156,983**
Net usable shareholder's equity	**376,806**	**332,552**	**156,983**

(*) In accordance with the Bank's Board of Directors decision dated 28 December 2020; it has been decided for initiating the liquidation process of its subsidiary, ING Factoring A.Ş., applying for the approval of the BRSA on this matter by taking a decision in the ING Faktoring A.Ş.'s Board of Directors for the liquidation of the company and giving authorization to General Management to carry out the liquidation procedures and processes. The Bank applied to the BRSA on 27 December 2021 for the liquidation of ING Factoring. With the decision of the BRSA Board numbered 10043 and dated 13 January 2022, the cancellation of the operating license of ING Factoring was approved. The Ordinary General Assembly Meeting of ING Factoring was held on 14 March 2022 and in the Trade Registry Gazette dated 22 March 2022 and numbered 10542, the title of the company was changed to "ING Factoring A.Ş in Liquidation".

The Bank does not have any additional capital requirements due to the subsidiaries included in the calculation of capital requirement.

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

8.2. Information on subsidiaries

8.2.1. Information on the consolidated subsidiaries

Title	Address (city / country)	The Bank's share percentage-If different voting (%)	The Bank's risk group share (%)
(1) ING European Financial Services Plc.	Dublin/Ireland	100%	100%
(2) ING Leasing	Istanbul/Turkey	100%	100%
(3) ING Securities	Istanbul/Turkey	100%	100%

As of 30 June 2023, financial information on consolidated subsidiaries as follows (*):

	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit/ loss	Prior period profit/loss	Fair value
(1)	11,790,772	376,806	227	295,412	-	78,944	47,633	-
(2)	2,534,059	332,695	1,064	209,977	-	51,272	15,497	-
(3)	855,263	156,514	775	26,220	-	22,889	16,926	-

(*) The financial information of ING European Financial Services Plc. and ING Leasing are obtained from 30 June 2023 unreviewed financial statements, the financial information of ING Securities are obtained from 30 June 2023 reviewed financial statements.

8.3. Information on subsidiaries

8.3.1. Information on consolidated subsidiaries

	Current period	Prior period
Balance at the beginning of the period	**1,171,862**	**839,286**
Movements during the period	436,925	332,576
Purchases	-	-
Bonus shares obtained	-	-
Dividends from current year income	147,025	195,343
Sales	-	-
Revaluation increase	289,900	137,233
Provisions for impairment	-	-
Balance at the end of the period	**1,608,787**	**1,171,862**
Capital commitments	-	-
Share percentage at the end of the period (%)	100	100

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

8.4. Sectoral information on consolidated financial subsidiaries and the related carrying amounts

8.4.1. Information on consolidated subsidiaries

	Current period	Prior period
Banks	-	-
Insurance companies	-	-
Factoring companies (*)	171,382	171,382
Leasing companies	305,155	257,518
Finance companies	-	-
Other financial subsidiaries	1,122,250	742,962

(*) In the Trade Registry Gazette dated 22 March 2022 and numbered 10542, the title of the company was changed to "ING Factoring A.Ş in Liquidation". It is shown in the "Unconsolidated non-financial subsidiaries" line in the current period unconsolidated financial statements.

8.5. Subsidiaries quoted in a stock exchange

There are no subsidiaries quoted on a stock exchange.

8.6. Information on non-financial subsidiaries that are not consolidated

ING Teknoloji A.Ş. was established by the Bank with TL 10,000 paid in capital and 100% ownership; it was registered in the Trade Registry Gazette on 7 March 2023.

9. Information on entities under common control (net)

9.1. Information on entities under common control (net)

There are no entities under common control.

10. Information on finance lease receivables (net)

The Bank has no receivables from finance lease.

11. Information on derivative financial assets held for hedging

11.1 Information on positive differences of derivative financial assets held for hedging

	Current period		Prior period	
	TL	FC	TL	FC
Fair value hedge	-	-	-	-
Cash flow hedge	61,003	-	71,876	-
Net investment hedge	-	-	-	-
Total	**61,003**	**-**	**71,876**	**-**

12. Information on tangible assets (net)

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

13. Information on intangible assets (net)

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

14. Information on investment properties (net)

	Current period	Prior period
Cost		
Openning balance	-	-
Purchases	-	-
Transfers	7,075	-
Disposals	-	-
Impairment provision	-	-
Total cost	**7,075**	**-**

	Current period	Prior period
Depreciation		
Openning balance	-	-
Purchases	-	-
Transfers	4,275	-
Disposals	-	-
Impairment provision	-	-
Total accumulated depreciation (-)	**4,275**	**-**
Net book value	**2,800**	**-**

15. Explanations on deferred tax asset

15.1. Explanations on current tax asset

As of 30 June 2023 current tax asset and corporation tax payable are netted of and accounted as current tax liability in the unconsolidated balance sheet. The explanations about current tax asset/liability for the current and previous period are disclosed in Footnote II.9 of Section Five.

15.2. Explanations on deferred tax asset

As of 30 June 2023, the net deferred tax assets of the Bank amounts to TL 849,227 (31 December 2022: TL 267,637 deferred tax assets) which is calculated based on the deductible temporary differences.

	Current period		Prior period	
Timing differences constituting the basis for deferred tax	**Accumulated temporary differences**	**Deferred tax asset/(liability)**	**Accumulated temporary differences**	**Deferred tax asset/(liability)**
Provisions (*)	339,188	84,797	373,673	93,418
Fair value differences for financial assets and liabilities	1,162,468	290,885	268,032	67,276
Derivative valuation differences	(842,846)	(210,711)	(426,342)	(106,585)
Expected credit losses of Stage I and II	1,012,445	253,111	759,085	189,770
Other (**)	2,689,566	431,145	94,778	23,758
Total deferred tax assets / (liabilities) net		**849,227**		**267,637**

(*) Consists of reserve for employee benefits, provision for promotion expenses of credit cards and other provisions.

