BASE PROSPECTUS

DenizBank A.Ş.

(*a Turkish banking institution organised as a joint stock company*)

U.S.$3,000,000,000
Euro Medium Term Note Programme

Under this U.S.$3,000,000,000 Euro Medium Term Note Programme (the **Programme**), DenizBank A.Ş., a Turkish banking institution organised as a joint stock company (**DenizBank**, the **Bank** or the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

This Base Prospectus has been approved as a base prospectus by the United Kingdom (the **UK**) Financial Conduct Authority (the **FCA**), as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (the **UK Prospectus Regulation**). The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval by the FCA should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the FCA for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of the FCA (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's main market.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's main market and have been admitted to the Official List or have been admitted to trading on such further stock exchanges or markets as may be specified in the applicable Final Terms (as defined below). The London Stock Exchange's main market is a regulated market in the UK for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**).

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the UK. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Application has been made to the Capital Markets Board of Turkey (the **CMB**), in its capacity as competent authority under Law No. 6362 (the **Capital Markets Law**) of the Republic of Turkey (**Turkey**) relating to

capital markets, for the approval of the issuance certificate relating to the Notes by the CMB and the issuance and sale of Notes by the Bank outside of Turkey. No Tranche (as defined in "*Terms and Conditions of the Notes*") of Notes can be sold outside Turkey before the necessary approvals and an approved issuance certificate in respect of such Tranche are obtained from the CMB. The issuance of the Notes was approved by the CMB on 27 April 2023 by the CMB letter dated 28 April 2023 and numbered E-29833736-105.02.02-36689 (and the issuance certificate (*ihraç belgesi*) annexed thereto, the **CMB Approval**) and by the BRSA in its letter dated 2 March 2023 and numbered E-32521522-101.01.01-78567 (the **BRSA Approval** and together with the CMB Approval, the **Approvals**). In addition, the Issuer is required to apply to the CMB for approval via electronic signature on or before the Issue Date in order to proceed with the sale and issuance of the Notes; however, as of the date of this Base Prospectus, the CMB's system allowing such application has not yet become operational. Therefore, unless such system becomes operational before the Issue Date, the written approval of the CMB (which might be in the form of a tranche issuance certificate (*tertip ihraç belgesi*) or in any other form as required under the applicable legislation) in respect of the Notes must be obtained by the Issuer from the CMB on or before the Issue Date in order to proceed with the sale and issuance of the Notes. If and when the aggregate nominal amount of all Notes issued and sold following 12 June 2023 under the Programme exceeds U.S.$3,000,000,000, the Bank will be required to obtain a new CMB approval prior to the issuance and sale of any further tranche of Notes. Additionally, as per the Green Debt Instruments, Sustainable Debt Instruments, Green Lease Certificates, Sustainable Lease Certificates Guide published by the CMB on 24 February 2022, in order to make sustainable/green issuances outside of Turkey, the Issuer is required to obtain a separate approval from the CMB in addition to the CMB Approval.

Under current Turkish tax law, withholding tax may apply to payments of interest on the Notes. See "*Taxation – Certain Turkish Tax Considerations*".

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which, where listed, will be delivered to the FCA and the London Stock Exchange. Copies of Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The requirement to publish a prospectus under the Financial Services and Markets Act 2000 (**FSMA**) only applies to Notes which are admitted to trading on a UK regulated market as defined in UK MiFIR and/or offered to the public in the UK other than in circumstances where an exemption is available under section 86 of the FSMA. Notes for which no prospectus is required to be published under the UK Prospectus Regulation and FSMA are referred to as **Exempt Notes**. The FCA has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and the offer and sale is in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Issuer has been assigned a long term foreign currency issuer default rating of B- by Fitch Ratings Ltd. (**Fitch**) and a long term foreign currency deposit rating of B3 by Moody's Investors Service (Nordics) AB (**Moody's** and, together with Fitch, the **Rating Agencies**). The Programme is expected to be assigned a long term rating of 'B-' by Fitch. Fitch is established in the UK and is registered under the Regulation (EC) No. 1060/2009 (as amended) as it forms part of domestic law by virtue of the EUWA (the **UK CRA Regulation**). The ratings issued by Fitch have been endorsed by Fitch Ratings Ireland Limited (**Fitch**

Ireland), in accordance with Regulation (EC) No. 1060/2009 (the **CRA Regulation**) and have not been withdrawn. Fitch Ireland is established in the European Economic Area (the **EEA**) and registered under the CRA Regulation. As such, Fitch Ireland is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

Moody's is established in the EEA and registered under the CRA Regulation. As such, Moody's is included in the list of credit rating agencies published by ESMA on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. The ratings issued by Moody's have been endorsed by Moody's Investors Service Ltd and have not been withdrawn. Moody's Investors Service Ltd is established in the UK and is registered under the UK CRA Regulation. As such, the ratings issued by Moody's Investors Service Ltd may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation.

Notes issued under the Programme may be rated or unrated by Fitch. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating expected to be assigned to the Programme by Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Notes will be calculated by reference to BBSW, EIBOR, €STR, EURIBOR, HIBOR, PRIBOR, SAIBOR, SHIBOR, SOFR, SONIA and TLREF or such other Reference Rate (as defined below) as specified in the applicable Final Terms. As at the date of this Base Prospectus, the administrators of EURIBOR (European Money Markets Institute) and PRIBOR (Czech Financial Benchmark Facility s.r.o) are each included in ESMA's register (the **EU Benchmarks Register**) of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**) but not in the FCA's register (the **UK Benchmark Register**) of administrators under Article 36 of Regulation (EU) No 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**). The administrators of BBSW (ASX Limited), EIBOR (UAE Central Bank), HIBOR (Hong Kong Treasury Markets Association), SAIBOR (Thomson Reuters), SHIBOR (National Interbank Funding Centre), SONIA (The Bank of England), SOFR (Federal Reserve Bank of New York) and TLREF (the TLREF Committee, which includes a member from each of the Central Bank of Turkey (the **Central Bank**), the BRSA, the CMB, the Borsa İstanbul, the İstanbul Settlement and Custody Bank, the Turkish Capital Markets Association, the Participation Banks Association of Turkey and members of the Banks Association of Turkey) are not included in either the EU Benchmarks Register or the UK Benchmarks Register. As far as the Issuer is aware, BBSW, EIBOR, €STR, EURIBOR, HIBOR, PRIBOR, SAIBOR, SHIBOR, SONIA, SOFR and TLREF do not fall within the scope of the EU Benchmarks Regulation or the UK Benchmarks Regulation by virtue of Article 2 of each such regulation and otherwise the transitional provisions in Article 51 of each of the EU Benchmarks Regulation and the UK Benchmarks Regulation apply, such that none of the European Money Markets Institute, the Czech Financial Benchmark Facility s.r.o or ICE Benchmark Administration Limited, or any of the other administrators are currently required to obtain authorisation/registration in the UK or the European Union (the **EU**), as applicable (or, in each case, if located outside the UK and/or the EU, respectively, recognition, endorsement or equivalence).

Arrangers

BofA Securities	**Emirates NBD Capital**	**J.P. Morgan**

Dealers

BofA Securities	**Emirates NBD Capital**	**J.P. Morgan**

The date of this Base Prospectus is 12 June 2023.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8 of the UK Prospectus Regulation. When used in this Base Prospectus, UK Prospectus Regulation means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus does not omit anything likely to affect the import of such information.

Certain information contained in "*Risk Factors*", "*Description of the Issuer*", "*Turkish Banking System*" and "*Turkish Regulatory Environment*" (as indicated therein) has been extracted from independent, third party sources. The Issuer confirms that all third party information contained in this Base Prospectus has been accurately reproduced and that, as far as it is aware and is able to ascertain from information published by the relevant, third party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third party information contained in this Base Prospectus is stated where such information appears in this Base Prospectus.

This Base Prospectus is to be read in conjunction with any amendments or supplements hereto and with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*") and, in relation to any Tranche of Notes, should be read in conjunction with the applicable Final Terms. This Base Prospectus shall be read and construed on the basis that those documents are incorporated and form part of this Base Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the FCA.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in

connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

None of the Dealers or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **EU Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any

Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE - The Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act 2001 (2020 Revised Edition) (as amended or modified, the **SFA**). The Issuer will make a determination and provide the appropriate written notification to "relevant persons" in relation to each issue about the classification of the Notes being offered for the purposes of section 309B(1)(a) and section 309B(1)(c) of the SFA.

SALES TO ONTARIO PERMITTED INVESTORS - The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offering of any Notes.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or

other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including, for these purposes, Belgium), the UK, Turkey, Hong Kong, Singapore, Switzerland, Canada, the Dubai International Financial Centre, the United Arab Emirates (excluding the Dubai International Financial Centre), Japan and Taiwan, see "*Subscription and Sale*".

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

The Issuer and its Turkish subsidiaries maintain their books of account and prepare their statutory financial statements in Turkish Lira in accordance with the prevailing accounting principles and standards set out as per Articles 37 and 38 of the Turkish Banking Law as approved by the Turkish Parliament on 19 October 2005 and published in the Official Gazette on 1 November 2005 (the **Banking Law**), the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, which refers to Turkish Accounting Standards and Turkish Financial Reporting Standards issued by the Public Oversight Accounting and Auditing Standards Authority (**POA**) and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles published by the BRSA and other relevant rules promulgated by the Turkish Commercial Code (Law No. 6102) (the **TCC**), the CMB and Turkish tax regulations (such laws, regulations, circulars, communiqués, pronouncements, decrees, notes and explanations taken together, the **BRSA Reporting Standards** and the **BRSA Principles**). The statutory financial statements are prepared both on an unconsolidated bank-only basis and on a consolidated basis with its financial subsidiaries in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006 by the BRSA which refers to "Turkish Accounting Standards" and "Turkish Financial Reporting Standards" (**TFRS**) issued by the POA and other decrees, notes and explanations related to the accounting and financial reporting principles (together, the **Turkish Accounting Standards** or **TAS**) published by the BRSA and are provided to the Banks Association of Türkiye, the CMB and the BRSA.. The Issuer's foreign subsidiaries and foreign branch in Bahrain maintain their books of accounts and prepare their statutory financial statements in accordance with generally accepted accounting principles and the related legislation applicable in the countries in which they operate, however in order to provide fair presentation accounting to TAS, necessary adjustments and reclassifications are made to those financial statements.

Pursuant to TAS 29, Financial Reporting in Hyperinflationary Economies (TAS 29) under TFRS, the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a consumer price index.

Despite high levels of inflation in Turkey in 2021 and 2022, on 20 January 2022, the POA issued a statement on the Implementation of Financial Reporting in Hyperinflationary Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. The statement provided that entities applying TFRS do not need to make any adjustments in their financial statements for 2021 and 2022 within the scope of TAS 29 and, as of the date hereof, there has been no further announcement by the POA regarding this issue. Therefore, in accordance with TAS 29, inflation adjustments for the one-year periods ending 31 December 2021, 31 December 2022 and 31 March 2023 have not been applied on the BRSA Financial Statements.

Each of the BRSA Financial Statements (as defined below) have not been prepared in accordance with UK-adopted international accounting standards and there may be material differences in the financial information in the financial statements had UK-adopted international accounting standards been applied to the historical financial information in the financial statements.

None of the BRSA Financial Statements (as defined below) have been prepared in accordance with International Financial Reporting Standards (**IFRS**), including International Accounting Standards (**IAS**) as promulgated by the International Accounting Standards Board (**IASB**). BRSA Reporting Standards differ in certain respects from IFRS. While BRSA Reporting Standards have been converging with IFRS over recent years, some BRSA Reporting Standards still differ in certain respects from IFRS. The Issuer is not providing in this Base Prospectus, any reconciliation between IFRS and the BRSA Reporting Standards or the BRSA

Financial Statements. For a discussion of certain key differences between IFRS and BRSA Reporting Standards, see "*Appendix 1—Overview of Significant Differences Between IFRS and BRSA Reporting Standards*". With the exception of the key differences set forth in Appendix 1 hereto, the Issuer directs any investor concerned with the differences between IFRS and BRSA Reporting Standards to consult its own advisors.

Unless otherwise specified, financial information contained or incorporated by reference in this Base Prospectus has been prepared, in respect of the Issuer and its subsidiaries (together, the **Group**), in accordance with BRSA Reporting Standards on a consolidated basis (referred to herein as **BRSA consolidated**).

The financial statements incorporated by reference in this Base Prospectus consist of:

- the consolidated interim financial statements of the Group as of and for the three months ended 31 March 2023 (including comparative financial statements as of and for the prior periods as set out therein) and the notes thereto, prepared in accordance with BRSA Reporting Standards, together with the independent auditor's interim review report thereon (the **Interim BRSA Financial Statements**, together with the 2022 BRSA Financial Statements and 2021 BRSA Financial Statements (each as defined below), the **BRSA Financial Statements**):

- the audited consolidated financial statements of the Group as of and for the year ended 31 December 2022 (including comparative financial statements as of and for prior periods as set out therein) and the notes thereto, prepared in accordance with BRSA Reporting Standards, together with the independent auditor's report thereon (the **2022 BRSA Financial Statements**); and

- the audited consolidated financial statements of the Group as of and for the year ended 31 December 2021 (including comparative financial statements as of and for prior periods as set out therein) and the notes thereto, prepared in accordance with BRSA Reporting Standards, together with the independent auditor's report thereon (the **2021 BRSA Financial Statements**).

The 2022 BRSA Financial Statements have been audited subject to the following qualification:

> "*The accompanying Consolidated financial statements as at 31 December 2022 include a free provision amounting to TL 4,175,000 thousand, which has been recognized as an expense in the consolidated financial statements in the current period, provided by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. If the mentioned free provision were not provided, the other provisions would decrease by TL 4,175,000 thousand and profit before tax and equity would increase by TL 4,175,000 thousand for the period ended 31 December 2022*."

The free provision referred to above was included in the 2022 BRSA Financial Statements in line with the Issuer's prudent provisioning approach, not within the requirements of BRSA accounting and financial reporting legislation.

Certain financial and other information presented in various tables in this Base Prospectus, including certain tables in "*Selected Statistical and Other Information*", have been prepared on the basis of the Issuer's own internal accounts, statistics and estimates, and are unaudited. The Dealers are not responsible for the completeness or accuracy of, and investors are cautioned against placing undue reliance upon, such information.

The Issuer appointed DRT Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Deloitte Touche Tohmatsu Limited) (**Deloitte**) as its independent auditor for the financial year reporting period starting on 1 January 2020. Deloitte's appointments for the years ended 31 December 2020, 31

December 2021 and 31 December 2022 became effective following approval at each of the Issuer's ordinary general assembly meetings on 26 March 2020, 25 March 2021 and 25 March 2022 respectively. The 2022 BRSA Financial Statements and the 2021 BRSA Financial Statements have been audited by Deloitte in accordance with Turkish Auditing Standards published by the POA.

Alternative performance measures

Certain financial measures presented by DenizBank in this Base Prospectus are not defined in accordance with IFRS accounting standards. The Issuer believes that these alternative performance measures (as defined in the European Securities and Markets Authority Guidelines (the **ESMA Guidelines**) on Alternative Performance Measures (**APMs**)) provide useful supplementary information to both investors and to the Issuer's management, as they facilitate the evaluation of underlying business performance across financial reporting periods. However, investors should note that, since not all companies calculate financial measurements such as the APMs presented by the Issuer in this Base Prospectus in the same manner, these are not always directly comparable to performance metrics used by other companies.

Additionally, the APMs presented by the Issuer in this Base Prospectus are unaudited and have not been prepared in accordance with IFRS, U.S. Generally Accepted Accounting Principles or any other accounting standards. Accordingly, these financial measures should not be seen as a substitute for measures defined according to IFRS. The Issuer considers that the following metrics (which are set out below along with their reconciliation, to the extent that such information is not defined according to IFRS and not included in the financial statements incorporated by reference into this Base Prospectus) presented in this Base Prospectus constitute APMs for the purposes of the ESMA Guidelines:

APM	Definition/method of calculation	2022 BRSA Financial Statements line item
Return on average equity	Net profit for the period divided by average shareholders' equity.	Net profit
Return on average assets	Net profit for the period divided by average total assets.	Net profit
Net interest margin	Net interest income divided by average interest earning assets.	Net interest income
Total capital adequacy ratio	Calculated in accordance with BRSA regulations, represents total capital (Tier 1, Tier 2 and deductions) divided by total risk weighted assets.	Total capital
Cost to income ratio	Represents operating expenses ("expenses" in BRSA financial statements) divided by total operating income before provisions and operating expenses ("income" in BRSA financial statements).	Other operating expenses, personnel expenses Gross operating income Expected credit loss
Free capital ratio	Total shareholders' equity excluding non-performing loans, expected credit losses, intangible assets, tangible assets (property and equipment), investment property, investments in associates, subsidiaries and joint ventures and deferred and current tax assets and	Shareholders' equity Non-performing loans Expected credit loss Intangible assets

APM	Definition/method of calculation	2022 BRSA Financial Statements line item
	liabilities divided by total assets.	Property and equipment (net) Investment properties (net) Investments in associates (net), subsidiaries (net) and joint ventures (net) Deferred tax assets and deferred tax liabilities Current tax assets and current tax liabilities Total assets
Cost of risk	Represents impairment on loans and provisions for credit commitments divided by average gross loans and advances to customers.	Expected credit loss Loans, lease receivables, factoring receivables
Return on equity	Return on equity provides an indication of the Issuer's profitability and is calculated by dividing net profit for the period by shareholders' equity.	Net profit Shareholders' equity
Non-performing loan (**NPL**) ratio	Financial measure to express loan asset quality. This is expressed as non-performing loans (seen from footnote (5.I.d)) as a percentage of gross loans and advances to customers and banks (including non-performing loans, before the deduction of allowance for impairment for non-performing loans).	Loans (net), lease receivables, factoring receivables
NPL coverage ratio	The NPL coverage ratio is designed to measure what percentage of the Issuer's NPLs are covered by loan provisions. The ratio is calculated by dividing total loan provisions by non-performing loans (seen from footnote (5.I.d)).	Expected credit loss
Loan loss coverage ratio	The loan loss coverage ratio is designed to measure whether the Issuer can sufficiently cover any losses in the event of default by debtors. The ratio is calculated by dividing total loan provisions (expected losses for loans; seen from footnote (4.II.i) by gross loans (which includes lease & factoring receivables)).	Loans, lease receivables, factoring receivables Expected credit loss
Net loans to customer	The net loans to customer deposits	Loans, lease receivables, factoring

APM	Definition/method of calculation	2022 BRSA Financial Statements line item
deposits ratio	(deposits excluding bank deposits ratio indicates how well the Issuer's loans are funded by its deposit base (seen from footnote (5.II.a))) The net loans to customer deposits ratio is calculated by dividing net loans by customer deposits.	receivables Expected credit loss Deposits excluding bank deposits
Securities to assets ratio	The securities to assets ratio indicates what proportion of the Issuer's assets is invested in securities. The securities to assets ratio is calculated by dividing the sum of Financial Assets at Fair Value through Profit or Loss, Financial Assets at Fair Value through Other Comprehensive Income and Financial Assets Measured at Amortised Cost by Total assets.	Financial Assets at Fair Value through Profit or Loss Financial Assets at Fair Value through Other Comprehensive Income Financial Assets Measured at Amortised Cost Total assets
Liquidity ratio	The liquidity ratio is a financial ratio which quantifies the Issuer's liquidity. This is expressed as total liquid assets (being assets held by the Issuer that can be converted into cash at relatively short notice) divided by total assets.	Total assets
Liquidity coverage ratio (Basel III)	Liquidity coverage ratio is designed to measure a bank's ability to manage a sustained outflow of customer funds in an acute stress event over a 30-day period. It is calculated as the ratio of high-quality liquid assets (**HQLAs**) and dividing this by a bank's projected total net cash outflows over the immediately following 30-day stressed period. It is determined by the Basel III standards and has been implemented in Turkey.	High quality liquid assets
Tier 1 ratio (Basel II)	Calculated in accordance with the requirements of the Central Bank and the capital adequacy regulations issued by the Central Bank. Tier 1 ratio is defined as total Tier 1 capital divided by risk-weighted assets at a given date.	Tier I capital
Common Equity Tier 1 Capital requirement ratio (Basel III)	Calculated in accordance with the capital adequacy regulations issued by the BRSA. Common Equity Tier 1 ratio is defined	Common Equity Tier I Capital

APM	Definition/method of calculation	2022 BRSA Financial Statements line item
	as CET 1 capital divided by risk-weighted assets at a given date.	
Additional Common Equity Tier I Capital ratio	Additional Common Equity Tier I Capital ratio is defined as additional CET 1 capital divided by risk-weighted assets at a given date.	Total capital
Tier I Capital Adequacy Ratio	Calculated in accordance with the capital adequacy regulations issued by the BRSA. Tier I capital adequacy ratio is defined as total Tier I capital divided by risk-weighted assets at a given date.	Tier I capital

For any annualised figures calculated for a year, there can be no guarantee, and the Issuer does not represent or predict, that actual results for the full year will equal or exceed the annualised figure and actual results might vary materially.