(**) TL 408,008 deferred tax asset arising from the revalued economic assets is included, within the scope of Provisional Article 32 and Repeated Article 298/ç of the Tax Procedure Law.

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

I. Explanations and notes related to assets of the unconsolidated balance sheet (continued)

Deferred tax assets / (liabilities) movements of the current and previous years are as follows:

Deferred tax assets / (liabilities) net	**Current period (1 January – 30 June 2023)**	**Prior period (1 January – 31 December 2022)**
Opening balance	**267,637**	**(498,804)**
Deferred tax income / (expense) (net)	459,222	797,663
Deferred tax recognized under equity	122,368	(31,222)
Balance at the end of the period	**849,227**	**267,637**

16. Explanations on assets held for sale and discontinued operations (net)

16.1. Explanations on assets held for sale

	Current period	**Prior period**
Opening balance (net)	660	660
Additions	-	-
Disposals (-)	-	-
Depreciation (-)	-	-
Balance at the end of the period (net)	**660**	**660**

16.2. Explanations on discontinued operations

The Bank does not have assets with respect to the discontinued operations.

17. Other assets exceed 10% of the balance sheet total (excluding off balance sheet commitments), breakdown of the names and amounts of accounts constructing at least 20% of grand totals

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

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

II. Explanations and notes related to liabilities of the unconsolidated balance sheet

1. Information on deposits

1.1 Maturity structure of deposits

Current period	Demand	7 day call accounts	Up to 1 month	1-3 months	3-6 months	6 months – 1 year	1 year and over	Cumulative deposits	Total
Saving deposits	3,357,670	-	10,452,463	5,518,020	13,115,938	1,050,506	8,082,602	-	41,577,199
Foreign currency deposits	15,059,502	-	8,059,743	4,472,102	469,381	135,653	165,886	-	28,362,267
Residents in Turkey	14,894,231	-	7,991,136	4,240,596	455,124	110,309	157,957	-	27,849,353
Residents abroad	165,271	-	68,607	231,506	14,257	25,344	7,929	-	512,914
Public sector deposits	40,118	-	101,971	2	-	-	-	-	142,091
Commercial deposits	1,785,092	-	8,557,114	941,762	2,461,200	42,278	1,133,493	-	14,920,939
Other institutions deposits	15,916	-	2,985	2,144	2	9	7	-	21,063
Precious metals deposits	4,865,038	-	1,383,700	-	-	-	-	-	6,248,738
Interbank deposits	4,009	-	3,250,883	-	-	-	-	-	3,254,892
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	6	-	-	-	-	-	-	-	6
Foreign banks	4,003	-	3,250,883	-	-	-	-	-	3,254,886
Participation banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	**25,127,345**	**-**	**31,808,859**	**10,934,030**	**16,046,521**	**1,228,446**	**9,381,988**	**-**	**94,527,189**

Foreign exchange-protected deposit instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against changes in foreign exchange rates, started to be offered to the Bank's customers. In this context, the total amount of deposits opened as of 30 June 2023 is TL 24,840,497 (31 December 2022: TL 12,581,452).

Prior period	Demand	7 day call accounts	Up to 1 month	1-3 months	3-6 months	6 months – 1 year	1 year and over	Cumulative deposits	Total
Saving deposits	2,005,498	-	10,969,787	4,645,195	9,398,863	781,749	1,139,927	-	28,941,019
Foreign currency deposits	8,565,214	-	10,919,383	4,478,556	1,052,679	168,754	154,844	-	25,339,430
Residents in Turkey	8,456,552	-	10,820,813	4,288,948	1,036,858	151,062	148,386	-	24,902,619
Residents abroad	108,662	-	98,570	189,608	15,821	17,692	6,458	-	436,811
Public sector deposits	342,794	-	-	2	-	-	-	-	342,796
Commercial deposits	1,571,354	-	3,523,690	57,335	1,630,322	55,336	694,771	-	7,532,808
Other institutions deposits	13,120	-	5,822	2,285	2	9	7	-	21,245
Precious metals deposits	2,684,517	-	1,679,522	-	-	-	-	-	4,364,039
Interbank deposits	5,162	-	746,689	-	-	-	-	-	751,851
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	80	-	300,129	-	-	-	-	-	300,209
Foreign banks	5,082	-	446,560	-	-	-	-	-	451,642
Participation banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	**15,187,659**	**-**	**27,844,893**	**9,183,373**	**12,081,866**	**1,005,848**	**1,989,549**	**-**	**67,293,188**

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 saving deposit insurance (*)		Exceeding the limit of saving deposit insurance	
Saving deposits	**Current period**	**Prior period**	**Current period**	**Prior period**
Saving deposit	19,630,943	14,070,193	21,928,755	14,866,261
Foreign currency saving deposits	12,593,608	8,004,861	13,383,961	14,754,359
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Deposits in off-shore banking regions' under foreign authorities' insurance	-	-	-	-

	Under the guarantee of saving deposit insurance (*)		Exceeding the limit of saving deposit insurance	
Commercial deposits (**)	**Current period**	**Prior period**	**Current period**	**Prior period**
Commercial deposit	879,682	529,672	11,758,538	6,661,179
Foreign currency commercial deposits	314,561	161,707	8,301,411	6,762,558
Other deposits in the form of commercial deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Deposits in off-shore banking regions' under foreign authorities' insurance	-	-	-	-

(*) The amount of deposits subject to insurance is TL 400 for the current period (Prior period is TL 200).
(**) With the regulation published in the Official Gazette dated 27 August 2022 and numbered 31936, commercial deposits were included in the scope of insurance.

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

II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

1.3. Information on whether the saving deposits / private current accounts of real persons not subject to commercial transactions in the Turkey branch of the Bank headquartered abroad are in scope of insurance in the country where the head office is located

The Bank's head office is in Turkey and its saving deposits are covered by saving deposit insurance.

1.4. Saving deposits of real persons not under the guarantee of saving deposit insurance fund

	Current period	Prior period
Deposits and other accounts in foreign branches	-	-
Saving deposits and other accounts of controlling shareholders and their mothers, fathers, spouses, children in care	-	-
Saving deposits and other accounts of president and members of board of directors, general manager and vice presidents, and their mothers, fathers, spouses and children in care	45,951	29,681
Saving deposits and other accounts in scope of the property holdings derived from crime defined in Article 282 of Turkish Criminal Law No: 5237, dated 26 September 2004	-	-
Saving deposits in deposit bank established in Turkey in order to engage solely in off-shore banking activities	-	-

2. Information on derivative financial liabilities held for trading

2.1. Table of negative differences for derivative financial liabilities held for trading

	Current period		Prior period	
	TL	FC	TL	FC
Forward transactions	-	1,314,951	-	64,212
Swap transactions	1,283,773	467,727	1,051,618	432,836
Future transactions	-	-	-	-
Options	-	104,047	12,869	2,743
Other	-	-	-	-
Total	**1,283,773**	**1,886,725**	**1,064,487**	**499,791**

3. Banks and other financial institutions

3.1. Information on banks and other financial institutions

	Current period		Prior period	
	TL	FC	TL	FC
Funds borrowed from Central Bank of Turkey	-	-	-	-
Funds borrowed from domestic banks and institutions	11,403	882,891	66,219	612,472
Funds borrowed from foreign banks, institutions and funds	10,608	13,025,045	18,304	8,244,603
Total	**22,011**	**13,907,936**	**84,523**	**8,857,075**

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

II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

3.2. Maturity analysis of funds borrowed

	Current period		Prior period	
	TL	FC	TL	FC
Short term	22,011	877,952	78,263	2,784
Medium and long term	-	13,029,984	6,260	8,854,291
Total	**22,011**	**13,907,936**	**84,523**	**8,857,075**

3.3. Funding industry group where the Bank's liabilities are concentrated

The liabilities providing the funding sources of the Bank are deposits, borrowings, marketable securities issued and money market borrowings. Deposits are the most important funding source of the Bank and the diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. The borrowings are composed of funds such as syndicated and post-financing obtained from different financial institutions with different maturity-interest structures and characteristics. There is no risk concentration in any of the funding sources of the Bank.

4. Explanations on securities issued (net)

	Current period		Prior period	
	TL	FC	TL	FC
Bank bills	-	-	-	-
Bonds	-	-	394,172	-
Total	**-**	**-**	**394,172**	**-**

5. If other liabilities exceed 10% of the balance sheet total, names and amounts of the accounts constituting at least 20% of grand totals

Other liabilities do not exceed 10% of the balance sheet total.

6. Explanations on lease liabilities (net)

	Current period		Prior period	
	Gross	Net	Gross	Net
Less than 1 year	12,362	1,927	12,362	1,927
Between 1-4 years	52,432	24,352	84,305	47,797
More than 4 year	211,823	119,613	229,965	134,385
Total	**276,617**	**145,892**	**326,632**	**184,109**

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

II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

7. Information on derivative financial liabilities held for hedging
7.1. Negative differences related to derivative financial liabilities held for hedging

None (31 December 2022: None).

8. Information on provisions

8.1. Information on the exchange rate decrease provision on foreign currency indexed loans and financial lease receivables

None (31 December 2022: None).

8.2. Information on other provisions

	Current period	Prior period
Specific provisions for undrawn non-cash loans (stage 3)	153,403	117,094
Provision for credit card score promotion	1,791	1,304
Other provisions	364,272	338,015
Allowance for expected credit losses (stage 1 and stage 2) (*)	*177,514*	*88,697*
Other	*186,758*	*249,318*
Total	**519,466**	**456,413**

(*) Non-cash loan provisions are included.

Amount to TL 88,004 (31 December 2022: TL 126,532) of the other provisions consist of provisions set aside as a result of the legal assessment for the lawsuits that are likely to result against the Bank.

The deposit holders of offshore accounts held at Sümerbank A.Ş. (together with other dissolved banks merged into Sümerbank A.Ş., all of which were ultimately merged into the Bank), which were opened before Savings Deposit Insurance Fund (SDIF) seized these banks, initiates lawsuits against the Bank. As a result of these lawsuits, the Bank pays certain amounts to these offshore deposit holders of the dissolved banks. SDIF indemnifies these amounts in accordance with the Share Transfer Agreement (STA) entered into between Turkish Armed Forces Assistance (and Pension) Fund (OYAK) and SDIF.

The mentioned amounts are being paid to the Bank by SDIF with objections and short payments with STA clauses. SDIF has initiated 10 enforcement proceedings against the Bank for the refund of the said payments, requesting 506 million TL excluding interest. As a response to the Bank's objections to the enforcement proceedings initiated by SDIF; SDIF has filed lawsuits for the cancellation of the objections. Currently, there are nine ongoing lawsuits and one enforcement proceeding in this context.

Additionally, the Bank has initiated four enforcement proceedings against SDIF regarding our accumulated receivables that SDIF has either partially or completely failed to pay.

Both SDIF's actions against the Bank and the Bank's actions against the SDIF are presented below as a table:

Lawsuit & Enforcement Proceedings	Amount	Status	The Latest Development in Legal Process
First Case	21,819	First Instance Court	The trial continues
Second Case	21,769	First Instance Court	The trial continues
Third Case	97,677	First Instance Court	The trial continues
Fourth Case	109,532	First Instance Court	The court of first instance decided in favor of ING
Fifth Case	980	First Instance Court	The court of first instance decided in favor of ING
Sixth Case	125,592	First Instance Court	The court of first instance decided in favor of ING
Seventh Case	51,536	Regional Appeal Court	The Regional Appeal Court process is ongoing
Eighth Case	49,069	First Instance Court	The trial continues
Ninth Case	20,893	First Instance Court	The trial continues
Enforcement Proceedings	7,545	The mediation process has been completed	Compulsory mediation process has been finalised the lawsuit is awaited
	506,417		