The following are definitions of certain terms that are used in the calculations of the terms defined above (such terms being used in this Base Prospectus as they are defined below except to the extent specifically stated otherwise):

- *Risk-weighted assets*: At a given date, is calculated under the standardised approach for Pillar 1 reporting and represent the sum of credit risk, market risk and operational risk-weighted assets;

- *Average shareholders' equity*: For a particular period, this is calculated by averaging the amount of shareholders' equity (when calculated for the Group, excluding minority shares) as of the balance sheet date immediately prior to the commencement of such period (e.g., for any calendar year, 31 December of the previous year) and each intervening quarter-end date (i.e., 31 March, 30 June, 30 September and 31 December, as applicable) or year-end date, as applicable;

- *Average total assets*: For a particular period, this is calculated by averaging the amount of total assets as of the balance sheet date immediately prior to the commencement of such period (e.g., for any calendar year, 31 December of the previous year) and each intervening quarter-end date (i.e., 31 March, 30 June, 30 September and 31 December, as applicable) or year-end date, as applicable; and

- *Total operating income*: For a particular period, this is the gross profit from operating activities for such period minus the personnel expenses for such period.

- *Average interest-earning assets*: For a particular period, this is, for the purpose of the calculation of "net interest margin" the sum of the quarterly averages of loans and receivables (performing), total securities portfolio, banks and money market placements calculated, for each such item, by averaging the amount of such item as of the balance sheet date immediately prior to the commencement of such period (e.g., for any calendar year, 31 December of the previous year) and each intervening quarter-end date (i.e., 31 March, 30 June, 30 September and 31 December, as applicable).

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

In this Base Prospectus, all references to:

- **U.S. dollars**, **USD**, **U.S.$** and **$** refer to United States dollars;
- **Turkish Lira** and **TL** refer to the lawful currency for the time being of Turkey;
- **Sterling** and **£** refer to pounds sterling; and
- **Euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

References to a **billion** are to a thousand million.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

SUITABILITY OF INVESTMENT

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Base Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. These forward looking statements are contained in the sections entitled "*Risk Factors*" and "*Description of the Issuer*" and other sections of this Base Prospectus. The Issuer has based these forward looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer has otherwise identified in this Base Prospectus, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- the Issuer's ability to achieve and manage the growth of its business;
- the performance of the markets in Turkey and the wider region in which the Issuer operates;
- the Issuer's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the Issuer's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects;
- changes in political, social, legal or economic conditions in the markets in which the Issuer and its customers operate;
- the Issuer's ability to carry out acquisitions, disposals and any other strategic transactions;
- the Issuer's ability to manage liquidity risks and to access financial markets;
- the Issuer's success in managing the risks involved in the foregoing, which depends, among other things, on the Issuer's ability to anticipate events that cannot be captured by the statistical models the Issuer uses; and
- *force majeure* and other events beyond the Issuer's control.

Any forward looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any

updates or revisions to any forward looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward looking statement is based.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilisation manager(s) (or persons acting on behalf of any stabilisation manager(s)) in the applicable Final Terms (the Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, if appropriate, a new Base Prospectus or a supplement to the Base Prospectus, will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980 as it forms part of domestic law by virtue of the EUWA (the **UK Delegated Regulation**).

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	DenizBank A.Ş.
Issuer Legal Entity Identifier (**LEI**):	3RV7W250LTUQH12INJ88
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under "*Risk Factors*".
Description:	Euro Medium Term Note Programme
Arrangers:	Emirates NBD Bank PJSC, J.P. Morgan Securities plc and Merrill Lynch International
Dealers:	Emirates NBD Bank PJSC J.P. Morgan Securities plc Merrill Lynch International and any other Dealers appointed in accordance with the Programme Agreement. Pursuant to the terms of the Programme Agreement, the Issuer may terminate the appointment of any Dealer or appoint further dealers (including for a particular Series of Notes).
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds

	of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Issuing and Principal Paying Agent:	The Bank of New York Mellon, London Branch
Programme Size:	Up to U.S.$3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes	The Notes will be issued in either bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined on the basis of the reference rate set out in the applicable Final Terms. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

	Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.
Benchmark Replacement	On the occurrence of a Benchmark Event for a Series of Floating Rate Notes, the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine a Successor Rate or, alternatively, an Alternative Reference Rate and (in either case) an Adjustment Spread for the purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods. If the Issuer is unable to appoint an Independent Adviser or the Independent Adviser fails to determine a Successor Rate or an Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread, then the Issuer may make such determination as further described in Condition 6.3.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amounts in such currency).
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Relevant Jurisdiction as provided in Condition 9. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover the amounts so deducted. All payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to FATCA or any law implementing an intergovernmental approach to FATCA and, in

	accordance with Condition 9, no additional amount will be payable by the Issuer in respect of any such withholding or deduction.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 11.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Rating:	The Programme is expected to be assigned a long term rating of 'B-' by Fitch. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Fitch is established in the UK and registered under the UK CRA Regulation. The ratings issued by Fitch have been endorsed by Fitch Ireland in accordance with the CRA Regulation and have not been withdrawn.
Listing:	Application has been made for Notes issued under the Programme to be listed on the Official List of the FCA and admitted to trading on the main market of the London Stock Exchange. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg or, in relation to any Tranche of Notes, any other clearing system specified in the applicable Final Terms.
Governing Law:	The Notes, the Agency Agreement, the Programme Agreement and the Deed of Covenant and any non-contractual obligations arising out of or in connection with any of them are or will be

	governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including, for these purposes, Belgium), the UK, Turkey, Hong Kong, Singapore, Switzerland, Canada, the UAE (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, Japan, Taiwan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

An investment in the Notes involves certain risks. Prior to making an investment decision, prospective purchasers of the Notes should carefully read the entire Base Prospectus. In addition to the other information in this Base Prospectus, prospective investors should carefully consider, in light of their own financial circumstances and investment objectives, the following risks related to the Issuer's Business, Turkey, the Turkish Banking Industry, and the Notes, before making an investment in the Notes. If any of the following risks actually occurs, the market value of the Notes may be adversely affected.
In addition, factors that are material for the purpose of assessing the market risks associated with the Notes are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Risks Related to the Issuer's Business

The Issuer's business, results of operations, financial condition and prospects are affected by general economic conditions in Turkey

As of 31 December 2022, the majority of the Issuer's total assets and operations were in Turkey. As a result, the Issuer's business and results of operations are primarily affected by economic conditions in Turkey. Turkish GDP growth has fluctuated in the past several years with GDP growth of 7.5% in 2017, 3.0% in 2018, 0.8% in 2019, 1.9% in 2020, 11.4% in 2021 and 5.6% in 2022 according to TurkStat. Political uncertainty in the summer of 2018 led to a sharp depreciation in the Turkish Lira and Turkey's economic conditions have weakened, though the Turkish Lira recovered most of its losses during the remainder of 2018 and the first quarter of 2019. However, further significant volatility was experienced from August through November of 2020 driven in part by changes in Central Bank policy and regulatory changes. The Turkish economy experienced further volatility in 2021 as the Turkish Central Bank’s policy rate was cut four times (500 basis points in aggregate) in the final months of 2021 to 14% and annual inflation increased from 15% in January 2021 to 48.7% in January 2022. In 2022, the Central Bank cut interest rates four more times by an aggregate of 500 basis points followed by a further reduction of 50 basis points on 24 February 2023, bringing the rate down to 8.5%. Aggregate annual inflation continued to climb in 2022, peaking at 85.5% in October 2022. In April 2023, annual inflation was recorded at 43.68%. (*Source: Central Bank of Turkey and TurkStat*).

Moreover, as an open, emerging economy with a reliance on external funding, Turkey’s economy is significantly impacted by global macroeconomic conditions, particularly those that impact emerging markets (including global monetary policies). In the past several years, global credit and capital markets, and the Turkish economy, have been negatively affected by a number of factors, including expectations regarding global central banks’ monetary policy, the war in Ukraine, global trade conditions and international political relations. More recently, investor’s perceptions of macroeconomic policies in Turkey have also increased volatility in the Turkish economy.

Weaker economic conditions in Turkey could adversely impact the Issuer's business and operating results as a result of:

- reduced consumer confidence and decreases in business activity resulting in reduced demand for the Issuer's loans and fee and commission generating services;

- deterioration of creditworthiness of companies and individuals resulting in impairments on assets and/or collateral as well as increased levels of non-performing loans (**NPLs**) and amounts of loan impairment charges;

- reduced, or no, access to capital markets due to unfavourable market conditions increasing funding costs and higher liquidity and financing risk; and

- lower deposit growth and/or increased competition for deposits leading to higher funding costs.

Challenging macroeconomic conditions in Turkey have already impacted the Turkish banking sector in several ways including (i) the high and volatile interest rate environment which has impacted the cost of funding and lending rates, (ii) the likelihood of government intervention in the banking system, (iii) negative/slow economic growth and increased inflation which negatively impacted the demand and supply for lending and the asset quality of both corporate and retail loans and (iv) uncertainty in Central Bank policy and volatility in the exchange rate which also impacted both the asset quality and capital ratios of the Turkish banking sector. Accordingly, continued weakness in Turkish economic conditions could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

For further discussion of how conditions in Turkey affect the Issuer, see "*—Risks Related to Turkey*".

The Issuer's business is affected by international financial markets and global macroeconomic conditions

As an open, emerging economy with a reliance on external funding, Turkey's economy is significantly impacted by global macroeconomic conditions (including the U.S. Federal Reserve's monetary policy), particularly those that impact emerging markets. Accordingly, negative developments in international financial markets and global macroeconomic conditions may have a negative impact on the Turkish economy and could adversely impact the Issuer's business and operating results as a result of the factors discussed above in "*—The Issuer's business, results of operations, financial condition and prospects are affected by general economic conditions in Turkey*".

Since 2017, global credit and capital markets have been negatively affected by the increased possibility of global central banks' monetary tightening, mounting concerns over the possibility of a global trade war and the state of international political relations. In 2019, conditions in financial and credit markets have been more volatile, with the U.S. Federal Reserve reducing interest rates by 25 basis points (**bps**) in each of July, September and October 2019 citing weaker conditions in the global economy and trade tensions. In March 2020, the U.S. Federal Reserve reduced rates by a further 50 bps in response to the on-going outbreak of novel coronavirus (**COVID-19**), which first emerged in Wuhan, China in late 2019. Later that month, on 15 March 2020 the U.S. Federal Reserve further reduced its interest rates by a further 100 bps to a target range of 0% to 0.25%. The COVID-19 outbreak has had and continues to have an adverse impact on global macroeconomic conditions. In 2022, there has been continued geopolitical tensions and uncertainties caused by events such as the Russia-Ukraine war, rising tensions between Russia and Sweden and Finland and increased military activity in the Baltic Sea, as well as the potential for the continuation of global trade wars between key economic powers. Furthermore, between 16 March 2022 and 4 May 2023, and in response to high levels of inflation, the U.S. Federal Reserve increased U.S. overnight interest rates 10 times by an aggregate 500 basis points to a range of 5.00-5.25%.

Russia is a globally significant producer and exporter of natural resources and agriculture, particularly energy products and grains. It is expected that the rise in commodities prices due to the ongoing Russia-Ukraine conflict and the related sanctions imposed on Russian persons, entities and financial sector will continue to have wide-spread negative effects in various countries. Russia and Ukraine are both Turkey’s Black Sea neighbors, and Turkey has long-standing economic relations in many sectors with both countries. The total exports to these two countries were U.S.$8.7 billion in 2021, whereas imports were U.S.$33.5 billion, representing 3.9% and 12.3% of Turkey's exports and imports, respectively, during the year. While Turkey may be able shift its imports and exports to other regions, there can be no assurance that it will be able to do so, and exports to, and imports from Russia and Ukraine as a result of the war in Ukraine may have a significant effect on the Turkish economy, including on its balance of payments and inflation. In addition, Russia remains an important tourism partner of Turkey notwithstanding the aforementioned conflict and sanctions. In 2021, Turkey received 4.7 million and 2.1 million tourists from Russia and

Ukraine, respectively, representing 23.1% of all international tourists during the year. Turkey's tourism revenues experienced a 53% growth in 2022 to a total revenue of U.S.$46.34 billion, compared to 2021, and is expected to continue to experience such growth in 2023. In addition, as Turkey is a net energy importer (with energy imports amounting to U.S.$96.55 billion in 2022), higher global oil and natural gas prices might result in higher energy costs for consumers and companies. (*Source: Reuters*) For example, in March 2022, Brent crude oil prices increased to the highest level since 2008, and prices might increase further as a result of the conflict in Ukraine and related sanctions, particularly if Russian energy supplies are subjected to additional sanctions. These increases in the current account deficit, particularly when combined with monetary tightening in developed economies, may contribute to further depreciation pressure on the Turkish Lira, which could result in further increased inflation in Turkey.

Any deterioration of global geopolitical circumstances, economic conditions or monetary tightening is likely to have a negative impact on the business, financial condition and/or results of operations of the Issuer.

The Issuer is subject to risks related to the future evolution of and response to the COVID-19 pandemic that may materially and adversely affect its business, results of operations, prospects and financial condition.

The outbreak of the COVID-19 global pandemic has impacted and COVID-19 or other pandemics may in the future impact the Group's business and the businesses of its customers. The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains, lowered equity market valuations, created significant volatility and disruption in financial markets, and increased unemployment levels. Many of these impacts have continued through 2022. During the COVID-19 pandemic, measures by the Turkish government to minimize its negative impacts on the economy impacted the Issuer, such as postponements to assist customers that permitted borrowers to delay principal and interest payments by three months.

Increased credit risk, including as a result of a deterioration in economic conditions, changes in market conditions, the regulatory environment, or other external factors, such as natural disasters, disease pandemics (such as the COVID-19 pandemic), or political or social matters, could require the Issuer to increase its provision for credit losses and allowance for credit losses and could have a material adverse effect on the Issuer's results of operations and financial condition. The Issuer has conservative provisions for its potential losses, but may have greater credit risk and higher credit losses to the extent its loans are concentrated by loan type, industry segment, borrower type or location of the borrower or collateral. For more information with regards to the recent impact of COVID-19 on the business of the Group, please see "*—Risks Related to Turkey— Turkey's economy may be impacted by disruptions resulting from the COVID-19 pandemic" and "Turkish Regulatory Environment—COVID-19-Related Temporary Measures*".

Credit risks, including risks arising from exposure to clients and the Turkish government, have materially adversely affected and could continue to materially adversely affect the Issuer's business, financial conditions, results of operations and prospects.

The Issuer's business is subject to inherent risk concerning the credit quality of borrowers and counterparties, which affects the value of the Issuer's assets. Systemic risks and macroeconomic factors in the Turkish and global financial system discussed above can all impact the credit quality of the Issuer's customers and counterparties and negatively affect the value of the Issuer's assets.

As a result of weaker economic conditions in Turkey, NPL ratios have increased in the Turkish banking sector and for the Issuer until the end of 2021. According to BRSA statistics, the ratio of NPLs to total loans in the Turkish banking sector was 3.2% as of 31 December 2016 (Group: 3.7%), 2.9% as of 31 December 2017 (Group: 3.4%), 3.8% as of 31 December 2018 (Group: 4.6%), 5.2% as of 31 December 2019 (Group: 7.5%), 4.0% as of 31 December 2020 (Group: 7.0%), 3.1% as of 31 December 2021 (Group: 6.6%) and 2.1% as of 31 December 2022 (Group: 4.7%). The Turkish banking sector's total TL and foreign currency NPL amount in TL increased by 4.9% between 31 December 2020 and 31 December 2021, while the Issuer's total TL and foreign currency NPL amount in TL increased by 29.0% in the corresponding period, due to worsening economic conditions. In comparison, for the period between 31 December 2021 and 31 December

2022, due to improved economic conditions, the Turkish banking sector's total TL and foreign currency NPL amount in TL increased by 2.1% while the Issuer's total TL and foreign currency NPL amount in TL increased by 6.7%. As of 31 December 2022, despite the BRSA's directive on NPL classification and the Issuer's proactive and conservative asset quality management approach have been continuing, Stage 2 loans to gross loans and NPL ratio are 10.5% and 4.7% respectively. NPLs may rise in the Turkish banking sector in 2023 following the expiry of the BRSA's temporary COVID-19 support measures. For more on the impact of the COVID-19 pandemic, its impact on macroeconomic conditions and supply chains and its possible impact on the credit quality of the Issuer's borrowers and counterparties, see "*The Issuer is subject to risks related to the future evolution of and response to the COVID-19 pandemic that may materially and adversely affect its business, results of operations, prospects and financial condition*".

The Issuer also issues loans under Turkey's Credit Guarantee Fund (**KGF**) programme. For example, the Issuer participates as the only private bank in the KGF's Nefes-3 (Breath-3) programme in 2020. In 2022, KGF announced 3 additional packages (Export Support Package, Investment Support Package, Operating Expenses Support Package) with a total guaranteed limit of TL 1.3 billion for DenizBank. Through its participation in the KGF-guaranteed loan programme, as of 31 December 2022, the Issuer is exposed to TL 4.4 billion of debt to the Turkish government, which might be susceptible to increased credit risk in the event of an economic downturn in Turkey or deterioration of the Turkish government's creditworthiness. See "*Turkish Regulatory Environment—Credit Guarantee Fund*" and "*Description of the Issuer—Overview of Banking Products and Services—Wholesale Banking—SME Banking and Public Finance*".

In addition, the corporate sector may be particularly exposed to foreign exchange risk so far as corporate loans are denominated in foreign currencies. Borrowers under such corporate loans are susceptible to depreciation in the Turkish Lira if they do not have adequate foreign currency reserves or hedging, particularly if currency issues are compounded by particular macroeconomic factors that impact certain sectors or clients (such as the potential combined impact of Turkish Lira depreciation and changing commodity prices). As such, the Group's NPLs could materially increase in the near to medium term, in particular if there is a deterioration in macroeconomic conditions in Turkey.

Exposure to any or all of these credit risks could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer may experience credit defaults arising from adverse changes in credit and recoverability that are inherent in the Issuer's banking businesses.

The Issuer's core banking businesses have historically been, and are expected to continue to be, loans to retail (including credit cards) and wholesale banking including corporate, commercial, SME, agricultural and public customers. As of 31 December 2022, such loans constituted approximately 60% of the Issuer's total assets. Many factors affect customers' ability to repay their loans or other obligations to the Issuer. Some of these factors, including adverse changes in consumer confidence levels due to local, national and global factors, consumer spending, bankruptcy rates, climate conditions and increased market volatility, may be difficult to anticipate and are almost entirely outside of the Issuer's control. Other factors are dependent upon the Issuer's strategy of loan growth (including sector focus) and the effectiveness of the Issuer's internal credit application and monitoring systems (see "*—The Issuer's risk management strategies and internal controls may leave it exposed to unidentified or unanticipated risks*" and "*Credit risks, including risks arising from exposure to clients and the Turkish government, have materially adversely affected and could continue to materially adversely affect the Issuer's business, financial conditions, results of operations and prospects*"). All of the aforementioned risks could have a material adverse impact on the Issuer's ability to meet its obligations under the Notes and could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer's credit portfolio has sector and customer concentration, which renders it susceptible to deterioration in the financial condition of such sectors and customers.

The Issuer maintains a loan portfolio that is diversified by sector and by borrower. Loans and advances (both cash and non-cash) to the Issuer's 100 largest customers as of 31 December 2020, 2021 and 2022 represented 23%, 20% and 31%, respectively, of its total loans and advances to customers. In terms of sector concentration, exposure to any one sector does not exceed 10% of the Issuer's loan portfolio and as of 31 December 2022, tourism, infrastructure, construction, energy and agriculture comprised 8%, 7%, 6%, 5% and 6%, respectively, of the Issuer's total cash and non-cash loans (based on the figures relating to the Issuer as a standalone entity and DenizBank AG). A downturn in any of these sectors, individually or in the aggregate, may adversely affect the financial condition and prospects of the companies operating in such sectors and may result in, among other things, a decrease in funds that such corporate customers hold on deposit with the Issuer, defaults on their obligations owed to the Issuer or a need for the Issuer to increase provisions in respect of such obligations, any of which could have a material adverse effect on the Issuer's business, financial condition, prospects and results of operations.