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

II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

On the other hand, there is an administrative law dispute between the Bank and SDIF. The Bank has filed a lawsuit for the annulment of the administrative resolution No. 2013/36 dated 31 January 2013 of SDIF's Fund Board (the "SDIF Fund Board Decision"), which constitutes the legal basis of the SDIF's abovementioned actions. Although the first instance administrative court ruled in favor of the Bank to annul the SDIF Fund Board Decision, the Council of State (i.e., the Administrative Supreme Court of Appeals, Danıştay) reversed the first instance court's decision on the grounds that the administrative courts lack jurisdiction because the dispute was a matter of private law and not one of administrative law. The Bank submitted a motion for the post judgment relief, i.e., correction of judgment which the Council of State rejected. Upon completion of the Council of State's review, the first instance court rendered a decision in line with the Council of State's decision against which the Bank (claiming the annulment of the SDIF Fund Board Decision) and SDIF (claiming the determination of the SDIF Fund Board Decision's legal validity by the administrative courts rather than a lack of jurisdiction decision) filed an appeal.

No provisions were set aside in respect of the amounts that the Bank paid in connection with the off-shore lawsuits, court decisions on off-shore lawsuits and lawsuits filed by SDIF, considering the (i) relevant provisions of the SSA, (ii) relevant provisions of the of the Share Sale Agreement dated 18 June 2007 relating to the purchase of the Bank's shares (owned by OYAK) by ING Bank N.V. and (iii) the course of the pending lawsuits against SDIF.

8.3. Information on provisions for employee benefits

As of 30 June 2023, TL 98,635 (31 December 2022: TL 61,324) of TL 187,971 (31 December 2022: TL 146,727) provisions for employee benefits is the unused vacation provisions. Full provision is provided for the unused vacation liability.

TL 89,336 (31 December 2022: TL 85,403) of the provisions for employee benefits is the termination benefit provision. In accordance with the labor law, the Bank is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation and misconduct. The payments are calculated on the basis of 30 days' pay limited to a maximum of historical TL 19,982.83 (Full TL) at 30 June 2023 and TL 15,371.40 (Full TL) at 31 December 2022 per year of employment at the rate of pay applicable at the date of retirement or termination.

In the unconsolidated financial statements dated 30 June 2023 and 31 December 2022, the Bank operating in Turkey has calculated severance pay by taking into account their experience in personnel service completion or termination, and by discounting it via using the forecasted annual inflation and interest rates**.**

9. Explanations on tax liability

9.1. Explanations on current tax liability

9.1.1. Explanations on tax provision

The Bank has current corporate tax liability as of 30 June 2023 amounting to TL 286,823 (31 December 2022: TL 290,954).

9.1.2. Information on taxes payable

	Current period	**Prior period**
Corporate tax payable	286,823	290,954
Banking insurance transaction tax ("BITT")	49,729	37,802
Taxation of securities	31,687	31,883
Value added tax payable	17,892	17,723
Foreign exchange transaction tax	1,915	3,038
Property tax	1,203	1,452
Other	24,030	27,734
Total	**413,279**	**410,586**

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

II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

9.1.3. Information on premiums

	Current period	Prior period
Social security premiums-employee	11,747	12,062
Social security premiums-employer	19,232	17,934
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	757	850
Unemployment insurance-employer	1,517	1,702
Other	-	-
Total	**33,253**	**32,548**

9.2. Explanations on deferred tax liabilities

Deferred tax asset and liability are netted and shown in liabilities of unconsolidated balance sheet as deferred tax liability, and explanations about deferred tax asset / liability for the current and prior period are disclosed in Section Five Footnote I.15.

10. Information on liabilities regarding assets held for sale

As of 30 June 2023 and 31 December 2022, there are no liabilities regarding assets held for sale.

11. Explanations on the subordinated loans

None.

12. Information on shareholders' equity

12.1. Paid-in capital

	Current period	Prior period
Common stock (*)	3,486,268	3,486,268
Preferred stock	-	-

(*) The amount represents nominal capital.

12.2. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so, the amount of registered share capital ceiling

Paid-in-capital amount is TL 3,486,268 and 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

None.

12.4. Information on share capital increases from capital reserves

There is no capital increase from capital reserves in the current period.

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

There are no capital commitments in the last fiscal year and in the interim period following the last fiscal year.

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

II. Explanations and notes related to liabilities of the unconsolidated balance sheet (continued)

12.6. Indicators of the Bank’s income, profitability and liquidity for the previous periods and possible effects of future assumptions made by taking into account the uncertainties of these indicators on the Bank’s equity:

The Bank’s balance sheet is managed in a conservative manner in order to be minimally affected by interest, currency and credit risks. The Bank’s operations are aimed to be continued with a conservative approach and with an increasing profitability. The year end income is transferred to the statutory reserves and extraordinary reserves under the shareholder’s equity. The Bank tries to invest the majority of its shareholder’s equity in interest bearing assets and to keep investments in non-banking assets such as tangible assets, investments in non-financial subsidiaries limited.

12.7. Information on preferred shares

There are no preferred shares.

12.8. Information on marketable securities revaluation reserve

	Current period		Prior period	
	TL	FC	TL	FC
From associates, subsidiaries, and entities under common control (business partnerships)	-	-	-	-
Valuation difference	(134,782)	-	143,086	-
Foreign exchange difference	-	-	-	-
Total	**(134,782)**	**-**	**143,086**	**-**

12.9. Profit reserves and profit distribution

Under the Turkish Commercial Code (“TCC”), legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated 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 at least 10% of distributions in excess of 5% of issued and fully paid-in share capital.

As per the decision made at the annual general assembly of shareholders of the Bank on 27 March 2023, the distribution of the net profit of the year 2022, is as follows.

Profit distribution table of 2022	
2022 net profit	**2,626,289**
A – I. Legal Reserve (TCC 519/A) 5%	(131,314)
B – The First Dividend for Shareholders	-
C – Extraordinary Reserves	(2,476,283)
D – Special funds	(18,692)

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

III. Explanations and notes related to unconsolidated off-balance sheet accounts

1. Explanations on off-balance sheet commitments

1.1. Type and amount of irrevocable commitments

	Current period	Prior period
Forward asset purchase commitments	312,181	2,046,189
Loan granting commitments	2,708,952	2,420,233
Commitments for cheque payments	257,689	187,441
Commitments for credit card limits	1,337,679	1,198,791
Commitments for credit cards and banking services promotions	17,778	14,256
Other irrevocable commitments	32,730	29,886
Total	**4,667,009**	**5,896,796**

1.2. Type and amount of probable losses and obligations arising from off-balance sheet items

1.2.1 Non-cash loans including guarantees, bank acceptances, collaterals and others deemed as financial commitments and other letter of credits

	Current period	Prior period
Commitments and contingencies	5,237,583	4,048,574
Letter of credits	1,741,265	1,053,321
Bank acceptance loans	4,203	-
Total	**6,983,051**	**5,101,895**

1.2.2. Irrevocable guarantees, temporary guarantees and other similar commitments and contingencies

	Current period	Prior period
Irrevocable letters of guarantees	9,302,348	6,822,822
Cash loans letters of guarantees	2,161,699	551,940
Advance letters of guarantees	1,172,981	736,625
Temporary letters of guarantees	12,202	43,266
Other	122,847	106,043
Total	**12,772,077**	**8,260,696**

1.3. Explanation on non-cash loans

1.3.1. Total amount of non-cash loans

	Current period	Prior period
Non-cash loans given against cash loans	7,384,005	4,597,893
With original maturity of 1 year or less than 1 year	*1,248,805*	*47,093*
With original maturity of more than 1 year	*6,135,200*	*4,550,800*
Other non-cash loans	12,371,123	8,764,698
Total	**19,755,128**	**13,362,591**

III. Explanations and notes related to unconsolidated off-balance sheet accounts (continued)

1.3.2. Information on sectoral risk concentrations of non-cash loans

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

1.3.3. Non-cash loans classified in Group I and Group II

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

2. Information on derivative transactions

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

3. Information on credit swaps and related risks

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

4. Information on contingent liabilities and assets

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

5. Information on the services provided on behalf of others

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

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

IV. Explanations and notes related to unconsolidated statement of profit or loss

1. Information on interest income

1.1. Information on interest income from loans (*)

	Current period		Prior period	
	TL	FC	TL	FC
Short term loans	2,142,971	528,659	1,642,484	217,805
Medium and long term loans	1,395,935	431,786	1,160,106	294,529
Interest on loans under follow-up	84,274	-	90,403	-
Premiums received from resource utilization support fund	-	-	-	-
Total	**3,623,180**	**960,445**	**2,892,993**	**512,334**

(*) Commissions and fees received from cash loans are included.

1.2. Information on interest income received from banks

	Current period		Prior period	
	TL	FC	TL	FC
From Central Bank of Turkey	-	10,980	-	-
From domestic banks	11,612	644	1,579	139
From foreign banks	248	31,888	-	2,715
From branches abroad	-	-	-	-
Total	**11,860**	**43,512**	**1,579**	**2,854**

1.3. Information on interest income received from marketable securities portfolio

	Current period		Prior period	
	TL	FC	TL	FC
Financial assets measured at fair value through profit or loss	13,230	6,485	17,828	4,279
Financial assets measured at fair value through other comprehensive income	184,815	-	88,077	-
Financial assets measured at amortised cost	419,098	-	406,218	-
Total	**617,143**	**6,485**	**512,123**	**4,279**

1.4 Information on interest income received from associates and subsidiaries

	Current period	Prior period
Interest income from associates and subsidiaries	15,428	4,594

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

IV. Explanations and notes related to unconsolidated statement of profit or loss (continued)

2. Information on interest expenses

2.1. Information on interest on funds borrowed (*)

	Current period		Prior period	
	TL	FC	TL	FC
Banks	3,548	334,764	36,951	88,314
Central Bank of Turkey	-	-	-	-
Domestic banks	3,332	18,822	9,056	548
Foreign banks	216	315,942	27,895	87,766
Branches and offices abroad	-	-	-	-
Other institutions	-	7,423	-	3,900
Total	**3,548**	**342,187**	**36,951**	**92,214**

(*) Commissions and fees paid for cash funds borrowed are included.

2.2. Information on interest expenses paid to associates and subsidiaries

	Current period	Prior period
Interest expenses paid to associates and subsidiaries	66,479	10,671

2.3. Information on interest on securities issued

	Current period		Prior period	
	TL	FC	TL	FC
Interest on securities issued	33,858	-	15,997	-

2.4. Allocation of interest expenses on deposits according to maturity of deposits

		Time deposit						
Account name	Demand deposit	Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year	Accumulated deposits	Total
Turkish lira								
Bank deposits	-	44,685	-	-	-	-	-	44,685
Saving deposits	-	916,402	1,573,500	489,702	17,841	577,475	-	3,574,920
Public sector deposits	-	1,118	-	-	-	-	-	1,118
Commercial deposits	-	536,829	119,424	223	39	-	-	656,515
Other deposits	-	519	155	-	-	-	-	674
7 days call accounts	-	-	-	-	-	-	-	-
Total	**-**	**1,499,553**	**1,693,079**	**489,925**	**17,880**	**577,475**	**-**	**4,277,912**
Foreign currency								
Foreign currency deposits	-	9,904	22,608	12,863	2,941	3,275	-	51,591
Banks deposits	-	1,516	-	-	-	-	-	1,516
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	316	-	-	-	-	-	316
Total	**-**	**11,736**	**22,608**	**12,863**	**2,941**	**3,275**	**-**	**53,423**
Grand total	**-**	**1,511,289**	**1,715,687**	**502,788**	**20,821**	**580,750**	**-**	**4,331,335**

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

IV. Explanations and notes related to unconsolidated statement of profit or loss (continued)

3. Information on dividend income

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

4. Information on trading income/loss (net)

	Current period	Prior period
Income	**26,343,843**	**28,247,343**
Gains on capital market transactions	191,477	44,858
Gains on derivative financial instruments	17,753,821	17,387,840
Foreign exchange gains	8,398,545	10,814,645
Loss (-)	**(24,005,444)**	**(27,664,174)**
Loss on capital market transactions	(69,202)	(51,649)
Loss on derivative financial instruments	(14,480,862)	(15,627,103)
Foreign exchange loss	(9,455,380)	(11,985,422)

Net profit on derivative financial instruments recognized in profit/loss resulting from fluctuations in foreign exchange rates is TL 3,130,930 (30 June 2022: TL 1,760,737 net profit).