The aforementioned risks could have a material adverse impact on the Issuer's ability to meet its obligations under the Notes and could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer's SME and agricultural customer base is particularly sensitive to adverse developments in the Turkish economy, which renders such lending activities relatively riskier than lending to larger corporate customers.

As of 31 December 2022, 17.1% and 6.9% of the Issuer's loan portfolio consisted of commercial loans to SMEs and agricultural clients, respectively (both Turkish Lira and foreign currency), compared to 13.4% and 7.9%, and 15.0% and 9.5%, as of 31 December 2021 and 2020, respectively. These types of customers typically have less financial strength than larger companies. The availability of accurate and comprehensive financial information and general credit information on which to base credit decisions is more limited for such clients than is the case for larger corporate clients. Notwithstanding the credit risk determination procedures that the Issuer has in place, the Issuer may be unable to evaluate correctly the current financial condition of each prospective SME or agricultural borrower or determine its long-term financial viability.

The Issuer's overall impaired loans as of 31 December 2022, 2021 and 2020 were 4.7%, 6.6% and 7.0%, respectively. In comparison, its NPL ratio for SMEs as of 31 December 2022, 2021 and 2020 was 3.5%, 7.6% and 8.8% and for agricultural clients was 3.5%, 9.6% and 9.9%, respectively. It is generally accepted that lending to the SME and agricultural segments represents a relatively higher degree of risk than comparable lending to other groups, and there can be no guarantee that the Issuer's impaired loans for such segments, or for any of the other segments to which it lends, will not materially increase in the near to medium term, in particular if there is a further deterioration in the macroeconomic conditions in Turkey or if the Issuer is unable to accurately model the risk associated with such clients or other borrowers to which it extends credit (see "*—The Issuer's risk management strategies and internal controls may leave it exposed to unidentified or unanticipated risks*"). Furthermore, growth in the Issuer's loan portfolio is due to a strategy of lending growth and increasing loan demand, either of which may lead to deterioration in the underlying asset quality if, notwithstanding the credit risk determination procedures that the Issuer has in place, it is unable to evaluate correctly the financial condition or long-term viability of each borrower, and there is an increase in net loans to customer deposits ratios due to relatively slower growth in deposits, either of which could have a material adverse effect on the Issuer's business, financial condition, prospects and results of operations.

The aforementioned risks could have a material adverse impact on the Issuer's ability to meet its obligations under the Notes and could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer is subject to credit risk in relation to its derivative financial assets

The Issuer also has a substantial portfolio of derivative financial assets, including currency forwards, currency and interest rate swaps and options. As of 31 December 2022, the Issuer's total recognised derivatives had a notional value of TL 495,406,527 thousand, and the fair values of the derivative assets and liabilities were TL 6,531,844 thousand and TL 3,421,533 thousand, respectively. The Issuer is exposed to credit risk with respect to the ability of its counterparties to meet their obligations under these derivative financial assets. Furthermore, growth in the Issuer's loan portfolio may lead to an increase in net loans to customer deposits ratios, unless matched by deposit growth.

Exposure to any or all of the aforementioned credit risks could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer may not have sufficient loan loss provisions

Security interests or loan guarantees provided in favour of the Issuer may not be sufficient to cover any losses in the event of default by debtors and may entail long and costly enforcement proceedings. For the year ended 31 December 2022, the Issuer's loan loss coverage ratio was 8.4%, which is higher than the Turkish Banking sector's loan loss coverage ratio (total loan provision / gross loans (including lease factoring)) of 4.6%. For the year ended 31 December 2022, the Issuer's NPL coverage ratio (total loan provision (excluding non-cash provisions) / NPLs) was 176.9%, which is lower than the Turkish Banking sector's NPL coverage ratio of 226.4%.

The Issuer believes that its current loan portfolio is well collateralised, using collateral types common in the Turkish banking sector, with similar quality and enforcement capacity to those commonly accepted in the market. However, if a customer of the Issuer were to default on its loan, the time and costs associated with enforcing security interests in Turkey may make it uneconomical for the Issuer to pursue such proceedings, adversely affecting the Issuer's ability to minimise its loan losses.

Any decline in the value or liquidity of such collateral may prevent the Issuer from foreclosing on such collateral for its full value or at all, including in the event that a borrower becomes insolvent and becomes subject to bankruptcy proceedings, and could thereby adversely affect the Issuer's ability to minimise any loan losses, which could in turn have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer is subject to liquidity and financing risks

The Issuer is exposed to liquidity risk, arising out of mismatches between the maturities of the Issuer's assets and liabilities, which together with increased market volatility and changes in general economic conditions, may contribute to the Issuer not being able to meet its net funding requirements at a reasonable cost, or at all. The Issuer primarily relies on short-term liabilities in the form of deposits (typically, term deposits with terms of 30 days to three months) as its source of funding and has a mix of short-, medium- and long-term assets in the form of retail, consumer and corporate loans, mortgages and credit cards, which may result in asset-liability maturity gaps and ultimately liquidity problems. As of 31 December 2022, customer deposits comprised 67% of the Issuer's total liabilities and equity and, of all deposits, 88% had maturities of three months or less.

There can be no assurance that depositors will not withdraw their funds at a rate faster than the rate at which borrowers repay. Furthermore, in the past the Central Bank's policies have raised Turkish banks' reserve requirements for Turkish Lira deposits which have limited Turkish Lira liquidity by withdrawing funds from the market. In addition to customer deposits, which is the Issuer's major source of funding with 67% of its total liabilities and equity as of 31 December 2022, funding from financial institutions constitutes 16% of the Issuer's total liabilities and equity as of 31 December 2022. Although deposit growth has outpaced loan growth between 31 December 2021 and 31 December 2022, there is no assurance that this will continue. As of 31 December 2022, the Issuer's net loans to customer deposits ratio stood at 82.2%. If growth in the

Issuer's deposit portfolio does not keep pace with growth in its loan portfolio, the Issuer may need to become more reliant on wholesale or other funding sources, including funding from Emirates NBD. An inability on the Issuer's part to access funds or to access the markets from which it raises funds may put the Issuer's positions in liquid assets at risk and lead the Issuer to be unable to finance its operations and growth plans on acceptable terms or at all. The Issuer may be unable to secure funding in the international capital markets if conditions in these markets, or its credit ratings, were to deteriorate, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

A rising interest rate environment could compound the risk of the Issuer not being able to access funds at favourable rates. These and other factors could lead creditors to form a negative view of the Issuer's liquidity, which could result in less favourable credit ratings, higher borrowing costs and less accessible funds. In addition, the Issuer's ability to raise or access funds may be impaired by factors that are not specific to its operations, such as general market conditions, a severe disruption of the financial markets or negative views about the prospects of the sectors to which the Issuer provides its loans. The Issuer's liquidity coverage ratio (LCR) was 192.3% on average for the last quarter of 2022, and, while the Issuer aims to consistently maintain an adequate level of liquidity reserves, strains on liquidity caused by any of the foregoing factors or otherwise could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Despite the Issuer's liquidity policies, there can be no assurance that the Issuer will not experience liquidity issues in the future. In the event that the Issuer experiences liquidity issues, market disruptions and credit downgrades may cause certain sources of funding to become unavailable. For example, in the case of a liquidity crisis, wholesale funding becomes more difficult to obtain and this may adversely affect borrowing using certain capital market instruments including Eurobonds. In these circumstances it is possible that the Issuer would not be able to obtain additional funding on commercially reasonable terms as and when required, or at all. The Issuer's inability to refinance or replace deposits and devalued assets with alternative funding could result in its failure to service its debt, fulfil loan commitments or meet other on- or off-balance sheet payment obligations on specific dates, any of which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer's liquidity risk could be increased by market disruptions or credit downgrades, which may reduce the availability of funding. The Issuer's liquidity and financing risks may also be adversely affected by increases in interest rates. See "*—Changes in interest rate levels may affect the value of the Issuer's assets sensitive to interest rates and interest spread, as well as the Issuer's net interest margins and borrowings costs*".

The Issuer may be unsuccessful in managing its liquidity and maturity profile in the future. Particularly in light of the volatility in the market for emerging market debt, the Issuer may have difficulty obtaining financing or extending and/or refinancing its existing indebtedness.

The Issuer relies on short-term demand and time deposits as its primary source of funding, but primarily has medium- and long-term assets, which may result in asset-liability maturity gaps.

In common with other Turkish banks, many of the Issuer's liabilities are demand and time deposits, whereas its assets are generally medium- to long-term (such as loans and mortgages). Although the Issuer has accessed wholesale funding markets (through syndicated loan facilities) and is issuing the Notes in order to diversify its funding sources, such short- to medium-term borrowings have not eliminated asset-liability maturity gaps.

As of 31 December 2022, 92.8% of the Issuer's funding (which includes amounts due to banks and financial institutions, customers' deposits and other borrowed funds including subordinated debt) had remaining maturities of one year or less or were payable on demand. As at the same date, the Issuer had a negative cumulative maturity gap (more short-term liabilities than short-term assets) of TL 160,717 million for the year ended 31 December 2022.

If a substantial portion of the Issuer's depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, or the Issuer fails to refinance some of its large short to medium-term borrowings, the Issuer may need to access more expensive sources of financing to meet its funding requirements. No assurance can be given that the Issuer will be able to obtain additional funding on commercially reasonable terms as and when required, or at all. The Issuer's inability to refinance or replace such deposits or the syndicated loans with alternative funding could materially adversely affect the Issuer's liquidity, business, financial condition, results of operations and prospects.

The Issuer is subject to risks in its activities in financial markets

As part of the Issuer's treasury operations, it trades various securities and derivatives, including debt, equity, fixed income, currencies and commodities and related derivatives, as both agent and principal, and it derives a portion of its non-interest income from profits earned in such trades.

The Issuer may be exposed to a number of risks related to changes in the value of such securities and derivatives, including the risk of unfavourable market price movements relative to its long or short positions, a decline in the market liquidity of the related instruments, volatility in market prices, interest rates or foreign currency exchange rates relating to these positions and the risk that the instruments with which the Issuer chooses to hedge certain positions do not track the market value of those positions. Failure to earn profits or incurring losses from trading activities as the result of such risks could have a material adverse effect on the Issuer.

In addition, the Issuer has a portfolio of derivative securities which expose it to fluctuations in interest rates. As of 31 December 2022, total nominal derivative volume, including interest rate swaps, cross currency swaps and currency swaps amounted to TL 151.3 billion, of which all were classified as for trading and were held off the Issuer's balance sheet as of 31 December 2022. Nominal interest rates are sensitive to many factors beyond the Issuer's control, including monetary policies pursued by the Turkish government (the **Government**) and both domestic and international economic and political conditions.

Changes in interest rate levels may affect the value of the Issuer's assets sensitive to interest rates and interest spread, as well as the Issuer's net interest margins and borrowings costs.

The Issuer's results of operations substantially depend upon the level of its net interest income, which is the difference between interest income from interest-earning assets and interest expense on interest-bearing liabilities. The difference between average interest income and average interest expense is net interest margin. Net interest income contributed 68.4%, 69.8% and 72.8% of gross income (including interest expenses and fees and commissions paid) for the years ended 31 December 2022, 2021 and 2020, respectively. Net interest margin was 6.6%, 4.6% and 4.7% for the respective annual periods.

Interest rates are highly sensitive to many factors beyond the Issuer's control, including monetary policies pursued by the Government, domestic and international economic and political conditions and other factors. Income from financial operations is particularly vulnerable to interest rate volatility, as further illustrated below. In particular, the Issuer may be affected by the Central Bank's policy which has previously seen a rapid reduction in interest rates (see "*— Risks Related to the Turkish Banking Industry —The profitability and profitability growth of Turkish banks, including the Issuer, in recent periods may not be sustainable as a result of regulatory, competitive and other factors impacting the Turkish banking sector"*).

Changes in market interest rates could affect the spread between interest rates charged on interest-earning assets and interest rates paid on interest-bearing liabilities and thereby affect results of operations. An increase in interest rates, for instance, could cause interest expense on deposits (which are typically short-term and reset frequently) to increase more significantly and quickly than interest income from loans (which are short, medium and long-term), resulting in a reduction in the net interest income. In addition, a significant fall in average interest rates charged on loans to customers that is not fully matched by a decrease in interest rates on funding sources, or a significant rise in interest rates on funding sources that is not fully matched by a rise in interest rates charged, to the extent such exposures are not hedged, could have a

material adverse effect on the Issuer's business, financial condition, results of operations and prospects. In addition, any prepayment of a loan could result in a loss of interest income during periods of falling interest rates, as the Issuer considers these loans as interest-bearing assets for balance sheet purposes and hedges accordingly. For a description of the Issuer's interest rate risk management, see "*Risk Management*".

The Issuer uses derivative instruments to seek to manage exposures to interest rate and foreign currency risks, including exposures arising from forecast transactions and firm commitments. However, there is a risk that these hedging arrangements will not be adequate to protect the Issuer from the risks of changing interest rates or that hedging counterparties may default, either or both of which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The years ended 31 December 2022, 2021 and 2020 were characterised by a high degree of volatility in interest rates and changes in the Central Bank's policy, as a result of a number of factors, including continued global volatility as well as increased political volatility in Turkey, which, among other factors, led Fitch, S&P and Moody's to downgrade Turkey's sovereign credit rating in 2022. The Rating Agencies identified rising balance of payment pressures and risks of further declines in the country's foreign-currency reserves as the rationale for the downgrade. See "*— Risks Related to Turkey—Political developments in Turkey may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.*"

Interest rates in the loan and bond market have been heavily affected by regulation changes in 2022, such as the maintenance of long-term Turkish Lira securities for certain commercial Turkish Lira cash loans and FX deposits.

Accordingly, any volatility in interest rates can significantly affect the Issuer's results of operation and financial condition.

The Issuer's risk management strategies and internal controls may leave it exposed to unidentified or unanticipated risks

In the course of its business activities, the Issuer is exposed to a variety of risks, including credit risk, market risk, liquidity risk and operational risk. See "*Risk Management*". The Issuer's risk management strategies and techniques may fail to manage risk adequately in some circumstances. If circumstances arise that the Issuer has not identified or anticipated adequately, or if the security of its risk management systems is compromised, then the Issuer's losses could be greater than expected, which could have a material adverse effect on the Issuer's business, financial condition and/or results of operations. Some of the Issuer's methods of managing risk are based upon its use of historical market behaviour, which, as evidenced by events caused by the global financial crisis, may not always accurately predict future risk exposures, which could therefore be significantly greater than what historical measures indicate.

In particular, the Issuer may be unable to correctly assess the creditworthiness of credit applicants. A Turkish centralised credit bureau monitors and controls consumer credit information (including credit cards), but it includes only data shared by the Issuer and its competitors in Turkey, not information from other non-bank entities, such as utility companies. The Issuer uses internal models and scorecards (which incorporate credit bureau information), but the Issuer is not always independently able to confirm information provided by prospective clients and such models and scorecards could prove inadequate. Any failure of the Issuer's risk management procedures could also increase the Issuer's credit risk. See "*—The Issuer's risk management strategies and internal controls may leave it exposed to unidentified or unanticipated risks*".

In addition, assets that are not traded on public trading markets, such as derivative contracts between banks, may be assigned values that the Issuer calculates using mathematical models and the deterioration of assets like these could lead to losses that the Issuer has not anticipated. If the Issuer's measures to assess and mitigate risk prove insufficient, then the Issuer may experience material unexpected losses that could have a material adverse effect on the Issuer's business, financial condition and/or results of operations.

Further depreciation of the Turkish Lira may adversely impact the Issuer's business, results of operations and financial condition

A significant portion of the Issuer's assets and liabilities are denominated in foreign currencies, particularly U.S. dollars and euros. The Issuer translates such assets and liabilities, as well as interest earned or paid on such assets and liabilities, and gains/(losses) realised upon the sale of such assets, to Turkish Lira when preparing its financial statements. As a result, the Issuer's reported income is affected by changes in the value of the Turkish Lira against foreign currencies (primarily the U.S. dollar and euro). The overall effect of exchange rate movements on the Issuer's results of operations depends on the rate of depreciation or appreciation of the Turkish Lira against its principal trading and financing currencies. On average, the management currently estimates that a 10% depreciation of the Turkish Lira against the dollar and euro would result in an average of 42 bps CET1 and 29 bps capital adequacy ratio erosion for the Issuer, excluding the Temporary Forbearances (as defined in "*Turkish Regulatory Environment—Capital Adequacy*") of currency devaluation impact on capital calculation. In addition, the Issuer has a portfolio of derivative securities which expose it to fluctuations in the value of the Turkish Lira against foreign currencies. For a description of the Issuer's risk management strategies, see "*Risk Management*".

The value of the Turkish currency against the U.S. dollar has been volatile over the last years, primarily as a result of uncertainties surrounding the political and economic landscape. The Turkish Lira depreciated by 28.9%, 44.1% and 20.0% against the U.S. dollar, in 2022, 2021 and 2020, respectively. The exchange rate was TL 18.70 per U.S. dollar as of 31 December 2022, TL 13.33 per U.S. dollar as of 31 December 2021 and TL 7.42 per U.S. dollar as of 31 December 2020. As of 18 May 2023, the exchange rate was TL 19.76 per U.S. dollar (*Source: Central Bank of Turkey*).

The Issuer is exposed to volatility in the securities markets

The Issuer has historically generated a significant portion of interest income from its securities portfolio, with interest and similar income derived from the Issuer's securities portfolio in 2020, 2021 and 2022 accounting for 9.4%, 8.4% and 23.4% respectively, of its total interest income.

The Issuer's position in certain Government securities in particular, involves a risk that downward movements in the price of these securities could have a material adverse effect on the Issuer's business, financial condition and results of operations. The Issuer has a substantial portfolio of Government debt securities, which amounted to 16.5% of the Issuer's total interest earning assets as of 31 December 2022. Any default by the Government in the payment of its securities held by the Issuer would result in direct loss to the Issuer. In addition, a default by the Government in making payments on its treasury bills would have a significant negative impact on the Turkish economy and the Turkish banking system generally. A material decline in the returns from the Issuer's trading and investment securities, continued increased sales of Government securities and/or a decline in the market value of Government securities could lead to a material adverse effect on the Issuer's business, financial condition and results of operations.

While the contribution of income from the Issuer's securities portfolio has been relatively significant over recent years, the Issuer expects that with the current CPI inflation level, this contribution will continue for some time.

The Issuer's capital adequacy ratio and its ability to obtain funding may be affected by changes to its credit ratings and the credit ratings of Turkey.

If the Rating Agencies negatively revise current ratings or outlooks for Turkey, the Issuer or the Notes, such a change could materially and adversely affect the trading value of the Notes, the Issuer's ability to finance its operations or the expected expansion of its business going forward. A change in credit rating could adversely affect the Issuer's calculation of its capital adequacy ratio. The Issuer calculates its capital adequacy ratio according to the Capital Adequacy Regulation published by the BRSA and uses Fitch ratings to calculate the risk-weighted assets for capital adequacy purposes. See "*Turkish Regulatory Environment—Capital Adequacy*".

Credit ratings also affect the cost and other terms upon which the Issuer is able to obtain funding. Rating Agencies regularly evaluate the Issuer and their ratings of the Issuer's long-term debt are based on a number of factors, including its financial strength as well as conditions affecting the financial services industry generally. For more on the risks associated with the credit rating assigned to the Notes see "*— Risks related to the market generally —Credit ratings – Credit ratings assigned to the Issuer or any Notes may not reflect all risks associated with an investment in those Notes*".

In addition, any downgrade in Turkey's credit rating would likely have a significant negative impact on the Turkish banking sector generally and might have a material adverse effect on the Issuer's own rating and its business, financial condition and/or results of operations. For example, in both 2018 and 2019, Moody's and Fitch downgraded the Issuer's rating or those of its financial products following the downgrade or negative review of the Turkish government's sovereign rating or debt rating. Similarly, on 25 February 2022, the Issuer announced that Fitch Ratings has revised the Issuer's long-term local currency Issuer Default Rating (**IDR**) to "B+" from "BB–" and its Long-Term Foreign Currency (**LTFC**) IDR to "B" from "B+", with "Negative" Outlooks for both, and shareholder support rating to "b" from "b+". Fitch affirmed the Issuer's viability rating at "b+" with RWN (Rating Watch Negative) and the Issuer's short-term local and foreign currency IDRs at "B". This followed a downgrade of Turkey's sovereign debt rating to "B+" from "BB-" with a Negative outlook on 11 February 2022. Furthermore, on 26 July 2022, Fitch revised the Issuer's long-term local currency IDR to "B" from "B+", its LTFC IDR to "B-" from "B", with "Negative" Outlooks for both, its shareholder support rating to "b-" from "b" and its viability rating to "b-" from "b+". Fitch affirmed the Issuer's short-term local and foreign currency IDRs at "B". This followed a downgrade of Turkey's sovereign debt rating to "B" from "B+" with a Negative outlook on 8 July 2022.