5. Information on other operating income

	Current period	Prior period
Income from reversal of prior years' provisions	440,350	545,839
Income arising from sale of assets	18,729	53,035
Banking services income	1,631	809
Other non-interest income	56,481	28,459
Total	**517,191**	**628,142**

6. Allowance for expected credit losses and other provision expenses

	Current period.	Prior period
Expected credit losses	353,830	443,736
12 Months expected credit loss (Stage 1)	*98,904*	*158,672*
Expected credit loss significant increase in credit risk (Stage 2)	*143,683*	*117,158*
Expected credit loss impaired credits (Stage 3)	*111,243*	*167,906*
Impairment losses on securities	87	3,375
Financial assets measured at fair value through profit/loss	*87*	*3,375*
Financial assets measured at fair value through other comprehensive income	-	-
Impairment losses on associates, subsidiaries and joint-ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Other	4,819	24,232
Total	**358,736**	**471,343**

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

IV. Explanations and notes related to unconsolidated statement of profit or loss (continued)

7. Information on other operating expenses

	Current period	Prior period
Reserves for employee termination benefits	11,170	4,497
Bank social aid fund deficit provision	-	-
Tangible assets impairment expense	-	-
Depreciation expense of tangible assets	65,114	58,827
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortisation expense of intangible assets	29,958	12,511
Impairment expense of equity participations for which equity method is applied	-	-
Impairment expense for securities that to be disposed	-	-
Depreciation expense of securities that to be disposed	-	-
Impairment expense of held for sale tangible assets and discontinued operations	-	-
Other operating expenses	1,075,498	594,705
Operating lease expenses related with TFRS 16 exception	28,360	18,800
Repair and maintenance expenses	27,864	19,979
Advertisement expenses	177,271	63,872
Other expenses	842,003	492,054
Loss on sales of assets	1,742	1,450
Other (*)	339,195	186,780
Total	**1,522,677**	**858,770**

(*) Includes saving-deposits-insurance-fund related expenses of TL 108,129 (30 June 2022: TL 81,552).

8. Information on income / (loss) before taxes for continued and discontinued operations

As of 30 June 2023, the income before taxes is TL 1,379,720 (30 June 2022: TL 1,601,720).

9. Information on tax provision for continued and discontinued operations

As of 30 June 2023, the corporate tax provision expense for the period is TL 317,687 (30 June 2022: TL 807,981), and the deferred tax income is TL 459,222 (30 June 2022: TL 370,193 deferred tax income).

10. Information on net operating income after taxes for continued and discontinued operations

Not prepared as per Article 25 of the Communiqué on the Financial Statements and Related Explanations and Notes that will be Publicly Announced.

11. The explanations on net income/loss for the period

Interest income from regular banking transactions is TL 5,810,678 (30 June 2022: TL 4,135,268), while the interest expense is TL 4,824,831 (30 June 2022: TL 2,187,423).

There are no changes in estimations related to the items in the financial statements.

12. If the other items in the statement of profit or loss exceed 10% of the statement of profit or loss total, explanations on the sub-accounts amounting to at least 20% of these items

Other fees and commissions received amounting to TL 423,127 (30 June 2022: TL 279,078) has included TL 94,170 (30 June 2022: TL 83,697) resulting from the credit card fees and commissions, TL 26,706 (30 June 2022: TL 29,594) resulting from service fees and commissions from contracted merchants and TL 90,376 (30 June 2022: TL 55,123) resulting from insurance commissions.

Other fees and commissions paid amounting to TL 139,028 (30 June 2022: TL 111,712) has included TL 68,497 (30 June 2022: TL 61,904) resulting from credit card exchange commissions.

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

V. Explanations and notes related to risk group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances

1.1. Current period

Risk group of the Bank	Subsidiaries, associates and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Beginning of the period	705,641	611	56	1,210,575	1,486	530,274
End of the period	895,685	611	70	1,898,345	1,849	1,024,844
Interest and commission income	15,428	50,289	-	2,813	-	1,110

1.2 Prior period

Risk group of the Bank	Subsidiaries, associates and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Beginning of the period	757,539	1,191	187	1,082,968	395	428,782
End of the period	705,641	611	56	1,210,575	1,486	530,274
Interest and commission income	4,594	25,604	2	1,877	-	348

1.3. Information on deposit balances of the risk group of the Bank

Risk group of the Bank	Subsidiaries, associates and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Deposit						
Beginning of the period	236,191	464,827	451,807	1,974	113,158	57,551
End of the period	722,738	236,191	3,257,505	451,807	244,129	113,158
Interest expense on deposits	65,416	10,195	41,648	136	6,526	2,836

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

V. Explanations and notes related to risk group of the Bank (continued)

1.4. Information on forward and option agreements and other similar agreements entered into with the risk group of the Bank

Risk group of the Bank	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Transactions at fair value through profit / loss						
Beginning of the period	100,000	-	31,915,187	19,803,771	-	-
End of the period	414,381	100,000	31,656,695	31,915,187	-	-
Total profit/loss	21,082	462	(81,567)	48,398	(25,405)	(16,260)
Transactions with hedging purposes						
Beginning of the period	-	-	-	-	-	-
End of the period	-	-	-	-	-	-
Total profit/loss	-	-	(6,953)	29,573	-	-