Overall, the management expects that Turkey's downgrade to below investment grade bond status may have medium-term negative implications on key macroeconomic balances. Any future or potential further downgrades of the Turkish sovereign rating could negatively affect the Rating Agencies' perception of the Issuer's rating. See "*—Risks Related to Turkey—Political developments in Turkey may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects—Increased political risks following the coup attempt of July 2016*", for further discussion of the reasons behind Turkey's sovereign debt rating downgrades and associated effects on the Issuer.

A portion of the Issuer's total assets is comprised of securities issued by the Turkish government, and thus, in the case of a government default, there would be a direct negative impact on the Issuer in addition to a severe impact on the Turkish economy.

As of 31 December 2022, 5.4% of the Issuer's total consolidated assets were invested in securities issued by the Turkish government (8.6% and 8.4% as of 31 December 2021 and 2020). As at the date of this Base Prospectus, the sovereign debt of the Republic of Turkey was rated "B" with a Negative outlook by Fitch, "B3" with a Stable outlook by Moody's and "B" with a Stable outlook by Standard & Poor's. A significant portion of such Turkish government securities is inflation-linked and a prolonged period of low or negative inflation will have a material impact on the income received from such securities. Any default by the Turkish government in the payment of its securities held by the Issuer would result in direct loss to the Issuer. In addition, a default by the Turkish government in making payments on its treasury bills would have a significant negative impact on the Turkish economy and the Turkish banking system generally and thus could materially and adversely affect the Issuer's business, financial condition results of operations and prospects.

The Issuer's growth strategy, including branch expansion, could adversely affect its asset quality, profitability or capital ratios.

As part of its optimization efforts, in 2022, the Issuer merged 31 existing branches and opened 15 new ones. The Issuer will continue to focus on financial strength and performance while maintaining its strong branch network and operational structure. Risks associated with the implementation of the Issuer's growth strategy include: higher than anticipated costs of opening new branches; an inability to profitably deploy assets acquired or developed through expansion; new business operations (including the deployment of new

products) having less profit potential (or none at all) and demonstrating lower overall growth than the Issuer anticipates; a failure to identify and offer attractive new services in a timely fashion relative to competitors; and pressure on profits owing to the time lag between the incurrence of expansion costs and any related future increases in income, if any. There are also additional risks associated with expansion through acquisitions, including, among others, incorrectly assessing the asset quality of a particular acquisition, encountering greater than-anticipated costs of incorporating and integrating acquired businesses and diversion of management attention, facing resistance from customers or employees and being unable to deploy assets acquired through acquisitions. Any failure by the Issuer to manage growth while at the same time ensuring that it maintains adequate focus on existing operations, including risk management systems and internal control processes, could have a material adverse effect on its asset quality, profitability and capital ratios, and in turn, on its business, financial condition, prospects and results of operations.

The interests of the Issuer's controlling shareholder may not coincide with the interests of the Noteholders and transactions entered into with such shareholders may not be at arm's length.

Emirates NBD Bank PJSC (the **Controlling Shareholder**) owned 99.99999993% of the outstanding share capital of the Issuer as of 31 December 2022. The Controlling Shareholder has the power to elect all of the Issuer's directors and to determine the outcome of most matters to be decided by a vote of shareholders of the Issuer. There can be no guarantee that the interests of the Controlling Shareholder will coincide with those of the Noteholders.

Although the Issuer has not experienced pressure from the Controlling Shareholder to date to conduct transactions with parties related to, or affiliated with, such Controlling Shareholder, upon more favourable terms than it would otherwise apply, or to deviate from its credit and lending policies and procedures, there is no guarantee that the Issuer may not come under pressure to enter into investments with a lower profit margin than it would otherwise pursue, or to provide financing to certain companies or entities on favourable or non-market terms, in the future. Such activities, if permitted by BRSA and CMB rules, Turkish tax provisions or the Conditions of the Notes, could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer may suffer a failure or interruption in, or breach of its information systems

The Issuer relies heavily upon information systems to conduct its business. Any failure, interruption or breach in security of these systems could result in failures or interruptions in its risk management, general ledger, deposit servicing, loan organisation and/or other important systems. If the Issuer's information systems failed, even for a short period of time, then it could be unable to serve some or all of its customers' needs on a timely basis and could thereby lose business. Likewise, a temporary shutdown of the Issuer's information systems could result in costs that are required for information retrieval and verification. In addition, despite its investments in IT infrastructure, failure to update and develop the Issuer's existing information systems as effectively as its competitors may result in a loss of the competitive advantages that it believes its information systems provide. Although the Issuer has developed business continuity plans, back-up systems and a disaster recovery centre in Ankara, and expects to be able to continue its critical operations through regions, branches and digital channels in case of an emergency, no assurance can be given that failures will not occur. As part of its two-year investment strategy, significant investment has been made for disaster recovery and cyber security infrastructure but, in the case of a disaster, such effort may be insufficient.

As a result of the COVID-19 pandemic, the Issuer has implemented alternative working arrangements which increase the Issuer's dependence on its information systems to conduct its business. Specifically, the Issuer's branch employees work one week alternately on a planned basis, and the majority of the Issuer's head office personnel has been working remotely as well, which has increased the Issuer's dependence on its IT systems. During the pandemic, the Issuer's remote connection facilities have fully complied with the Issuer's requirements, and the Issuer has also implemented an additional awareness campaign on information security. Currently the Issuer's IT technology framework matches the Issuer's requirements as well as service-level agreements signed with third parties. The Issuer mitigates IT and cyber security risks relating to IT-dependent services provided to it by third parties by ensuring that such third party service providers are

informed of the Issuer's information security policy and procedures. Furthermore, the Issuer uses inbound traffic isolation, anti-virus, whitelisting, endpoint protection, vulnerability management, incident detection and response technologies which are continuously updated. The Issuer uses inbound traffic isolation, antivirus, whitelisting and endpoint detection and response technologies which are consistently updated. The Issuer's IT systems are constantly monitored, consistent with best practices, and its security services are actively managed by log analysis. The Issuer's technical staff is available for every operational unit and work permits are coordinated with legal bodies. Although the Issuer follows best sector practices and has invested in its IT infrastructure, the Issuer's IT infrastructure could fail to meet business needs due to the unexpected workload placed on its remote services, which may lead to business interruptions, which could have a material adverse effect on the Issuer's business, competitive advantages, financial condition, results of operations and prospects.

The Issuer's business may be subject to labour disputes

The Issuer is exposed to the risk of labour disputes, work stoppages and other industrial actions, which could disrupt operations or make them more costly. Although the Issuer's employees are not unionised, the Issuer has not experienced any work stoppages or labour disputes in recent years, there can be no assurance that the regulation in force will not change or that work stoppages or labour disputes will not occur in the future. If employees engage in a prolonged work stoppage or strike, it could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer is subject to operational risk

Similar to other financial institutions, the Issuer is susceptible to, among other things, fraud by employees or outsiders, unauthorised transactions by employees and other operational errors (including clerical or record keeping errors and errors resulting from faulty computer or telecommunications systems). The Issuer is also subject, from time to time, to interruptions to third-party services such as telecommunications, which are beyond the Issuer's control. Such interruptions may result in interruption to services to the Issuer's branches and/or impact customer service. Given the Issuer's high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. Any inadequacy of the Issuer's internal processes or systems in detecting or containing such risks could result in unauthorised transactions and errors. In addition, a number of banking transactions are not fully automated, which may further increase the risk that human error or employee tampering will result in losses that may be difficult for any bank to detect quickly or at all. While the Issuer maintains a system of controls designed to monitor and control operational risk, there can be no assurance that the Issuer will not suffer losses from such risks. Losses from the failure of the Issuer's system of internal controls to discover and rectify such matters could have a material adverse effect on the Issuer's business, financial condition and/or results of operations. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to London Stock Exchange.

The Issuer is dependent on its senior management and other personnel

The Issuer is dependent upon its senior management to implement its strategy and the operation of its day-to-day business. In addition, retail, corporate and other business relationships of members of senior management are important to the conduct of the Issuer's business. See "*Management*". If members of the Issuer's senior management were to leave, then the relationships that those employees have and which have benefited the Issuer may end.

In addition, the Issuer's continuing success depends, in part, upon its ability to attract, retain and motivate qualified and experienced banking and management personnel. Any failure to recruit and retain necessary personnel or manage its personnel successfully could have a material adverse effect on the Issuer's business, financial condition and/or results of operations.

The Issuer's consolidated financial statements under BRSA may not provide investors with the same information as financial statements prepared under IFRS

The Issuer maintains its accounting systems and prepares its accounts and its financial statements in Turkish Lira and in accordance with BRSA Principles (as defined in "*Presentation of Financial and Other Information—Presentation of Financial Information*"). These accounts and financial statements are not prepared on a basis consistent with IFRS. The Issuer is not required by law to prepare its accounts under any accounting standards other than BRSA. There are differences between the Issuer's BRSA Financial Statements and IFRS financial statements. As such, the Issuer's BRSA Financial Statements may not provide investors with the information they would have received if the financial statements were prepared under IFRS.

For example, starting from 30 June 2022, the BRSA Principles materially differ from IFRS as applied to accounting for the impacts of inflation or hyperinflation. Pursuant to TAS 29, Financial Reporting in Hyperinflationary Economies (**TAS 29**) under TFRS and the corresponding International Accounting Standards 29 (**IAS 29**) under IFRS, the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a general price index. Companies reporting under IFRS should apply IAS 29 to their financial statements for periods ending on and after June 30, 2022. However, on 20 January 2022, the POA had stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29. As of the date hereof, there has been no further announcement by the POA regarding this issue. Therefore, inflation adjustments for such periods have not been applied on the BRSA Financial Statements, in accordance with TAS 29. As a result, financial statements complying with TAS 29 under TFRS materially differ from those complying with IAS 29 under IFRS in the application of adjustments for the effects of changes in a general price index. If the Issuer is required to restate its BRSA Financial Statements based upon a price index, the adjustments might materially impact the Issuer's reported financial results.

The Issuer closely monitors the application of TAS 29, but cannot predict if or when TAS 29 will be applied under the BRSA Principles and therefore cannot predict the impact that the application of TAS 29 and related adjustments and reclassifications would have on its future financial statements, results of operations and financial condition. The Issuer's margins may be impacted as a result of the application of this standard and therefore, the visibility in its past performance will be limited which may make it more difficult for its investors to analyse its other historical results. The Issuer will aim to act in accordance with the BRSA Principles.

Potential investors should consult their own professional advisors for an understanding of the differences between IFRS and BRSA Reporting Standards and how these differences might affect the financial information in and incorporated by reference into this Base Prospectus. For more information, see "*Appendix 1—Overview of Significant Differences Between IFRS and BRSA Reporting Standards*".

The Issuer may not be able to fully comply with anti-money laundering regulations and applicable sanctions regulations, which could result in governmental fines and reputational damage

The Issuer has implemented comprehensive anti-money laundering and anti-terrorist financing (**AML**), "know your customer" (**KYC**) and sanctions compliance policies and procedures and seeks to adhere to all requirements under Turkish legislation, Emirates NBD's compliance rules and regulations and the applicable economic sanctions imposed by the governments of the United States, the United Kingdom and the European Union on specified targets. However, such legislation, regulations and sanctions are subject to amendments and change. For instance, as a result of Russia's invasion of Ukraine, the United States, the United Kingdom and the European Union governments, among others, have developed coordinated sanctions and export-control measure packages (including comprehensive financial sanctions against major Russian banks (including SWIFT cut-off), additional designations of Russian individuals with significant business interests and government connections, designations of individuals and entities involved in Russian military activities, and enhanced export controls and trade sanctions targeting Russia's imports of technological goods as a

whole). The scope and severity of these sanctions are changing frequently and on short notice. Therefore, there can be no assurance that the AML, KYC and sanctions compliance policies and procedures currently implemented by the Issuer will be completely effective.

For a description of the Issuer's activities in Russia as at the date of this Base Prospectus, please see "*–Description of the Issuer–Subsidiaries–International Subsidiaries–DenizBank Moscow*". The Issuer is fully compliant with AML regulations and applicable sanctions regulations. The Issuer updates its policies and takes steps to reduce risk by implementing new systemic/manual controls to deal with new newly imposed sanctions.

If the Issuer in the future fails to comply with timely reporting requirements or other AML or KYC or sanctions regulations and/or is associated with money laundering (including illegal cash operations) or terrorist financing, the Issuer could suffer serious damage to its reputation, including among its network of correspondent banks in foreign countries, which could affect its ability to maintain existing relationships, attract new business and provide services to its customers. The Issuer could also become subject to fines, sanctions and/or other criminal or regulatory penalties (including being added to any "blacklists" that would prohibit certain parties from engaging in transactions with the Issuer), which could materially adversely affect the Issuer's business, financial condition and/or results of operations.

Any event or series of events affecting the risk profile of the Issuer's credit exposure to related parties could have an adverse effect on its financial condition

The Issuer's related party loans and advances, net on a consolidated basis amounted to TL 279.5 million, or 0.08% of the Issuer's total consolidated loans and advances to customers portfolio, as of 31 December 2022. The Issuer's related party credit-related commitments on a consolidated basis amounted to TL 202.5 million, or 0.22% of the Issuer's total non-cash loans (excluding commitments), as of 31 December 2022. The Issuer's related parties also maintained total deposits and other borrowings on a consolidated basis of TL 34.2 billion with the Group, representing 6.78% of the Issuer's total customer deposits and funds borrowed, including subordinated debt facilities. In addition, the Issuer holds equity participations in other subsidiaries engaged in certain financial service activities.

If any event or series of events were to adversely affect the risk profile of the Issuer’s credit exposure to affiliated companies, the availability of deposits from affiliates, or the investment value of its shares in affiliated companies, there could be a material adverse effect on the Issuer’s business, financial condition, results of operations and prospects.

Risks Related to Turkey

As of 31 December 2022, the majority of the Issuer's total assets and operations were in Turkey. Therefore, the Issuer's business and results of operations are primarily affected by political and economic conditions in Turkey.

Political developments in Turkey may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects

Turkey has from time to time experienced volatile socio-political conditions, including a failed coup d'état attempt in July 2016. The Justice and Development Party (*Adalet ve Kalkinma Partisi*) (the **AKP**) has been in power since 2002 and has been able to govern without reliance upon a coalition partner.

Following the November 2015 elections, the AKP announced its intention to replace the existing constitution with a new constitution and to create an executive presidency and Mr. Recep Tayyip Erdoğan was elected President. Following the constitutional amendments enacted with the referendum held on 16 April 2017, the President became entitled to be the head of a political party, and on 21 May 2017, Mr. Recep Tayyip Erdoğan was re-elected as the Chairman of the AKP. Mr. Recep Tayyip Erdoğan was re-elected in snap elections held on 24 June 2018. On 9 July 2018, Mr. Recep Tayyip Erdoğan announced the new cabinet,

including non-AKP members and Mr. Berat Albayrak, his son-in-law, as the new Minister of Treasury and Finance. Significant uncertainty remains regarding the economic agenda of the new Government, the independence of the Central Bank, and whether orthodox reform plans will be accomplished. Such uncertainty was aggravated by the dismissal of the Central Bank governor on 6 July 2019 by the President, followed by the dismissal of additional senior Central Bank officials, which heightened doubts over the Turkish authorities' tolerance for a period of sustained below-trend growth and disinflation.

On 8 November 2020, Mr. Albayrak resigned from his position as Minister of Treasury and Finance and was promptly replaced by Mr. Lutfi Elvan, a former Minister of Development and Minister of Transport, Maritime and Communication. Following the depreciation of the Turkish Lira to its weakest value to date (exceeding TL 8.5 per U.S. dollar), the governor of the Central Bank was replaced by a Presidential Decree on 7 November 2020 and then (on 20 March 2021) was replaced again after a series of rate increases. The dismissal of Mr. Naci Ağbal, the then-governor of the Central Bank on 20 March 2021, led to a negative market reaction, with investors' sales of certain Turkish assets leading to the value of the Borsa İstanbul 100 stock index declining by 9.6% in a week and the Turkish Lira depreciating by 11.0% against the U.S. dollar (from TL 7.22 per U.S. dollar before the dismissal of the governor to TL 8.11 per U.S. Dollar) during the same period. Following the appointment of Şahap Kavcıoğlu as the governor, the Central Bank announced several decreases in the policy interest rate. On 13 October 2021, three of the high-ranking officials of the Central Bank's monetary policy committee were replaced by new officials, and on 2 December 2021, during a period of significant depreciation of the Turkish Lira, Mr. Lutfi Elvan resigned as Minister of Treasury and Finance and was replaced by Mr. Nureddin Nebati. The Central Bank cut its policy rate by an aggregate of 500 basis points to 14% between September and December 2021, and the Turkish Lira reached an all-time low of TL 18.36 per U.S. dollar as of 20 December 2021, as the Central Bank adopted a looser monetary stance despite high inflationary conditions. Subsequently, the Turkish government, among other things, introduced a foreign exchange-protected Turkish Lira deposit scheme in an effort to stabilise the FX rate volatility and lower the inflation rate. The Turkish Lira appreciated by 38% against the U.S. dollar (from TL 17.47 per U.S. dollar before the introduction of foreign exchange-protected Turkish Lira deposit scheme to TL 13.30 per U.S. dollar) between 20 December and 31 December 2021. Between August and November 2022, the Central Bank cut interest rates by a further 500 basis points followed by another 50 basis point reduction in February 2023 bringing interest rates to 8.5%. In 2022, the Turkish Lira steadily depreciated against the U.S. dollar from TL 13.43 per U.S. dollar as of 3 January 2022 to TL 17.98 per U.S. dollar as of 18 August 2022 and to TL 18.87 per U.S. dollar as of 24 February 2023. However, uncertainty in relation to the independence of the Central Bank and the Ministry of Treasury and Finance continues and any failure of the Central Bank and/or the Turkish Treasury to implement effective policies might adversely affect the Turkish economy and thus have a material adverse effect on the Group's business, financial condition and/or results of operations.

Local elections took place on 31 March 2019. However, the Supreme Election Board of Turkey (*T.C. Yüksek Seçim Kurulu*) cancelled the results of the elections in İstanbul (which showed a narrow lead for the opposition party). The repeat local elections were held on 23 June 2019 and resulted in the transition of the control of İstanbul municipality from AKP to the main opposition party, the Republican People's Party (*Cumhuriyet Halk Partisi*). All these factors could significantly impact investors' perceptions of Turkey and its future growth.

Changes in the governance and operation of Turkey's institutions, could contribute to the volatility of Turkish financial markets and/or have an adverse effect on investors' perception of Turkey, including with respect to the actual or perceived independence of such institutions.

In May and June of 2013, Turkey experienced widespread internal unrest including protests and demonstrations against the then-current Government's policies. Since late 2013, Turkish politics have been particularly volatile, commencing with a series of arrests of prominent businessmen and family members of some cabinet ministers (who have since resigned) on suspicion of corruption. While the causes of these events are uncertain, there is speculation that it reflects a division among important elements of the Government, police and judiciary. The Government's responses to these events have included the removal of

certain prosecutors and police from their offices and proposals to change the manner in which the police and judicial authorities are supervised by the national Government, which has led to concerns about the separation of powers.

The uncertainty after the election on 7 June 2015 pertaining to government prospects also led to a pick-up in Kurdish insurgence as of mid-July, despite the historical election success of the predominantly Kurdish Party HDP. On 4 November 2016, two joint leaders of the HDP along with some prominent MPs from the HDP were detained (and later convicted), which was followed by a widespread difficulty in reaching social media websites. Political analysts point out that detention or conviction of high-profile members of the HDP may lead into a higher risk of instability arising from insurgent activities.

In the referendum held on 16 April 2017, the majority of the votes cast approved proposed amendments to certain articles of the Turkish Constitution. Such amendments include articles to extend the powers of the President. As a result (*inter alia*): (a) the then-current parliamentary system has been transformed into a presidential one, (b) the President has been entitled to be the head of a political party and to appoint the cabinet, (c) the office of the Prime Minister has been abolished, (d) the Parliament's right to interpellate (i.e., the right to submit questions requesting explanation regarding an act or a policy) the cabinet members has been annulled and (e) the President has increased powers over the selection of members of the Board of Judges and Prosecutors (currently the Supreme Board of Judges and Prosecutors (*Hakimler ve Savcılar Yüksek Kurulu*)). Most of the amendments brought by the referendum entered into force through the early elections that were held on 24 June 2018. It remains unclear, as of the date of this Base Prospectus, what impact such structure might have in the future on Turkish government institutions. As such, political uncertainty is likely to continue.

The political instability in Turkey may continue and the political situation in Turkey may further deteriorate. Actual or perceived political instability in Turkey or any negative changes in the political environment, including further conflicts between senior politicians in Turkey or the failure of the Government to devise or implement appropriate economic programmes, may individually or in the aggregate adversely affect the Turkish economy and, in turn, the Issuer's business, financial condition, results of operations and prospects and the value of the Notes. In particular, any perception that the constitutional change to an executive presidency may restrict parliamentary and judicial supervision of executive decisions may also increase political instability or otherwise negatively impact investors' perception of the Turkish political climate, which could result in a number of negative impacts, including deteriorating asset prices and weaker economic activity.

Increased political risks following the coup attempt of July 2016

Turkey has also experienced controversies between the Government and the military. On 15 July 2016, the Turkish government was subject to an attempted coup by a group within the Turkish army. The Turkish government and the Turkish security forces (including the Turkish army) took control of the situation in a short period of time and the ruling government remained in control. On 20 July 2016, after the failed coup attempt, the Turkish President announced, pursuant to Article 120 of the Turkish Constitution, a nationwide state of emergency, which was extended ultimately until July 2018, entitling the Government to exercise additional powers. Under Article 120 of the Turkish Constitution, in the event of serious indications of widespread acts of violence aimed at the destruction of the free democratic order, a state of emergency may be declared in one or more regions of, or throughout, the country for a period not exceeding six months. The state of emergency, however, ended in July 2018.

The Government has arrested, discharged or otherwise limited thousands of members of the military, the judiciary and the civil service, restricted media outlets and otherwise taken actions in response to the coup attempt, including to the business community. There may be disruptions in the operations of public institutions (such as the BRSA and the CMB) as teams are reorganised, which may impact operations in the Issuer that are dependent on such public institutions. As of the date of this Base Prospectus, it is not clear whether the investigations and trials with respect to the attempted coup are ongoing or have ended. There

might be further arrests and actions taken by the Government in relation to these investigations, including changes in policies and laws. Any future investigations may include customers of the Issuer, which could impact such customers' ability to meet their obligations and may in turn result in an adverse impact on the Issuer's loan portfolio. The ongoing investigations following the failed coup attempt have contributed to uncertainty surrounding the Turkish political environment. Despite signs of political unity in the immediate aftermath of the coup attempt, tensions between political parties have increased, especially during the parliamentary approval process for constitutional changes, in the aftermath of the referendum and prior to the snap general and presidential elections. Any further consolidation of political power due to the executive presidency and the restructuring of government institutions may have a detrimental effect on political checks and balances.

During July 2016, Moody's placed Turkey's sovereign credit rating and the ratings of 17 Turkish banks on review for potential downgrade; S&P downgraded Turkey's sovereign rating and those of five Turkish banks; and Fitch changed Turkey's sovereign rating outlook from "stable" to "negative." Moody's then downgraded Turkey's sovereign rating in September 2016. On 4 November 2016, although S&P affirmed the country's long-term foreign credit rating at BB, it upgraded its outlook for Turkey's sovereign credit rating to "stable" from "negative" on 4 November 2016. On 27 January 2017 it downgraded its outlook for Turkey to "negative" from "stable", citing mainly the sharp depreciation of the Turkish Lira against the U.S. dollar and insufficient monetary policy response, which together pose a serious inflationary risk. In addition, on the same day, Fitch downgraded Turkey's sovereign credit rating to "BB+" from "BBB-", based on the potential adverse effects of the constitutional referendum on checks and balances, the renewal of the state of emergency related to the coup attempt and damaged consumer confidence and tourism sector due to recent terrorist attacks. On 17 March 2017, Moody's changed Turkey's rating outlook to "negative" from "stable", citing as the driver, the increased risk of a credit shock due to (i) the continuing erosion of Turkey's institutional strength, (ii) its weaker growth outlook and (iii) heightened pressures on Turkey's public and external accounts. However on the same day, Moody's affirmed Turkey's government debt and issuer ratings at "Ba1". On 5 May 2017, S&P affirmed Turkey's rating and outlook as BB and negative. On 17 August 2018, S&P downgraded Turkey's rating to "B+" from "BB-" and maintained the stable outlook. On 14 June 2019, Moody's downgraded Turkey's long-term issuer and senior unsecured bond ratings to "B1" from "Ba3" and maintained the negative outlook, on the back of its view that the risk of a balance of payments crisis continues to rise, and with it the risk of a government default, which Moody's mainly attributes to the Turkey's high reliance on external capital across all sectors of the economy. On 12 July 2019, Fitch downgraded Turkey's sovereign rating to "BB-" from "BB", mainly based on (i) the dismissal of the Central Bank governor on 6 July 2019, which heightened doubts over the Turkish authorities' tolerance for a period of sustained below-trend growth and disinflation according to Fitch, and (ii) the risk of U.S. sanctions triggered by delivery of S-400 missile components from Russia, which Fitch expects to be of a "relatively mild form with minimal direct economic effect" but which might have a significant impact on the sentiment according to Fitch. On 1 November 2019, Fitch revised the outlook on Turkey's sovereign rating to stable from negative, and affirmed at "BB-", citing continued progress in rebalancing and stabilisation of the Turkish economy with an improved current account balance, however noting Turkey's gross external financing requirement as a source of vulnerability. On 12 November 2019, following its revision of Turkey's long-term foreign-currency issuer default rating, Fitch revised the rating outlooks for 20 Turkish banks to stable, including that of the Issuer. On 21 August 2020, Fitch revised the outlook on Turkey's sovereign rating to negative from stable and affirmed the rating at "BB–". On 11 September 2020, Moody’s downgraded Turkey's sovereign credit rating to "B1" from "B2" and maintained the stable outlook. On 19 February 2021, Fitch revised the outlook on Turkey's sovereign rating to stable from negative and affirmed the rating at "BB–". On 2 December 2021, Fitch revised the outlook on Turkey's sovereign rating to negative from stable and affirmed the rating at "BB–". On 10 December 2021, S&P changed Turkey's rating outlook to "negative" from "stable and affirmed the rating at "B+". On 11 February 2022, Fitch downgraded Turkey's Long-Term Foreign Currency (**LTFC**) Issuer Default Rating (**IDR**) to "B+" from "BB–" with a Negative outlook. Subsequently, on 25 February 2022, Fitch downgraded the LTFC IDRs of 20 Turkish banks to "B" from "B+" with Negative outlook for most of those banks' Long-Term IDRs. In this context, Fitch Ratings has revised the Issuer’s long-term local currency IDR to "B+" from "BB–" and its LTFC IDR to "B" from "B+", with "Negative" Outlooks for both, and shareholder support rating to "b" from "b+". Fitch

affirmed the Issuer’s viability rating at "b+" with RWN (Rating Watch Negative) and its short-term local and foreign currency IDRs at "B". Furthermore, on 26 July 2022, Fitch downgraded the LTFC IDRs of 25 Turkish banks to "B-" from "B". In this context, Fitch revised the Issuer's long-term local currency IDR to "B" from "B+", its LTFC IDR to "B-" from "B", with "Negative" outlooks for both, its shareholder support rating to "b-" from "b" and its viability rating to "b-" from "b+". Fitch affirmed the Issuer's short-term local and foreign currency IDRs at "B". This followed a downgrade of Turkey's sovereign debt rating to "B" from "B+" with a Negative outlook on 8 July 2022. For further discussion of the risks associated with the credit ratings of Turkey and the Issuer see "*—Risks Related to the Issuer's Business—The Issuer's capital adequacy ratio and its ability to obtain funding may be affected by changes to its credit ratings and the credit ratings of Turkey*".

The political and social circumstances surrounding the attempted coup and its aftermath (including rating downgrades of Turkey and the Issuer) or other political developments could have a negative impact on the Turkish economy and institutions (including the value of the Turkish Lira, international investors' willingness to invest in Turkey and domestic demand), the institutional and regulatory framework, the Issuer's liquidity and/or conditions (financial or otherwise) and/or the value and/or market price of an investment in Notes issued under the Programme.

Conflict and uncertainty within Turkey or in neighbouring and nearby countries may have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects

Turkey is located in a region that has been subject to on-going political and security concerns, especially in recent years. Political uncertainty within Turkey and in certain neighbouring and nearby countries, such as Iraq, Syria, Iran, Georgia, Cyprus, Egypt, Ukraine and Armenia has historically been one of the potential risks associated with an investment in Turkish securities.

Since December 2010, political instability has increased markedly in a number of countries in the Middle East and North Africa, such as Syria, Afghanistan, Iraq, Egypt, Libya, Tunisia, Jordan, Bahrain and Yemen. Tensions have also increased between a number of Middle Eastern states, notably Iran and Saudi Arabia. In particular, Turkey has a military cooperation agreement with Libya's UN-recognised government and the Turkish military has recently been engaged in operations in Libya, which risks increasing tension with Russia, who supports an opposing side in the on-going conflict in Libya. In October 2020, a conflict broke out between Armenia and Azerbaijan over the disputed territory of Nagorno-Karabakh. Turkey has supported the efforts by Azerbaijan, which puts it in conflict with Russian interests. Lately, the seismic searches conducted by Turkey in the Aegean and Mediterranean seas based on its continental shelf arguments, has heightened the tension between Turkey and Greece. Unrest in these countries (as well as global tensions with Iran and between Russia and Ukraine) may have political implications in Turkey or otherwise have a negative impact on Turkish economy, including through both financial markets and the real economy.

All of the subsequent risks could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Risks associated with the conflicts in Syria, Afghanistan and Iraq

Turkey is located in a region that has been subject to ongoing political and security concerns, including political instability and frequent incidences of violence in a number of countries in the Middle East. In particular, the on-going conflicts in Syria, against ISIS, and in Afghanistan, against Taliban, a Sharia Islamic militant group, have been the subject of significant international attention and conditions in the region remain volatile. Unrest in these countries might affect Turkey's relationships with its neighbours, have political implications both within Turkey and in its relationship with other countries and/or have a negative impact on Turkey. Such impacts might occur (*inter alia*) through the significant movement of Syrian or Afghan refugees (including through Turkey into the European Union (**EU**)), a lower flow of foreign direct investment into Turkey, capital outflows and/or increased volatility in the Turkish financial markets.

In October 2019, the Turkish military, following a pullback by the United States of its presence in northern Syria, commenced military operations to create a "safe zone" in northern Syria in an effort to enhance Turkey's border security. This engagement expanded, including in particular around Idlib, and has resulted in many Turkish casualties and increased direct conflicts between the Turkish and Syrian militaries. As this territory was largely held by the People's Protection Unit (YPG) in Syria, which had assisted the U.S. in the fight against ISIS but that Turkey designates as a terrorist organization and believes is affiliated with the Kurdistan Worker's Party (the **PKK**) (an organization that is listed as terrorist organization by various states and organizations, including Turkey, the EU and the United States), significant conflict in the region might occur. In addition to objections raised by Syria, Iran and Russia to this military activity, the United States (*inter alios*) has taken certain actions and might impose additional sanctions upon Turkey and/or take other actions that might negatively impact the Turkish economy and/or Turkey's relationship with the United States. While Turkey has entered into separate agreements with the United States and Russia that aim to achieve multi-party agreement on the "safe zone", the parties might disagree about the implementation of these agreements and/or the parties' adherence to their terms.

In late 2021, Taliban, a militant group, has taken over Afghanistan after the United States announced their pullback from the country, which caused a new migration wave through EU and Turkey. Despite Mr. Recep Tayyip Erdoğan and high-level government officials various statements noting that Turkey will not shoulder the burden of a new migration wave, similar to the one the country have faced in the last years due to the conflicts in Syria, the events in Afghanistan resulted with a significant movement of Afghan refugees into Turkey. Turkey's future relationship with the Taliban is also uncertain given the complex geopolitical circumstances relating to Afghanistan.

The above-mentioned events might result in the volatility of Turkish financial markets, have an adverse effect on investors' perception of Turkey and/or have an adverse effect on Turkey's ability to support economic growth and manage regional conditions.

Risks from events affecting Turkey's relationship with Russia

Heightened tensions between Turkey and Russia over Syria or events in Ukraine could materially negatively affect the Turkish economy, including through any negative impact on Turkey's tourism revenues or its access to Russian energy supplies. Russia has become Turkey's second largest trading partner and the largest supplier of natural gas to Turkey. Any further disruption to the relationship with Russia might have a material adverse effect on the on the Turkish economy and consequently on the Issuer's business, financial condition and/or results of operations and on the market price of the Notes.

In late 2015, Russian war planes started air strikes in Syria in support of the Syrian government. On 24 November 2015, Turkey shot down a Russian military aircraft near the Syrian border claiming a violation of Turkey's airspace, which has resulted in deterioration in the relationship between Turkey and Russia and led to Russia implementing certain sanctions against Turkey. The impact on Turkey's economic relationship with Russia and geopolitical implications remain uncertain. In October 2020, conflict broke out between Armenia and Azerbaijan over the disputed territory of Nagorno-Karabakh. Turkey has supported the efforts by Azerbaijan, which again puts it in conflict with Russian interests.

In late 2021, Russia began a significant build-up of its armed forces near Ukraine's borders. Further, in December 2021, Russia published a list of "security guarantee" demands addressed to the United States and other NATO members requesting, among other things, legally binding assurances that Ukraine would not be admitted to NATO and that NATO countries remove their armed forces' presence in certain countries in Eastern Europe. Russia, the United States and a number of NATO members engaged in several rounds of negotiations over the course of January 2022, but no specific progress was achieved. On 24 February 2022, following ten days of joint military exercises with Belarus close to the Belarusian border with Ukraine, Russia launched a military invasion against Ukraine which is currently ongoing. The United States, Canada, the United Kingdom and several European countries, among others, have imposed sanctions on Russia which include, among others, the freezing of the assets of the Central Bank of Russia, the banning of all

transactions with the central bank of Russia and the removal of certain Russian banks from the swift messaging system, restrictions on access to financing by Russian entities, and export controls targeting Russia's energy and defence sectors. Additionally, the United States has imposed additional sanctions targeting Russia's oil and gas sector and oil and gas exports, by banning Russian imports of oil and gas in the U.S., while similar sanctions are also being considered by the EU and the United Kingdom. Several rounds of peace negotiations have been carried out to date without success, including with the participation of Turkey as mediator. Turkey's role as a NATO member and as host to ceasefire negotiations between Ukrainian and Russian negotiators may materially affect Turkey's global diplomatic position as well as its economy and financial condition.

Following the imposition of sanctions against Russia, thousands of Russians and Ukrainians have fled to Turkey to reside, invest, and hold assets, since Turkey has not imposed any sanctions on Russia other the closure of the Bosporus and Dardanelles straits to warships. Turkey's policy with respect to sanctions cannot be predicted with certainty.

Additional sanctions imposed on Russia by other countries may have a material adverse effect on Turkey due to its relations with Russia, Russian people and Russian entities. The impact of additional sanctions, or of a deterioration of relations between Turkey and Russia or the United States over events in Ukraine, on the Turkish economy may be significant, which in turn may materially and adversely affect the Issuer's business, financial condition and/or results of operations. Furthermore, while not directly impacting Turkey's territory, the dispute has negatively impacted Turkey's economy, including through its impact on the global economy and the impact it has on Turkey's access to Russian energy supplies. This, in turn, may have an adverse effect on the Issuer's business, financial condition, results of operations and prospects. See also "*– The Issuer's business is affected by international financial markets and global macroeconomic conditions*."

Risks from events affecting Turkey's relationship with the United States

On 8 October 2017, the United States suspended all non-immigrant visa services for Turkish citizens in Turkey following the arrest of an employee of the United States consulate in İstanbul. On the same date, Turkey retaliated by issuing a statement that restricts the visa application process for United States citizens. While visa services have since returned to normal, relations between the two countries remained strained on various topics, including the conviction of an executive of a state-controlled bank, Türkiye Halk Bankası A.Ş. (who was released in July 2019 after serving his sentence), for bank fraud and conspiracy to violate U.S. sanctions laws in assisting Iran to evade U.S. sanctions and the related judicial process against Türkiye Halk Bankası A.Ş. (**Halkbank**). Halkbank has petitioned to the U.S. Supreme Court to hear its appeal and certiorari has been granted on 3 October 2022. The effects of the final outcome of the judicial process remain unknown, including any sanctions, fines or penalties imposed by OFAC or any other U.S. regulatory body on Halkbank or any other Turkish bank or person concerning these issues.

Furthermore, in August 2018 the United States had imposed sanctions on two Turkish ministers and increased import taxes on Turkish steel and aluminium. Nonetheless, on 12 October 2018, a Turkish court released a detained American pastor who had been arrested in October 2016, and the United States removed the sanctions imposed on Turkish ministers. In addition, on the week of 2 November 2018, certain U.S. sanctions on Iranian financial and energy sectors and on certain other imports from Iran, were re-imposed. Nevertheless, the United States granted Turkey a partial exemption allowing it to import limited amounts of oil from Iran for six months. However, such exemption was not renewed at the end of the six month period and it remains uncertain whether Turkey will, or will be able to, comply with such U.S. sanctions against Iran. Any similar events in the future, including any operations of the Turkish armed forces in Syria targeting organisations that Turkey deems to be terrorist organisations related to People's Congress of Kurdistan (also known as the Partiya Karkerê Kürdistanê or PKK), in connection with the potential U.S. withdrawal from Syria, including any restrictive or punitive actions adopted by the U.S. and/or EU institutions in connection with operations and/or actions of Turkey in the northern Syria and/or Turkey's compliance with any further prospective U.S. sanctions against Iran might result in (or contribute to) a deterioration of the relationship

between Turkey and the EU and/or the United States and might have a negative impact on the Turkish economy.

The relationship with the United States was also impacted by Turkey's agreement to acquire a U.S.$2.5 billion S-400 air and missile defence system from Russia in December 2017. In response, the United States announced that Turkey will be removed from the F-35 program under which Turkey acquires fighter jets from the United States. On 11 December 2020, the U.S. Congress passed (on a bipartisan basis) an annual defence spending bill that included a requirement that (within 30 days from enactment) sanctions be imposed by the U.S. administration upon Turkey in connection with Turkey's purchase of the S-400 missile defence systems and, on 14 December 2020, the U.S. administration announced sanctions on Turkey's Presidency of Defence Industries (the SSB) and its President and other senior officers pursuant to Section 231, widely known as CAATSA (the Countering America's Adversaries Through Sanctions Act), for Turkey's continued possession of the Russian S-400 missile defence system. The imposed sanctions include: (a) a ban on all U.S. export licenses and authorisations to the SSB and (b) an asset freeze and visa restrictions on the SSB's President and other SSB officers. In October 2021, the United States and Turkey entered into discussions relating to the sale to Turkey of F-16 fighter jets in return for its investment in the F-35 fighter programme. It is uncertain how Turkey's relationship with the United States or any other members of NATO will be impacted. Further disagreements with the U.S. or NATO, or economic sanctions that arise in relation to this agreement may result in (or contribute to) a deterioration in the relationship between Turkey and the United States or Russia and may have a material negative impact on the Turkish economy.

Furthermore, certain regulatory actions, investigations, allegations of past or current wrongdoing and similar actions (including the judicial process against Türkiye Halk Bankasi A.Ş.) might lead to related actions, rumours and/or uncertainties surrounding breaches by Turkish banks of international sanctions laws or other financial markets misconduct. As of the date of this Base Prospectus, the final outcome in relation to the judicial process, including any appeal and whether any sanction, fine or penalty will be imposed by the Office of Foreign Assets Control (**OFAC**) or any other U.S. regulatory body on Türkiye Halk Bankasi A.Ş. or any other Turkish bank or person in connection with those matters, as well as the possible reaction of the financial markets to any such events or speculation regarding such events, is unknown. Actual or perceived political instability in Turkey, escalating diplomatic and political tensions with the United States or other countries, and/or other political circumstances (and related actions, rumours and/or uncertainties) might have a material adverse effect on the Issuer's business, financial condition and/or results of operations and/or on the market price of the Notes.