1.5. Information on placements made with the risk group of the Bank

Risk group of the Bank	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Banks						
Beginning of the period	-	-	1,169,959	36,926	55,904	36,239
End of the period	-	-	175,866	1,169,959	355,626	55,904
Interest income received	-	-	248	-	-	-

1.6. Information on loans borrowed from the risk group of the Bank

Risk group of the Bank	Subsidiaries, associates and joint ventures (partnerships)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Loans						
Beginning of the period	-	-	432,789	1,722,551	18,304	19,903
End of the period	573,808	-	412,900	432,789	10,608	18,304
Interest and commission paid	1,063	476	1,386	33,211	218	375

1.7 Information regarding benefits provided to the Bank's top management:

Benefits paid to key management personnel for the period ended as of 30 June 2023 is amounting to TL 63,190 (30 June 2022: TL 26,527).

VI. Explanations and notes related to subsequent events

Meltem Öztürk, our Executive Vice President for Human Resources and ExCo Member at ING Turkiye, has been appointed to global role as Senior Human Resources Business Partner of the ING Hubs effective of 1 August 2023.

The Bank sold non-performing loan portfolio amounting to TL 127,852 to domestic asset management companies at 28 July 2023.

With the Article 19 of the Law on the Amendment of Additional Motor Vehicle Tax and Amendments to Certain Laws and Decree Law No. 375 for Compensation of Economic Losses Caused by Earthquakes on 6 February 2023 (entered into force after being published in the Official Gazette dated 15 July 2023 and numbered 32249), the exemption rate of earnings arising from the sale of immovables has been abolished, and 25% of the earnings arising from the sale of immovables, which were included in the assets of the institutions before the effective date of the Law, are exempted with Article 22. With the 21st article of the same Law, the corporate tax rate in the first paragraph of the 32nd article of the Corporate Tax Law No. 5520 will be applied as 25% and this rate will be applied as 30% over the corporate earnings of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

Section six

Interim review report

I. Explanations on the auditors' review report

The unconsolidated financial statements of the Bank as of 30 June 2023, have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited) and the review report dated 4 August 2023 is presented at the beginning of this report.

II. Explanations and notes prepared by independent auditors

There are no other significant footnotes and explanations related to the operations of the Bank that is not mentioned above.

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

Section seven

Interim activity report

I. Interim unconsolidated activity report including the assessments of the Chairman and CEO on the interim activities

1. Overview

1.1. A summary of financial information relating to operating results for the period ended

Summary financial information on the unconsolidated financial statements of the Bank for the period 30 June 2023 and 31 December 2022 is as follows.

Main balance sheet items

Million TL	Current period	Prior period
Net loans	69,081	60,861
Deposits	94,527	67,293
Equity	14,951	13,519
Total assets	137,969	98,853

Main financial ratios

	Current period	Prior period
Capital adequacy ratio	17.92%	19.59%
Loans / Total assets	50.07%	61.57%
Deposits / Total assets	68.51%	68.07%
Non-performing loans / Total loans	1.77%	2.19%
Income / Average capital (*)	21.59%	20.53%
Income / Average assets (*)	2.64%	2.70%
Expense / Income ratio (**)	69.65%	49.18%

(*) Items related to statement of profit or loss are included in the ratio calculation after annualization process.
(**) Prior period profit/loss amounts are for the six month period ended 30 June 2022.

1.2 Changes and the reason for changes made in the Articles of Association

In the accounting period, there has not been any change in the Articles of Association of the Bank.

I. Interim unconsolidated activity report including the assessments of the Chairman and CEO on the interim activities (continued)

1.3 Chairman's assessments of the operating period and expectations for the future

The first half of the year was busy for the global economy. Europe's mild winter and avoidance of an energy crisis through financial incentives, a slower-than-expected re-opening of the post-Covid-19 economy in China, challenging banking problems in the United States and Switzerland although they have not spread globally, unprecedented tightening moves of central banks and gradually declining inflation can be considered hot topics in this regard.

On global scale, statements of the Federal Reserve (Fed) officials reveal that there is more to be done to achieve the inflation target even if some progress has been made. While the decision not to make any changes in June only means slowing down the rate hike, the Fed signalled that an added increase in interest rates may be necessary at the end of the last year. On the European side, the European Central Bank (ECB) hinted that interest rates will be raised further since the meeting in June. On the other hand, another rate hike will increase the risk of a more significant economic slowdown in the future.

Regarding Türkiye, Central Bank of the Republic of Türkiye has stated that monetary tightening would be strengthened in a timely and gradual manner to a necessary extent while the policy interest rate was raised for the first time in more than two years in June with the emphasis on the inflation outlook. After increasing the interest rate, the bank has taken further steps towards liraization and bond reserve requirement. A rapid recovery was observed in the reserves recently. On the budget side, some measures have been announced to increase revenues and limit the budget deficit.

As ING Türkiye, we closely monitored the developments in Türkiye and around the world, and continued to stand by our employees and customers, supporting the economy of Türkiye. In this period, we prioritized supporting the earthquake disaster recovery efforts to help the affected areas get back on their feet, and we will continue to shape our social investments accordingly in the future.

Amidst these difficulties, with implications for the entire world, we will continue to take steps in line with our digital leadership vision to make technology-oriented investments, develop products and services in line with the new generation of digital banking, and support the economy, our customers and society. I would like to thank all our stakeholders including our business partners, customers, employees, and main shareholders, for their support and contributions.

John T. Mc Carthy
Chairman of the Board of Directors

I. Interim unconsolidated activity report including the assessments of the Chairman and CEO on the interim activities (continued)

1.4 CEO's assessments of the operating period and expectations for the future

During this period of global inflation, earthquakes, inflation, and election processes, as ING Turkey continued to stand by our customers, stakeholders, and employees, supporting the country's economy. In the first half of the year, we took significant steps in both digitalization and sustainability journeys, while also prioritizing social investments in earthquake-affected areas.