Political instability in Turkey (whether perceived or actual), increasing political and diplomatic tensions with the U.S. or other countries, and other political conditions could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks from events affecting Turkey's relationship with the EU

In March 2016, Turkey signed an agreement with the EU in an effort to control the irregular flow from Turkey to the EU of the refugees, mainly displaced due to the conflict in Syria. However, such agreement has not been fully implemented in accordance with its terms as of the date of this Base Prospectus, and the Turkish officials stated in 2019 that the EU has not fulfilled yet its undertakings made under such agreement.

On 25 April 2017, the Parliamentary Assembly of the Council of Europe voted to restart monitoring Turkey in connection with human rights, the rule of law and the state of democracy. Diplomatic or political tensions between Turkey and member states of the EU or other countries might impact trade or demand for imports and exports.

In the recent years, several important natural gas reserves have been discovered in the eastern Mediterranean, in the territorial waters and exclusive economic zone of the island of Cyprus. Both the Republic of Southern Cyprus, an EU member but not legally recognised by Turkey, supported by Greece, and the Turkish Republic of Northern Cyprus, not legally recognised by the EU and supported by Turkey, lay claim to gas in these waters and launched drilling activities. In its conclusions of 15 July 2019, the Council of the EU

recalled its previous conclusions, and stated that (i) such drilling activities of Turkey, which the Council deems illegal, have a serious immediate negative impact across the range of EU-Turkey relations, (ii) it has decided not to hold further meetings of the EU-Turkey high-level dialogues for the time being, (iii) it endorses the European Commission's proposal to reduce the pre-accession assistance to Turkey for 2020, and (iv) it invites the European Investment Bank (the **EIB**) to review its lending activities in Turkey, notably with regard to sovereign-backed lending. On 11 November 2019, the EU adopted a framework for imposing sanctions on individuals or entities responsible for, or involved in, these drilling activities. In February 2020, the EU imposed sanctions on two executives of Türkiye Petrolleri Anonim Ortaklığı (Turkish Petroleum Corporation) over drilling activity in the Eastern Mediterranean.

More recently, tensions have increased between Turkey and France, including due to differing interests in the conflict in Libya and territorial rights in the Mediterranean Sea. Tensions have also risen between Greece and Turkey relating to disputed claims over Mediterranean waters, particularly in areas around Cyprus in which significant hydrocarbon reserves have been discovered. In October 2020, both France and Greece asked the EU to consider suspending the bloc's customs union agreement with Turkey and, on 26 November 2020, the European Parliament passed a non-binding resolution calling for sanctions on Turkey. On 11 December 2020, EU leaders agreed to impose sanctions against unspecified individuals and entities involved in activities related to the disputed waters, with the identity of these individuals and sanctions to be named shortly thereafter, and noted that further sanctions might be imposed in early 2021; however, in March 2021, EU leaders decided to postpone these plans in light of increased diplomatic activity. In October 2021, representatives from the United States, Canada, Germany, France, the Netherlands, Denmark, Sweden, Finland, Norway, and New Zealand issued a joint statement demanding the urgent release of a prominent businessman and philanthropist who has been held in pre-trial detention on charges related to the 2013 Gezi park protests and the 2016 coup attempt. In response, Turkey declared the ambassador of each country that issued the statement as *persona non grata* which could have led to the removal of their diplomatic status and their expulsion. The situation was de-escalated shortly thereafter (Source: Reuters).

More recently, tension between Turkey and Greece has further increased due to a number of violations by Greek military aircrafts of Turkey airspace over the Aegan Sea. The relations between Turkey and Greece have strained, which has resulted in air force patrols and interception missions, mostly in disputed airspace around Greek islands near Turkey's coastline.

The events described above and any similar events in the future, including deterioration of the relations between Turkey and Greece due to the matter of eastern Mediterranean natural gas reserves and any prospective actions which might be taken by the EU in response to Turkey's aforementioned activities in the eastern Mediterranean or northern Syria, might result in (or contribute to) a deterioration of the relationship between Turkey and the EU and might have a negative impact on the investors' perceptions of Turkey and the broader Turkish economy, for reasons including the lack of Turkey's access to EU funding.

Risks relating to domestic terrorism

Terrorist attacks and the threat of future terrorism have had and could continue to have a material adverse effect on Turkey's capital markets, the level of tourism, foreign investment and other elements of the Turkish economy and ultimately on the Issuer's financial condition and results of operations. Turkey experienced increasing incidents of terrorist attacks in 2016, both from ISIL and the People's Congress of Kurdistan, also known as the Partiya Karkerê Kürdistanê or PKK. While the Issuer's property and business interruption insurance covers damage to insured property directly caused by terrorism, such amounts may be insufficient to cover any losses that it may incur.

Other risks from events affecting Turkey's international relations

On 2 October 2018, a Saudi journalist went missing after entering the Saudi consulate in Istanbul. The Istanbul prosecutors started a criminal investigation about the incident, and on 31 October 2018, the chief prosecutor of Istanbul issued a written statement about the investigation. According to such statement, evidence was found that the Saudi journalist was killed intentionally in the Saudi consulate and

investigations are continuing. As of the date of this Base Prospectus and to the best of the Issuer's knowledge, judicial process in Turkey and Saudi Arabia is continuing, and the outcome of such process and their implications on the relationship between Turkey and Saudi Arabia are not clear or predictable. A deterioration of the relationship between Turkey and Saudi Arabia could negatively affect Turkey's economy, including through its impact on the global economy and the impact it might have on Turkey's access to Saudi energy supplies. This, in turn, may have an adverse effect on the Issuer's business, financial condition, results of operations and prospects.

On 14 January 2022, it was reported that Turkish and Armenian officials met in Moscow for the first round of talks aimed at normalising relations and reopening a border between the two countries that has been closed for almost three decades. The 300km Turkish-Armenian border was briefly open in the early 1990s after Armenia declared its independence. Turkey closed the frontier in 1993 in protest at Yerevan's takeover of an area near Nagorno-Karabakh, a predominantly ethnic Armenian region that is internationally recognised as part of Azerbaijan. (Source: Financial Times)

The Turkish government may default on its debts

Turkish banks have traditionally invested a large portion of their assets in securities issued by the Government. As of 31 December 2022, 97.4% of the Issuer's securities portfolio was invested in securities issued by the Government (representing 15.3% of its total assets), compared to 94.4% as of 31 December 2021 (representing 8.9% of its total assets). The Issuer's securities to assets ratio was 15.7% as of 31 December 2022, in comparison with the 19.9% average for private banks (as of 31 December 2021, the Issuer's ratio was 9.5%, with the average for private banks being 15.2%). In addition to any direct losses that the Issuer might incur, a default, or the perception of an increased risk of default by the Government in making payments on its securities or the downgrade in Turkey's credit rating would likely have a significant negative impact on the Turkish banking system generally and thus may affect the Issuer's business, financial condition and/or results of operations.

Turkey's economy is subject to inflation and risks relating to its current account deficit

Turkey has recently and in the past experienced high annual rates of inflation. High inflation has historically been considered one of the most significant problems faced by the Turkish economy and has recently re-emerged as a significant issue. As of 31 March 2023, CPI inflation decreased 50.51% on a yearly basis from a peak of 85.5% in October 2022.

Over the five-year period ended 31 December 2002, the Turkish economy experienced annual inflation averaging approximately 54.4% per year as measured by the CPI. Turkey adopted an open inflation targeting framework in 2006 with binding inflation targets. Inflation was reduced, but consistently remained above the Central Bank's medium-range target of 5%, and was driven by a succession of inflationary shocks such as the depreciation of the Turkish Lira, a surge in commodity prices in 2007 and 2008, temporary increases in Government expenditure and increased taxes, etc.

Although prior policies have had some success in reducing inflation from its formerly high levels, inflation has increased again in recent years and such policies may not be successful in the future, especially given Turkey's substantial current account deficit and global liquidity conditions. As of 31 December 2018, CPI stood at 20.30%, mainly driven by an increase in the prices of home appliances and food and non-alcoholic beverages. As of 31 December 2019, CPI stood at 11.84%, mainly driven by an increase in the price of food, transportation, both alcoholic and non-alcoholic beverages, and tobacco. As of December 2020, CPI stood at 14.6%. During 2021, inflation rose significantly, as reflected by an increase in CPI to 36.1% as of December 2021 due to, among other things, supply-side factors such as the rise in food and import prices and disruptions in supply chains, the rise in administered prices, demand developments due to the reopening of the Turkish economy from COVID-19 related restrictions and the Central Bank's multi-step 500 basis point interest rate reduction between September and December 2021. In 2022, due to the Russia-Ukraine conflict, the sanctions imposed on Russian institutions and exports, and the resulting increase in energy and commodity prices (given Turkey’s status as a net importer of energy, including natural gas from Russia) and

rapid exchange-rate pass-through due to a sharp depreciation of the Turkish Lira against the U.S. dollar, inflation rose from 48.7% in January to 85.5% in October 2022, followed by a drop over the subsequent four months to 55.18% in February 2023. Notwithstanding the rising inflation, the Central Bank continued its loosening of monetary policy in 2022 by reducing interest rates by a further 500 basis points in four stages between August and November with the aim of increasing exports and achieving economic growth. In February 2023, the Central Bank reduced interest rates by a further 50 basis points to 8.5% with the aim of reducing the impact on the Turkish economy of the devastating earthquakes that occurred in Turkey in February 2023 which destroyed thousands of buildings and killed more than 47,000 people. (*Source: Central Bank of Turkey*)

If the level of inflation in Turkey continues to increase from already high levels, then the Issuer's costs may increase, and, if not accompanied by an increase in interest rates, then its operating and net margins may decrease. Inflationary pressures may also curtail the Issuer's ability to access foreign financial markets and may lead to further Government intervention in the economy, including the introduction of Government policies that may adversely affect the overall performance of the Turkish economy. The various impacts of inflation thus may have a material adverse effect on the Issuer's business, financial condition and/or results of operations.

The Central Bank closely monitors the U.S. Federal Reserve's actions. Between December 2015 and December 2018, the U.S. Federal Reserve raised the U.S. federal funds rate by 0.25% nine times. However, in July 2019, the U.S. Federal Reserve halted its rate-increasing cycle, cut the U.S. federal funds rate by 0.25% and announced its decision to halt the reduction in its balance sheet on 1 August 2019, two months earlier than planned. The U.S. Federal Reserve further cut the U.S. federal funds rate by 0.25% in each of July, September and October 2019. In March 2020, the U.S. Federal Reserve reduced rates by a further 0.50% in response to the on-going outbreak of COVID-19, and later that month, further reduced its interest rates by an additional 1.00% to a target range of 0% to 0.25% which it maintained through 2021. Between 16 March 2022 and 4 May 2023, and in response to high levels of inflation, the U.S. Federal Reserve increased U.S. overnight interest rates 10 times by an aggregate 500 basis points to a range of 5.00-5.25%. The Turkish Lira and certain other emerging market currencies may depreciate against the U.S. dollar as a result of the U.S. Federal Reserve's further tightening monetary policy.

Primarily due to changes in macroeconomic conditions and the political uncertainty, the Turkish Lira depreciated against the U.S. dollar by 33.7% from the second quarter of 2017 to the second quarter of 2018, and from TL 4.56 to 1 U.S. dollar at the end of June 2018 to TL 6.88 to 1 U.S. dollar on 13 August 2018, as a result of heightened tensions in relations between Turkey and the United States. Nevertheless, due to, among other factors, tight monetary stance of the Turkish Central Bank and favourable monetary stance of the developed-country central banks for Turkish Lira and certain other emerging market currencies, the Turkish Lira appreciated from TL 6.55 to 1 U.S. dollar at the end of August 2018 to as low as TL 5.47 to 1 U.S. dollar in August 2019 and stood at TL 8.33 to 1 U.S. dollar as of 31 March 2021. The Turkish Lira depreciated further through 2021 and, as of 31 December 2021, the Turkish Lira stood at TL 13.33 per U.S. dollar. Overall, the Turkish Lira experienced depreciation (44.1%) against the value of the US dollar in 2021, its worst performing year since 2001 (*Source: Reuters*). In December 2021, the Central Bank sold nearly U.S.$20 billion in foreign reserves to support the depreciating Lira bringing Turkey's net international reserves down to U.S.$8.63 billion as of 24 December 2021 (compared to U.S.$32.4 billion as of 22 October 2021), a move last seen at the beginning of 2014 when Turkey sold U.S.$ 3.2 billion (*Source: Reuters; Financial Times*). In 2022, the Turkish Lira depreciated by 28.9%, against the U.S. dollar to TL 18.69 per U.S. dollar as of 31 December 2022. As of 18 May 2023, the exchange rate was TL 19.76 per U.S. dollar (*Source: Central Bank of Turkey*). There can be no assurance that monetary policy of the Central Bank, in reaction to actions of the U.S. Federal Reserve, will not have a negative inflationary impact on Turkey which could, in turn, have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The size of Turkey's current account deficit or adverse changes in its balance of payments position (including the availability of external financing for Turkey) could lead to exchange rate adjustments and higher

inflation, which could have a material adverse effect on the Issuer's business, financial condition and/or results of operations. Turkey had current account deficits of U.S.$26.7 billion (3.1% of GDP) in 2016, U.S.$40 billion (4.7% of GDP) in 2017. However, Turkey's current account deficit significantly decreased to U.S.$20.2 billion (2.5% of GDP) in 2018, and the current account reached a surplus of U.S.$10.8 billion (1.4% of GDP) in 2019. Turkey recorded a current account deficit of U.S.$31.9 billion (4.4% of GDP) in 2020 and a deficit of U.S.$7.2 billion (0.9% of GDP) in 2021. Despite Turkey's exports increasing by 13% to U.S.$254 billion in 2022, Turkey's current account deficit increased from U.S.$7.2 billion in 2021 to U.S.$48.7 billion in 2022, primarily due to geopolitical factors, including the conflict in Ukraine, and related higher energy prices. Furthermore, Turkey’s current account balance recorded another significant deficit of U.S.$9.8 billion in January 2023 (*Source: Central Bank of Turkey; Financial Times*). Various events including any deterioration in economic conditions in Turkey's primary export customers and geopolitical risks (such as tariffs imposed by the United States on imports from Turkey), as well as an increase in energy prices, might result in an increase in the current account deficit, including due to the possible impact on Turkey's foreign trade and tourism revenues.

Although Turkey's growth dynamics depend to some extent upon domestic demand, Turkey is also dependent on trade with Europe. A decline in the economic growth of any of Turkey's major trading partners, such as the EU, is likely to have an adverse impact on Turkey's balance of trade and adversely affect Turkey's economic growth. Turkey has diversified its export markets in recent years, but the EU remains Turkey's largest export market. A decline in demand for imports into the EU could have a material adverse effect on Turkish exports and on Turkey's economic growth, resulting in an increase in Turkey's current account deficit.

Due to the negative impact of the global COVID-19 pandemic, Turkey's tourism revenues and (in particular due to the EU being Turkey's largest export market) export revenues experienced a significant decline in 2020. In order to reduce the negative impact on Turkey's current account deficit by decreasing the demand for imports into Turkey and supporting domestic producers, the Turkish government imposed new (or increased) custom tax rates for numerous products. In addition, starting in August 2020, the Central Bank began to tighten monetary policy by increasing the cost of funding (including via large increases to the benchmark policy rate, including a 475 basis point increase to 15.00% in November 2020, a 200 basis point increase to 17.00% in December 2020 and a further 200 basis point increase to 19.00% in March 2021). However, starting in September 2021, the Central Bank reversed its course again began to loosen monetary policy, despite the globally growing inflationary pressures. From September to December 2021, the Central Bank reduced the interest rate by 500 basis points to 14.00% with the aim of prioritising growth, employment, investment and exports (*Source: Reuters*). However, this resulted in the Turkish Lira suffering further depreciation against the U.S. dollar in November and December 2021 which led to the BIST 100 dropping 20.8% between 17 December 2021 and December 2021, with the sell-off ultimately triggering a suspension of stock trading on the market (*Source: Financial Times*). Subsequently, the Turkish government, among other things, introduced a foreign exchange-protected Turkish Lira deposit scheme in an effort to stabilise the FX rate volatility and lower the inflation (*Source: Reuters*). Under the deposit scheme customers can switch their FX deposits into exchange-rate-protected Turkish lira deposits for three, six, nine or twelve month periods. The minimum interest rate for such exchange-rate-protected lira accounts would not be below the one week repo rate with the maximum interest rate being 300 bps above the policy rate. The scheme was announced in respect of retail depositors on 20 December 2021, and subsequently expanded to include corporate foreign currency accounts and gold deposit accounts in January 2022 and non-resident Turkish nationals in February 2022. The authorities originally gave banks in Turkey until 23 January 2022 to convert 10% of their FX deposits and until 18 March to convert 20% of their FX deposits. Banks (including the Issuer) that do not meet these thresholds could face extra fees on the reserves they must hold for their FX deposits at the Central Bank. However, the target dates were pushed back to 15 April 2022 and 8 July 2022 respectively (*Source: Fitch*). In January 2023, Turkey implemented a new programme under which Turkey would provide 2% "conversion support" when companies exchanged international revenues to lira with the Central Bank, and Turkey pledged not to buy foreign currencies over a set period. Such a measure was implemented in addition to the requirement for Turkish exporters to convert 40% of their FX income to Turkish Lira which was announced in 2022 (*Source: Financial Times*).

Future policies by the Central Bank and the BRSA are subject to a number of uncertainties, and Turkish economy, inflation rates and foreign exchange rates may continue to experience difficult and volatile conditions in the future. The impact of these circumstances, including changes in the exchange rates of the Turkish Lira, could have a material adverse effect on the Group, including through borrower defaults, increased NPLs, reduced loan volumes and reduced earnings, the revaluation of assets and liabilities (including increases in the Turkish Lira-equivalent value of the Issuer's obligations in other currencies), a decline in capital and/or rapid changes in the economic and legal environment.

As a result of these factors, Turkey may experience a further significant economic crisis in the future, which could have a material adverse effect on the Group's business, financial condition and/or results of operations.

Turkey is an energy-dependent country and recorded U.S.$50.7 billion of energy imports in 2021. In 2020, Turkey recorded U.S.$28.9 billion of energy imports which decreased from U.S.$41.7 billion of energy imports in 2019, which decreased from U.S.$43.6 billion in 2018. Any geopolitical development impacting energy security could have a material impact on Turkey's current account balance, in particular, Turkey's reliance on Russian energy supplies and the current ongoing conflict between Russia and Ukraine. *See "– Conflict and uncertainty within Turkey or in neighbouring and nearby countries may have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects – Risks from events affecting Turkey's relationship with Russia*". Volatile oil and natural gas prices (including as a result of agreements among the members of the Organisation of the Petroleum Exporting Countries and/or other oil-exporting nations to cut output or any geopolitical development concerning energy security and prices, such as the United States' withdrawal from the Joint Comprehensive Plan of Action and re-imposing previously suspended secondary sanctions on Iran or the decision of the United States to impose sanctions on the Government of Venezuela), together with the Turkish Lira's depreciation against the U.S. dollar (in which most of Turkey's energy imports are priced), may have a negative impact on Turkey's current account deficit. If the current account deficit widens more than anticipated, financial stability in Turkey may deteriorate. Financing the high current account deficit may be difficult in the event of a global liquidity crisis and/or declining interest or confidence of foreign investors in Turkey, and a failure to reduce the current account deficit could have a negative impact on Turkey's sovereign credit ratings. Any such difficulties may lead the Turkish government to seek to raise additional revenue to finance the current account deficit or to seek to stabilise the Turkish financial system, and any such measures may adversely affect the Issuer's business, financial condition and/or results of operations.

The current account deficit is a significant concern for policy makers and may be subject to further intervention. Should the Central Bank adopt any additional measures to limit any increase in the current account deficit, such measures would likely reduce economic growth and, in turn, have a material adverse effect on the Issuer's business, financial condition and/or results of operations. However, given Turkey's savings and investments structure, it is not possible for Turkey to achieve its targeted growth figures without current account imbalances. Should the current account deficit widen persistently, this may lead to a further downward pressure on the Turkish Lira and continued inflationary consequences.

The value of the Turkish Lira fluctuates against other currencies

Macroeconomic uncertainties may result in volatility in the value of the Turkish Lira, which could in turn adversely impact the Issuer's capital adequacy and, if there is any downturn in the global financial markets, this could have an adverse effect on Turkey's debt servicing ability. In particular, the value of the Turkish Lira depreciated against major currencies in the recent years largely due to the increased risk perception in global markets regarding Turkey, the market's expectation of the U.S. Federal Reserve's increase of the U.S. federal funds rate and the uncertainty resulting from the general elections in Turkey and other political events. See "*—Political developments in Turkey may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.*" The Turkish Lira depreciated from TL 5.28 per U.S. dollar as of 31 December 2018, to TL 5.95 per U.S. dollar as of 31 December 2019, and further to TL 7.44 per U.S. dollar as of 31 December 2020. As of 31 December 2021, the Turkish Lira had depreciated further to TL 13.33 per U.S. dollar. In 2022, the Turkish Lira depreciated by 28.7%, against the U.S. dollar

to TL 18.70 per U.S. dollar as of 31 December 2022. As of 18 May 2023, the exchange rate was TL 19.76 per U.S. dollar, which highlights that volatility has not abated in the currency (Source: Central Bank of Turkey).

The Central Bank closely monitors the U.S. Federal Reserve's actions and has historically taken action to maintain price and financial stability. Between December 2015 and December 2018, the U.S. Federal Reserve raised the U.S. federal funds rate by 0.25% nine times, which injected volatility into global markets. However, in July 2019, the U.S. Federal Reserve halted its rate-increasing cycle and started cutting rates in mid-2019 and into 2020 to counteract the impact of the COVID-19 pandemic. In 2021, despite the risk of potential new variants of COVID-19, the global economy overall experienced a recovery, but increased global demand, upward commodity prices, supply constraints and rise in transportation costs fuelled inflation globally. Advanced economies began slowing and reversing supportive monetary policies and asset purchase programs. The U.S. Federal Reserve started reducing asset purchases and, between 16 March 2022 and 4 May 2023, in response to high levels of inflation, increased interest rates 10 times by an aggregate 500 basis points to a range of 5.00-5.25%.

The Central Bank has intervened, and may choose to intervene again in the future, in the foreign exchange market to support local currency. See "*Financial Review—Significant Factors Affecting Results of Operations—Exchange Rates*" for details on recent trends in the Turkish Lira relative to the U.S. dollar and the Euro.

In the past, the Central Bank has used interest rate adjustments to address fluctuations in the Turkish Lira. Since 2019, interest rates have been adjusted on a number of occasions in response to macroeconomic pressures related to the COVID-19 pandemic and global financial conditions, including inflation expectations. The Central Bank increased the policy rate gradually to 19.0% from September 2020 to March 2021, but after raising interests in March 2021, Governor Naci Ağbal was dismissed and Prof. Dr. Şahap Kavcıoğlu was appointed. After the change in leadership at the Central Bank, Turkey's domestic economic outlook fluctuated and the Turkish Lira depreciated. The Central Bank maintained high interest rates before starting to ease them, cutting interest rates citing the limited influence of monetary policy on the temporary supply-side factors of inflation, mainly focusing on core inflation rather than the headline inflation that the Central Bank believes is behind rising prices in Turkey. The Central Bank cut the rate by 500 basis points to 14% in 2021. Starting from August 2022, the Central Bank started to ease monetary policy further and cut the rate on five separate occasions bringing it down to 8.5% citing a slowdown in economic activity. See "*Financial Review—Significant Factors Affecting Results of Operations—Interest Rates*" for details on recent trends in the interest rates set by the Central Bank.

If the Central Bank continues to lower the interest rate or fails to raise it, while simultaneously the U.S. Federal Reserve raises the U.S. federal funds rate, the Turkish Lira may depreciate further against the U.S. dollar, which may adversely affect the financial condition of the clients of the Issuer, their ability to service debts owed to the Issuer, the Issuer's ability to service its foreign currency denominated liabilities (including any liabilities under the Notes) and/or Turkey as a whole.

For a discussion of risks related to current account imbalances and the impact of the Central Bank's intervention, see "*—Turkey's economy is subject to inflation and risks relating to its current account deficit*".

The exchange rate remains volatile and the Turkish Lira may depreciate against the U.S. dollar, which may adversely affect the financial condition of the clients of the Issuer, their ability to service debts owed to the Issuer, the Issuer's ability to service its foreign currency denominated liabilities (including any liabilities under the Notes) and/or Turkey as a whole. Any significant further depreciation of the Turkish Lira against the U.S. dollar or other major currencies may as a result have a material adverse effect on the Issuer's business, financial condition and/or results of operations.

Turkey's economy may be impacted by adverse events in other emerging markets

Emerging markets such as Turkey are subject to a greater risk of being perceived negatively by investors based upon external events (for example, volatility in the emerging markets, monetary policies in the United States and the Eurozone, continued violence in Syria and Iraq or a slowdown in China's growth) than more-developed markets are, and financial turmoil in any emerging market (or global markets generally) could have a "contagion" effect and disrupt the business environment in Turkey. Moreover, financial turmoil in one or more emerging markets tends to adversely affect stock prices and the prices for debt securities in all emerging market countries as investors move their money to countries that are perceived to be more stable and economically developed. An increase in the perceived risks associated with investing in emerging economies could dampen capital flows to Turkey and adversely affect the Turkish economy. As a result, investors' interest in the Notes (and thus their price) may be subject to fluctuations that may not necessarily be related to economic conditions in Turkey or the financial performance of the Issuer.

While the impact of the global financial crisis of 2008 on Turkey was relatively limited, Turkey has been adversely affected by such contagion effects on a number of occasions in the past, including following the financial crises in 1994 and 2000 to 2001. Similar developments can be expected to affect the Turkish economy in the future, which might, in turn, have an adverse impact on the prices of obligations of Turkish capital markets issuances, including the Notes.

Money Laundering Concerns may adversely affect investments in Turkey

In November 2021, the Financial Action Task Force (**FATF**), the international anti-money laundering body tasked with developing policies to combat money laundering and terrorism financing, added Turkey to its list of jurisdictions subject to increased monitoring (also known as the FATF **Gray Lis**t). The FATF Gray List now includes 23 countries that FATF has determined to have “strategic deficiencies” in their anti-money laundering (**AML**) and counter-terrorism financing (**CFT**) laws and regulations compared to international best practices and the standards maintained by FATF. Although the FATF report stated that Turkey made a “high-level political commitment” to work with FATF to strengthen the effectiveness of its AML/CFT laws and regulations and had made some progress in enhancing its AML/CFT laws and regulations since the completion of its mutual evaluation report with FATF in October 2019, there can be no assurance that Turkey would be removed from the Gray List in the near future.

While inclusion on the Gray List does not have any direct legal prohibitions or legal effects on the ability of individuals and entities to engage in transactions in or with Gray List jurisdictions, many national AML/CFT regulators and international financial institutions view transactions in or involving Gray List jurisdictions as being higher risk and, as a result, in the case of financial institutions, may seek to reduce their exposure to Gray List jurisdictions due to AML/CFT concerns or subject transactions involving such jurisdictions to heightened due diligence. This may adversely affect the ability of Turkish entities, including the Group, to access international financing, and reduce the flow of foreign investments into Turkey, any of which may in turn adversely affect the financial condition of Turkish corporate and financial sector borrowers and the economy as a whole.

Turkey's economy has been undergoing a significant transformation and remains subject to ongoing structural and macroeconomic risks

Since the mid-1980s the Turkish economy has moved from a highly protected state-directed system to a market-oriented free enterprise system. Reforms have, among other things, largely removed price controls and reduced subsidies, reduced the role of the public sector in the economy, emphasised growth in the industrial and service sectors, liberalised foreign trade, reduced tariffs, promoted export growth, eased capital transfer and exchange controls, encouraged foreign investment, strengthened the independence of the Central Bank, led to full convertibility of the Turkish Lira by accepting Article VIII of the International Monetary Fund's (the **IMF**) Articles of Agreement and overhauled the tax system.

However, the Turkish economy has also experienced a succession of financial crises and severe macroeconomic imbalances. These include substantial budget deficits, significant current account deficits, high rates of inflation and high real rates of interest. These factors have resulted in a substantial depreciation of the Turkish Lira against major foreign currencies, particularly between 1994 and 2001. As of 31 December 2021, the EU-defined, general government nominal debt to GDP ratio was 32.5%, 39.7% and 41.8% as of, 31 December 2019, 31 December 2020 and 31 December 2021, respectively. As of 30 September 2022, this ratio was 34.8%.

In 2001, Turkey implemented a macroeconomic programme, backed by a U.S.$19.0 billion stand-by agreement with the IMF. The Government signed a further three year stand-by agreement with the IMF in 2005. After having successfully completed the two stand-by arrangements with the IMF, Turkey paid the last instalment to the IMF in May 2013 and is currently not liable for further payments. Although there were negotiations on the conditions of a new stand-by agreement between Turkey and the IMF in 2009, these negotiations were unsuccessful and the Government has refrained from signing a new agreement with the IMF, citing disagreement over issues such as funding for local government.

In March 2019, the United States announced that imports from Turkey and India would no longer be eligible for tariff relief under the "*Generalized System of Preferences*" programme, which programme seeks to promote economic growth in countries identified as developing countries. In Turkey's case, the United States cited Turkey's rapid economic development since its entry into the programme and that it thus no longer qualified to benefit from these tariff preferences. Regulatory changes such as these reflect increasing challenges faced by some exporters, which might have a material adverse effect on Turkey's economy and/or the financial condition or one or more industries within Turkey.

Furthermore, Turkey may not be able to remain economically stable during any period of renewed global economic weakness due to its reliance on external demand and external financing. In 2018, even with the contribution of Government spending, GDP growth decreased to 3%. GDP decreased to 0.9% in 2019, primarily as the result of the negative impact of reduced domestic demand mostly driven by contraction in private consumption and investments. In the first three months of 2020, GDP increased by 4.4% compared to the same period of the previous year; however, GDP sharply decreased by 10.4% in the second quarter of the year driven by the impact of the COVID-19 pandemic. GDP then returned to strong annual growth of 6.3% and 6.2%, respectively, in the third and fourth quarters of 2020, which growth was supported by an increase in investments and household consumption. Recovery in economic activity remained strong throughout 2021 with progress made in vaccination rollouts and the gradual removal of pandemic-related restrictions. GDP increased by 7.5%, 22.2%, 7.9% and 9.6% year-on-year respectively in the four consecutive quarters of 2021, driven by strong private consumption and net exports. Accordingly, Turkey’s GDP recorded a strong full year growth of 11.4% in 2021 dropping to 5.6% for 2022. Future negative developments in the Turkish economy and failure to achieve growth targets could impair the Issuer's business strategies and have a material adverse effect on the Issuer's business, financial condition and results of operations.

According to the latest medium-term plan announced on September 2022, the 2023 inflation forecast was increased to 24.9%, while GDP growth forecasted for 2023 remained at similar levels (5.0%). In addition, the medium-term plan estimated GDP growth as 5.5% for each of 2024 and 2025 and the inflation rate as 13.8% and 9.9% for the same years, respectively. There can be no assurance that these targets will be reached, that the Turkish government will continue to implement its current and proposed economic and fiscal policies successfully or that the economic growth achieved in recent years will continue considering external and internal circumstances, including (i) the Central Bank's efforts to curtail inflation and simplify monetary policy while maintaining a lower funding rate, (ii) the current account deficit, (iii) macroeconomic and political factors, such as changes in oil prices and uncertainty related with the Russia-Ukraine conflict and any conflict in Syria (See "*—Conflict and uncertainty within Turkey or in neighbouring and nearby countries may have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects*") and (iv) political developments in Turkey, including the uncertainty resulting from the structural changes to implement the new constitutional presidential system entered into force with the

snap general and presidential elections held on 24 June 2018. (See "*—Political developments in Turkey may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects*").

Any of these developments might cause Turkey's economy to experience macro-economic imbalances, which might impair the Issuer's business strategies and/or have a material adverse effect on the Issuer's business, financial condition and/or results of operations. See "*—Risks Related to the Turkish Banking Industry—The profitability and profitability growth of Turkish banks, including the Issuer, in recent periods may not be sustainable as a result of regulatory, competitive and other factors impacting the Turkish banking sector"*.

Certain sectors of the Turkish economy might have been or become overdeveloped, which might result in a negative impact on the Turkish economy.

Certain sectors of the Turkish economy might have been (or might become) overdeveloped, including in particular the construction of luxury residences, shopping centres, office buildings, hotels and other real estate related projects and various energy-related projects (including renewables and non-renewables). For example, significant growth in the number of hotels is projected to occur over the coming years in anticipation of a continuing growth in international tourism, which might or might not in fact occur in light of geopolitical, economic or other factors. Any such overdevelopment might lead to a rapid decline in prices of these and other properties, or to the failure of some of these projects. Even if these events do not occur, the pace of development of such projects might decline in coming years as developers and project sponsors seek to reduce their risk, which might negatively affect the growth of the Turkish economy. Should any of these events occur, then this could have a material adverse effect on the Issuer's business, financial condition and/or results of operations.

Turkey's economy may be impacted by uncertainty in the EU

The EU is Turkey's principal export market. If the EU economies suffer any growth setback or if other factors have an adverse impact on Turkey's exports to EU, the country's growth performance would suffer, exposing the Issuer and its customers to macroeconomic and operational risks.

On 31 January 2020, the UK withdrew from the EU (**Brexit**) and entered into a transition period that ended on 31 December 2020. This process is unprecedented in the EU history and the effects of Brexit are currently uncertain. Although the UK entered into a trade and cooperation agreement with the EU on 24 December 2020 that provides for, among other things, the free movement of goods between the UK and the European Union, continued legal uncertainty and potentially divergent national laws and regulations in relation to financial laws and regulations, tax and free trade agreements, immigration laws, and employment laws may adversely affect economic or market conditions in the UK, Europe or globally, including among, inter alia, financial institutions.

As of the date of this Base Prospectus, the situation and short and long-term consequences of Brexit remain highly uncertain, including the possible impact on European and global economic and market conditions and the possible impact on Sterling, euro and other European currencies. Brexit may lead to volatility in financial markets and may lead to liquidity disruptions or market dislocations. In addition, any future withdrawal by another Member State from the EU and/or European Monetary Union, any significant changes to the structure of the EU and/or European Monetary Union or any uncertainty as to whether such a withdrawal or change might occur could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

As of September 2022, the UK is the fourth largest market for Turkish exports and Turkey's twelfth largest trade partner in terms of the export and import of goods. For the duration of the UK's membership in the EU until 31 October 2019, the institutional and legal framework of the trade and economic relationship between

Turkey and the UK government was the Customs Union between Turkey and the EU. On 29 December 2020, Turkey and the UK signed a Free Trade Agreement, which took effect on 1 January 2021. The agreement between the UK and the EU and the Free Trade Agreement between Turkey and the UK are relatively new. Any potential problematic provisions or their potential uncertain interpretation could adversely and significantly affect trade between Turkey and the UK and even European or worldwide economic or market conditions, exposing the Issuer and its customers to macroeconomic and operational risks.

Changes in Turkish tax laws may have an adverse impact on the taxes applicable to the Group

The Turkish Government may introduce tax changes that may affect the Group and its customers. These changes could include changes in prevailing tax rates and, occasionally, the introduction of temporary taxes to finance designated governmental projects.

For instance, recently, amendments to the Corporate Income Tax Law (Law 5520) entered into force on 15 April 2022 which provided that the corporate income tax rate in Turkey for 2023 is: (a) 25% for banks, financial leasing, factoring and financing companies, e-money and payment services institutions, authorised foreign exchange currency-related entities, asset management companies (varlık yönetim şirketleri), securities intermediaries and other capital markets institutions, insurance and reinsurance companies and pension companies and (b) 20% for other corporate entities.

Changes such as these may result in increases to the Issuer's tax payments, which could adversely affect the Issuer's profitability and increase the prices of the Issuer's services and adversely affect its financial results. There can be no assurance that we will be able to maintain the Issuer's projected cash flow and profitability following increases in Turkish taxes applicable to the Issuer's.

Earthquakes, natural disasters and other catastrophic events could disrupt the Group's operations and harm the Turkish economy

A significant portion of Turkey's population and most of its economic resources are located in a first-degree earthquake risk zone and Turkey has experienced a large number of earthquakes in recent years, some quite significant in magnitude. Most recently, on 6 February 2023, two earthquakes with a magnitude of 7.7 and 7.6 (respectively) on the Richter scale occurred in Kahramanmaraş, which caused catastrophic loss of life and destruction of numerous buildings. The Turkish Government declared a Level 4 state of emergency, which includes a call for international assistance as well as the mobilization of all national forces. Emergency relief efforts are still continuing in the region and the impact of these earthquakes is estimated to be U.S.$104 billion in damage. Three of the Issuer's branches were damaged and three of the Issuer's employees lost their lives as a result of the earthquake.

Additional tax liability has been introduced on 12 March 2023 under Law No. 7440 on the Restructuring of Certain Receivables and the Amendment of Certain Laws. The exemptions and deductions reflected by the corporate taxpayers in the corporate tax return for the year ended 31 December 2022 and the tax base subject to the reduced corporate tax under Article 32/A of Law No. 5520, without being associated with earnings for the period, are subject to an additional tax that is calculated at the rate of 10%, and at the rate of 5% over the exempted income obtained from abroad in pursuant to subparagraph (a) of the first paragraph of Article 5 of the Law No. 5520 resulting in a total additional tax burden of at least 15%, with the first instalment of the additional tax having been paid within the payment period of the corporate tax and the second instalment having been paid in the fourth month following this period. A provision of TL 420 million has been made by the Issuer for the mentioned additional tax.

Major earthquakes and other natural disasters have effects due to the direct impact of such events on the Group and its employees, including adverse effects on the Issuer's employees, operational systems and property. Furthermore, the government could take measures (such as the imposition of taxes), that have a

material adverse effect on the Issuer's profitability. Any of these events could materially adversely affect the Issuer's business, financial condition and results of operations.

Risks Related to the Turkish Banking Industry

The Turkish banking system is subject to systemic risks

The Turkish financial sector has gone through major changes as a result of the financial liberalisation programme that started in the early 1980s. The abolition of directed credit policies, the liberalisation of deposit and credit interest rates and liberal exchange rate policies, as well as the adoption of international banking regulations have accelerated the structural transformation of the Turkish banking sector. Since the 1980s, the Turkish banking sector has experienced a significant expansion and development in the number of banks, employment in the sector, diversification of services and technological infrastructure. The significant volatility of the Turkish Lira and foreign exchange markets experienced in 1994, 1998 and in 2001, combined with the short foreign exchange positions held by many Turkish banks at those times, affected the profitability and liquidity of certain Turkish banks. In 2001, this resulted in the collapse of several banks.

Following this crisis, the Government made structural changes to the Turkish banking system to strengthen the private (i.e., non-governmental) banking sector and to allow it to compete more effectively against the state-controlled banks (Türkiye Halk Bankasi A.Ş. (**Halkbank**), Türkiye Vakiflar Bankasi T.A.O. (**Vakıfbank**) and T.C. Ziraat Bankasi A.Ş. (**Ziraat**)). In 2017, the state shares in Ziraat and Halkbank were transferred to the Turkish Sovereign Wealth Fund (*Türkiye Varlık Fonu*) (the **TWF**). However, there has been no change in the legal status of any of the banks transferred to the TWF, and the TWF is expected to be managed by the Turkey Wealth Fund Management Joint Stock Corporation (*Türkiye Varlık Fonu Yönetimi A.Ş.*), the sole shareholder of which is the Privatization Administration (*Özelleştirme İdaresi Başkanlığı*) of the Ministry of Treasury and Finance of the Republic of Turkey. Notwithstanding these changes, the Turkish banking sector remains subject to volatility.

If the general macro-economic conditions in Turkey and the Turkish banking sector in particular were to suffer another crisis, this could result in further bank failures, reduced liquidity and weaker public confidence in the Turkish banking system. See "*Turkish Regulatory Environment*" in this Base Prospectus for a further discussion of the Turkish banking regulatory environment.

Increased competition in the Turkish banking sector could have a material adverse effect on the Issuer

The level of competition in the Turkish banking sector has remained intense in the past several years as a result of the increased presence of public banks in the private sector and foreign bank interest in Turkey. According to the BRSA, as of 30 September 2022, the top seven banking groups in Turkey, three of which are state-controlled, held in aggregate, approximately 77% of the Turkish banking sector's total loan portfolio, approximately 76% of total banking assets in Turkey and approximately 83% of total customer deposits in Turkey. Loan growth in the banking sector in Turkey was 10% during the year ended 31 December 2019, 33% during the year ended 31 December 2020, 37% during the year ended 31 December 2021 and 42% during the nine months ended 30 September 2022, while customer deposits growth was 22%, 33%, 51% and 59%, respectively, according to BRSA weekly data.