We continue to take strong steps towards digital leadership while showing robust performance in our financial statements. Based on unconsolidated financial data for the first half of the year, our bank's total assets reached TL 138 billion while its shareholder equity stood at TL 15 billion. Our earnings before tax were TL 1.4 billion and capital adequacy ratio was %17.9. Our bank's total cash loans were TL 70.8 billion while our deposits increased to TL 94.5 billion.

In addition to our robust financial results, we are also making a difference in the industry with our pushing to limits, innovative and transformative banking approach. As an institution advancing with the goal of digital leadership, mobile banking is among our strategic priorities.To this end, we renewed ING Mobil to further improve the customer experience in our digitalization journey. With the renewed ING Mobil, our customers can experience a faster, more reliable and personalized end-to-end experience. In the meantime, we continue to improve the services in the ING Mobile application. We have improving the service hours of the "Cebimdeki Danışman" and Live Support channel on artificial intelligence INGo, where our customers can get information and make transactions on investment, insurance, private pension, loan, Currency Protected TL Account and pension transfer transactions by making video calls with experts.

As ING Turkey, we are always proud to be part of a group that takes pioneering steps in sustainability. We act with the awareness that a sustainable future is important not only for our industry and our customers, but also for all humanity and the planet. We view sustainability not only as numerical goals but also as part of our business approach. With this vision, we both prioritize sustainable finance and move forward with the goal of net zero carbon in our own operations. As ING Group, in line with our goal of achieving net zero carbon emissions, we will support the creation of a volume of 125 billion Euros in Corporate Banking until 2025, with both loans and consultancy services, for sustainable finance. Moreover, we're strengthening our role as a thought leader in sustainability within Corporate Banking to contribute to the country's transformation. Benefiting from the experience and global network of our group, we support our customers in reaching green finance. In this context, we took on a consulting role in the preparation and publication process of the Sustainable Financing Framework Document prepared by ING, in collaboration with the Republic of Turkey Ministry of Treasury and Finance, for issuing in the international Environmental, Social, and Governance (ESG) bond market. The first Eurobond issuance under this Framework Document was successfully carried out in April 2023. Additionally, we're pleased to renew our bank's sustainability-linked syndication loan at a rate of 112 percent with a total amount of 332 million Euros. We believe that the resource provided by this transaction and to be used in the financing of foreign trade will contribute to both our customers and the country's economy.

However, while the effects of the earthquake disaster experienced by our country in February are still being experienced in the region, we continue to prioritize earthquake zones in social investments. We have a strong presence in Kahramanmaraş together with the ING Kahramanmaraş Operations and Call Center, which we established 10 years ago believing in the human resource potential in the region. In this context, we not only contribute to regional employment but also increase our support for Kahramanmaraş's revitalization. Lastly, we've launched the Development Program to equip young people in Kahramanmaraş with current skills and contribute to their job search processes. With this project, the first training in collaboration with Sabancı University focused on digital trends and digital marketing, and we plan to continue these training sessions in the coming periods with different university partnerships.

I. Interim unconsolidated activity report including the assessments of the Chairman and CEO on the interim activities (continued)

Moreover, we continue to focus on education in our social investments for a better future. With the cooperation of ING Turkey, Habitat Association and Middle East Technical University (ODTÜ), the 6th term training of our Digital Teachers project, which aims to help primary and secondary school teachers acquire digital literacy skills, was completed with 1000 teachers. Since 2020, the award-winning project allows teachers from all 81 provinces of Turkey to apply for training. This year, we also gave priority to teachers who were in the earthquake zone and affected by the earthquake.

Another important initiative is the Turuncu Damla project. In partnership with the Financial Literacy and Access Association (FODER), this savings-focused financial literacy education program has reached around 60,000 students in 10 years. With the Turuncu Damla project, we aim to provide financial literacy education to 3rd and 4th-grade students in state primary schools, creating early awareness of savings and fostering behavior change.

As we leave behind the first half of the year, I would like to extend my heartfelt thanks on behalf of myself and ING Turkey management team to all my colleagues and our business partners for their outstanding performance and support during these challenging times.

Alper İhsan Gökgöz
CEO

I. Interim unconsolidated activity report including the assessments of the Chairman and CEO on the interim activities (continued)

1.5 Explanations on the Bank 's staff and branch number

The Bank continues its services and operations with 2,416 employees and 148 domestic branches, as of 30 June 2023.

1.6 Information on research and development about new services and activities

In the accounting period, there has not been any change in the Bank's research and development process about new service and operations.

2. Assessments about financial position and risk management

2.1 Information on Audit Committee's operations in accounting period

There has not been any change about Audit Committee's operations in accounting period.

2.2 An assessment on financial status, profitability and solvency

According to the unconsolidated financial statements as of 30 June 2023, the asset size of the Bank is TL 138 billion and profit before tax is TL 1.4 billion. As of 30 June 2023, credits constitute 50% of total assets with TL 69.1 billion.

Deposits which is the primary funding source of the Bank, constitutes 69% of the balance sheet with TL 94.5 billion as of 30 June 2023. Even though the large base deposit structure covering small investments represents a short term source in the sector, it remains within the Bank for much longer compared to the original term.

As of 30 June 2023, unconsolidated capital adequacy ratio of the Bank has reached 17.92%. As of 30 June 2023, total equities of the Bank has reached TL 15 billion.

2.3 Information on the risk management policies applied by risk types

There has been no change in the accounting period.

2.4 Information on whether ratings are determined by rating agencies

International credit rating agency Fitch Ratings Ltd. has revised/confirmed the Bank's credit ratings as of 22 June 2023 as follows:

Long-term Foreign Currency Rating: B- (Outlook: Negative)
Long-Term Local Currency: B (Outlook: Negative)
Short-term Foreign Currency Rating: B
Short Term Local Currency: B
Shreholder Support Rating: b-
National Long-Term Notes: AA (tur) (Outlook: Stable)
Viability Rating: b