In addition to private banks, the Issuer also faces competition from state-owned financial institutions, such as Halkbank, Vakıfbank and Ziraat. These government-owned financial institutions historically focused on government and government-related projects but are increasingly focusing on the private sector (including retail and SMEs), thereby increasing competition and pressure on margins. In particular, such government-owned institutions may have access to payroll accounts of state employees, low cost deposits (on which such institutions pay low or no interest) through State Economic Enterprises owned or administered by the Government, which could result in a lower cost of funds that cannot be duplicated by private banks. Such actions by government-owned financial institutions, in addition to ongoing competitive pressures from

private financial institutions, have caused net interest margins to decline across the Turkish banking market. The Issuer was ranked eighth among all Turkish banks and fifth among private banks in terms of total consolidated assets as of 31 December 2021. Accordingly, some of the Issuer's competitors have greater financial resources and distribution networks (including the size of their existing customer base, branches and alternative distribution channels).

Foreign financial institutions have shown a strong interest in competing in the banking sector in Türkiye. HSBC Bank plc, UniCredito Italiano, Industrial and Commercial Bank of China, Qatar National Bank, Commercial Bank of Qatar, BBVA, BNP Paribas, Citigroup, ING, Emirates NBD, Bank Audi sal, Burgan Bank, Bank of Tokyo-Mitsubishi UFJ, Bank of China and Intesa SanPaolo S.p.A. are among the many non-Turkish financial institutions that have purchased or made investments in Turkish banks or opened their own Turkish offices. Further entries into the sector by foreign competitors, either directly or in collaboration with existing Turkish banks, could increase competition in the market. Similarly, the expansion of foreign banks' presence in Turkey, in addition to direct investment, may lead to further competitive pressures. In addition, the Issuer may not be able to offset domestic and foreign competitive pressures in certain sectors.

The profitability and profitability growth of Turkish banks, including the Issuer, in recent periods may not be sustainable as a result of regulatory, competitive and other factors impacting the Turkish banking sector

The activities of the Issuer are highly regulated and changes to other applicable regulations might have a material adverse effect on the Issuer's profitability, especially as competition or regulation limit the ability of the Issuer to control interest rates or loan rates.

The Equity Regulation and the Capital Adequacy Regulation, which regulate, among other things, stress testing for liquidity and the calculation of internal capital adequacy, have been subject to frequent amendment in recent years in order to, among other aims, accomplish BRSA's target of promulgating Basel III (as defined below in "*Turkish Regulatory Environment—Basel III*") requirements by April 2014), introduce changes to BRSA's authority to write off Tier 1 and Tier 2 debt instruments and change the items included in equity calculation, introduce changes to the calculation of risk-weighted assets and the risk-weighing of mortgages. If further amendments prove adverse to the Issuer they could have a material impact on its profitability and results. The Communiqué on Commercial Customer Fees (as defined in "The Turkish Regulatory Environment" below) generally took effect as of 1 March 2020, with some of its provisions entering into effect as of 1 April 2020. The Communiqué on Deposit and Loan Interest Rates and Participation Accounts Profit and Loss Participation Rates (Mevduat ve Kredi Faiz Oranları ve Katılma Hesapları Kâr ve Zarara Katılma Oranları Hakkında Tebliğ) (the **New Communiqué on Deposit and Loan Interest Rates**) published in the Official Gazette dated 10 February 2020 and numbered 31035, which became effective as of 1 March 2020, abolished and replaced the Communiqué on Deposit and Loan Interest. The Communiqué on Commercial Customer Fees caps the POS commission rates that banks apply to purchases of goods and services by adding 0.45 basis points to the monthly reference rate announced by the Central Bank, if the amounts from such purchases are transferred by the banks to the merchant's disposal the day following the transaction. The Communiqué on Commercial Customer Fees further sets forth standardized fees and caps for commercial customers. Accordingly, credit allocation fees are not to exceed 0.25% of the total credit limit allocated for the first limit allocation, and will not exceed 0.125% of the renewed limit in terms of any limit renewals. Credit utilisation fees are not to exceed 1.10% of the total credit utilised. Banks will not be able to charge any account maintenance fees for commercial customers. A cap on money transfer fees has been introduced, which varies in accordance with the amount of the transaction. In addition, caps have been introduced on credit card cash withdrawals. Such changes are likely to impact the Issuer's net fees and commissions income.

Since 31 October 2020, the Central Bank calculates the credit card interest caps based on monthly reference rates. Separate rates are calculated for individual credit card interest rates for Turkish Lira transactions (55 bps above the monthly reference rate), foreign exchange (**FX**) transactions (80% of the monthly cap for Turkish Lira transactions) and default interest rates for Turkish Lira transactions and FX transactions (each

30 bps above the applicable monthly cap). The monthly caps are calculated and published on the Central Bank's website each month.

Still other regulations limit the expansion of individual loans (especially credit card instalments) and set the fees and commissions that banks may charge customers and limits their levels. BRSA approval is required for any Turkish bank to charge any fees and commissions other than as cited in the regulation.

See "*Turkish Regulatory Environment*" for details on these amendments and other regulations impacting the Issuer.

Non-compliance with regulations may expose the Issuer to fines and other repercussions. The fine was imposed against most Turkish banks as a result of the investigation of the Turkish Competition Board regarding the violation of the fourth article of the Protection of Competition Law No. 4054.

The Issuer's profitability may be materially and negatively affected in the short-term and possibly in the long term as a result of a number of such regulatory factors that are generally impacting the Turkish banking sector. If the pressure on net reversals on loans, investment securities and credit related commitments continues, this may have a material adverse effect on the Issuer's financial condition and results of operations as well as the Issuer's ability to make payments under the Notes. Such factors include increased competition, particularly as it impacts net interest margins (see "*—Risks Related to the Turkish Banking Industry—Increased competition in the Turkish banking sector could have a material adverse effect on the Issuer*") and the Central Bank and BRSA regulatory actions that seek to limit the growth of Turkish banks through various conventional and unconventional policy measures, including increased interest rates, increased reserve requirements, increased general provisioning requirements, changes in the foreign exchange legislation and higher risk weighting for general purpose loans.

The Issuer is subject to changes in international and domestic banking regulation, which have in the past and may in the future change rapidly

The Issuer is subject to a number of banking and other regulations designed to maintain the safety and financial soundness of banks, ensure their compliance with economic and other obligations, and limit their exposure to risk. These regulations include the implementation of international standards (particularly in regards to Basel Committee on Banking Supervision requirements) as well as Turkish laws and regulations (and in particular those of the BRSA and the Central Bank), as well as laws and regulations of certain other countries where the Issuer operates. Banking laws and regulations in Turkey and the manner in which those laws and regulations are applied to the operations of financial institutions are still evolving. New regulations may be implemented rapidly, without substantial consultation with the industry, which may not allow sufficient time for the Issuer to adjust its strategy to deal with such changes. New regulations may increase the Issuer's cost of doing business or limit its activities. Turkish banking regulations may rapidly change in response to the current economic environment. In 2015 and 2016, the BRSA implemented numerous measures as part of its efforts of implementing Basel III which have come into force in recent years. See "*Turkish Regulatory Environment—Basel III*". The BRSA from time to time promulgates new regulations and guidelines as part of its attempt to adjust the Turkish banking system to Basel requirements. See "*—The profitability and profitability growth of Turkish banks, including the Issuer, in recent periods may not be sustainable as a result of regulatory, competitive and other factors impacting the Turkish banking sector*".

In the future, new laws or regulations might be adopted, enforced or interpreted in a manner that could increase the Issuer's cost of compliance and have an adverse effect on the Issuer's business, financial condition, cash flows and/or results of operations. In addition, a breach of regulatory guidelines could expose it to potential liabilities or sanctions. Changes in these regulations may have a material effect on the Issuer's business and operations. Moreover, any failure to adopt adequate responses to such changes in the regulatory framework may have an adverse effect on the Issuer's business, financial condition, cash flows and/or results of operations.

The Issuer is dependent on its banking and other licences

The banking and other operations performed by the Issuer and its subsidiaries require licences by the relevant authorities in each jurisdiction in which they operate. A large majority of the Issuer's business depends on the Issuer's Turkish banking licence from the BRSA. If the Issuer loses its general banking licence, then it will be unable to perform any banking operations in Turkey. Although the Issuer believes that it and its subsidiaries have the necessary licences for their banking and other operations and that each of the Issuer and its subsidiaries are currently in compliance with their existing material licences and reporting obligations, there is no assurance that they will be able to maintain the necessary licences in the future. The loss of a licence, a breach of the terms of any licence or the failure to obtain any further required licences in the future could have a material adverse effect on the Issuer's financial condition and/or results of operations. Further description of the applicable regulatory requirements is set out in "*Turkish Regulatory Environment—Audit of Banks"* and *"Turkish Regulatory Environment—Cancellation of Banking Licence*" in the Base Prospectus.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes:

Risks applicable to all Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Notes subject to early redemption for tax reasons

If the Issuer becomes obliged to pay any additional amounts in respect of the Notes as set out in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after the date on which agreement is reached to issue the most recently issued Tranche of the Notes, the Issuer may redeem all but not some only of the outstanding Notes of such Tranche in accordance with Condition 8.2 (*Redemption and Purchase – Redemption for Tax Reasons*).

In such circumstances, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate, which may have an adverse effect on the position of such investor. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise

substantially above the Early Redemption Amount (as defined in Condition 8.6). Potential investors should consider re-investment risk in light of other investments available at that time.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. Such volatility could have a material adverse effect on the value of and return on any such Notes.

The regulation and reform of "benchmarks" may adversely affect the trading market for, value of and return on Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks", including, without limitation the euro interbank offered rate (**EURIBOR**), are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted.

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) No. 2016/1011 as it forms part of domestic law of the UK by virtue of the EUWA (the **UK Benchmarks Regulation**) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark.

More broadly, any of the international or national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the discontinuance or unavailability of quotes of certain benchmarks.

On 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its working group on Sterling risk-free rates had been mandated with implementing a broad-based transition to the Sterling Overnight Index Average (**SONIA**) across sterling bond, loan and derivative markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk-free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate (**€STR**) as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of benchmarks, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 6.3 (*Benchmark Replacement*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to benchmarks that are subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event, as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Additionally, in order to facilitate the calculation of a Successor Rate or Alternative Reference Rate, and in each case, the applicable Adjustment Spread, the Conditions provide that ENBD may vary the Conditions and/or the Agency Agreement without any requirement for the consent or approval of the Noteholders.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and UK Benchmarks Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark and the material adverse effect these may have on the value or liquidity of, and return on, any Notes which reference any such benchmark.

The market continues to develop in relation to risk-free rates (including overnight rates) which are possible reference rates for the Notes

Investors should be aware that the market continues to develop in relation to risk-free rates such as SONIA, the Secured Overnight Financing Rate (**SOFR**), €STR and the Turkish Lira Overnight Reference Rate (**TLREF**) as reference rates in the capital markets for sterling, U.S. dollar, euro or Turkish Lira bonds, respectively, and their adoption as alternatives to the relevant interbank offered rates. In particular, market participants and relevant working groups are exploring alternative reference rates based on risk-free rates, including term SONIA, SOFR, €STR and TLREF reference rates (which seek to measure the market's forward expectation of an average SONIA, SOFR, €STR and TLREF over a designated term. The continued development of risk-free reference rates for the Eurobond markets, as well as the continued development of SONIA, SOFR, €STR and TLREF based rates and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

The substance of the calculation of, and the adoption of market infrastructure for the issuing and trading of Eurobonds referencing, SONIA, SOFR, €STR and TLREF continues to develop. In particular, investors should be aware that several different SOFR methodologies have been used in SOFR notes issued to date and no assurance can be given that any particular methodology, including the compounding formula in the Conditions, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference such risk-free rates issued under this Programme. The Issuer may in the future also issue Notes referencing SONIA, the SONIA Compounded Index, SOFR, the SOFR Compounded Index, €STR or and TLREF that differ materially in terms of interest determination when compared with any previous SONIA, SOFR, €STR or TLREF referenced Notes issued by it under the Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Notes that reference a risk-free rate issued under the Programme from time to time. In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR, €STR, TLREF or any related indices.

Risk-free rates differ from interbank offered rates in a number of material respects and have a limited history

Risk-free rates may differ from interbank offered rates in a number of material respects, including (without limitation) by, in most cases, being backwards-looking, calculated on a compounded or weighted average basis and risk-free overnight rates, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term and include a risk-element based on interbank lending. As such, investors should be aware that interbank offered rates and any risk-free rates may behave materially differently as interest reference rates for the Notes.

Interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates to reliably estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes referencing interbank offered rates, if Notes referencing backwards-looking SONIA, SOFR, €STR or TLREF become due and payable under Condition 11 (*Events of Default*) or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

The use of risk-free rates as a reference rate for Eurobonds is relatively new, and may be subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such risk-free rates.

Notes referencing risk-free rates may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities referencing such risk-free rates, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of subsequently issued indexed debt securities as a result. Further, if the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Investors should consider these matters when making their investment decision with respect to any Notes.

The administrator of SONIA, SOFR, €STR or TLREF may make changes that could change the value of SONIA, SOFR, €STR or TLREF or discontinue SONIA, SOFR, €STR or TLREF

The Bank of England, the Federal Reserve, the Bank of New York, the European Central Bank or the TLREF Committee (or the respective successor of each), as administrators of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Compounded Index), €STR and TLREF respectively, may make methodological or other changes that could change the value of SONIA, SOFR, €STR or TLREF, including changes related to the method by which SONIA, SOFR, €STR or TLREF is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR, €STR or TLREF or timing related to the publication of SONIA, SOFR, €STR or TLREF. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR, €STR or TLREF (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SONIA, SOFR, €STR or TLREF.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including

Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

Accordingly, there is a risk that the Terms and Conditions of the Notes may be modified, waived or amended in circumstances where a Noteholder does not agree to such modification, waiver or amendment, which may adversely impact the rights of such Noteholder.

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

No Secondary Market – An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes

The Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

The market price of the Notes may be volatile

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors, including the trading market for notes issued by or on behalf of the Republic of Turkey as a sovereign borrower. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Issuer's results of operations or financial condition.

Financial turmoil in emerging markets could cause the price of the Notes to suffer

Turkey is considered by international investors to be an emerging market. In general, investing in the securities of issuers that have operations primarily in emerging markets, like Turkey, involves a higher degree of risk than investing in the securities of issuers with substantial operations in the United States, the countries of the EU or similar jurisdictions. The market price of the Notes is influenced by economic and market conditions in Turkey and, to a varying degree, economic and market conditions in both emerging market countries and more developed economies. Financial turmoil in emerging markets in the past has adversely affected market prices in the world's securities markets for companies that operate in developing economies. Even if the Turkish economy remains relatively stable, financial turmoil in these countries could materially adversely affect the market price of the Notes.

Exchange rate risks and exchange controls – If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to a devaluation of the Specified Currency or a revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal. An investor may also not be able to convert (at a reasonable exchange rate or at all) amounts received in the Specified Currency into the Investor's Currency, which could materially adversely affect the market value of the Notes. There may also be tax consequences for investors.

Interest Rate Risk – The value of the Notes may be adversely affected by movements in market interest rates

Investment in the Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Notes, this will adversely affect the value of the Notes as an equivalent investment issued at the current market interest rate may be more attractive to investors.

Credit ratings – Credit ratings assigned to the Issuer or any Notes may not reflect all risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. Any ratings of the Issuer may not reflect the potential impact of all risks related to the Notes, the global financial market, the Turkish banking sector, other factors described in this "*Risk Factors*" section or any other risks. Credit ratings assigned to the Notes do not necessarily mean that they are a suitable investment. A rating is

not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. The ratings do not address the marketability of the Notes or any market price.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to: (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and; (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment. This may result in relevant regulated investors selling the Notes which may impact the value of the Notes and any secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

ENFORCEMENT OF JUDGMENTS AND SERVICE OF PROCESS

The Bank is a joint stock company under the Turkish Commercial Code (Law No. 6102). Substantially all of the assets of the Issuer are located in Turkey. As a result, it may not be possible for investors to effect service of process upon the Issuer outside Turkey or to enforce against it in the courts of jurisdictions other than Turkey any judgments obtained in such courts that are predicated upon the laws of such other jurisdictions. In order to enforce such judgments in Turkey, investors should initiate proceedings before the competent Turkish courts. In accordance with Articles 50 - 59 of Turkey's International Private and Procedure Law (Law No. 5718), the courts of Turkey will not enforce any judgment obtained in a court established in a country other than Turkey unless:

(a) there is in effect a treaty between such country and Turkey providing for reciprocal enforcement of court judgments,

(b) there is *de facto* enforcement in such country of judgments rendered by Turkish courts, or

(c) there is a provision in the laws of such country that provides for the enforcement of judgments of Turkish courts.

There is no treaty between Turkey and the UK providing for reciprocal enforcement of judgments. Turkish courts have rendered at least one judgment confirming *de facto* reciprocity between Turkey and the UK (UK law sets out certain criteria on satisfaction of which the courts of England and Wales may enforce foreign court judgments by way of summary proceedings without substantive re-examination of the matters adjudicated therein); *however*, since *de facto* reciprocity is decided by the relevant court on a case-by-case basis, there is uncertainty as to the enforceability of court judgments obtained in the UK by Turkish courts. Moreover, there is uncertainty as to the ability of an investor to bring an original action in Turkey based upon non-Turkish securities laws.

In addition, the courts of Turkey will not enforce any judgment obtained in a court established in a country other than Turkey if:

(i) the defendant was not duly summoned or represented or the defendant's fundamental procedural rights were not observed,

(ii) the judgment in question was rendered with respect to a matter within the exclusive jurisdiction of the courts of Turkey,

(iii) the judgment is incompatible with a judgment of a court in Turkey between the same parties and relating to the same issues or, as the case may be, with an earlier foreign judgment on the same issue and enforceable in Turkey,

(iv) the judgment is not of a civil nature,

(v) the judgment is clearly against public policy rules of Turkey,

(vi) the judgment is not final and binding with no further recourse for appeal or similar revision process under the laws of the country where the judgment has been rendered, or

(vii) the judgment was rendered by a foreign court that has deemed itself competent even though it has no actual relationship with the parties or the subject matter at hand.

In any lawsuit or debt collection proceeding or action against the Bank in the Turkish courts, a foreign plaintiff may be required to deposit security for court costs (*cautio judicatum solvi*); *provided* that the court

may in its discretion waive such requirement for security in the event that the plaintiff is considered to be: (a) a national of one of the contracting states of the Convention Relating to Civil Procedures signed at The Hague on 1 March 1954 (ratified by Turkey by Law No. 1574) (it being noted that the Supreme Court of Turkey is, in one of its judgments, of the view that only individuals can benefit from the Convention Relating to Civil Procedures signed at the Hague on 1 March 1954) or (b) a national of a state that has signed a bilateral treaty with Turkey that is duly ratified and contains (*inter alia*) a waiver of the *cautio judicatum solvi* requirement on a reciprocal basis. In addition, if Turkish nationals are not required to deposit such a security in the country of the foreign plaintiff, then the relevant Turkish court may waive such requirement for security relying upon the *de facto* reciprocity. If a foreign plaintiff deposits such security and the proceeding ends in favour of such plaintiff, then the security will be returned to such plaintiff.

Furthermore, any claim against the Bank that is denominated in a foreign currency would, in the event of bankruptcy of the Bank, only be payable in Turkish Lira. The relevant exchange rate for determining the Turkish Lira equivalent amount of any such claim would be the Central Bank's exchange rate that is effective on the date the relevant court determines the bankruptcy of the Bank in accordance with Turkish law.

Process may be served on the Issuer at Emirates NBD Bank PJSC (attention of: Chief Executive Officer) at Emirates NBD House, 25, Knightsbridge, London, SW1X 7LY, United Kingdom] in relation to any proceedings in England in connection with the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus shall be incorporated in, and form part of, this Base Prospectus:

(a) the convenience translation into English of the Interim BRSA Financial Statements (including Deloitte's interim review report dated 4 May 2023 issued in respect thereof), published at:

https://www.denizbank.com/medium/document-file-7799.vsf

(b) the convenience translation into English of the 2022 BRSA Financial Statements (including Deloitte's audit report dated 13 February 2023 issued in respect thereof), published at:

https://www.denizbank.com/medium/document-file-7598.vsf

(c) the convenience translation into English of the 2021 BRSA Financial Statements (including Deloitte's audit report dated 17 February 2022 issued in respect thereof), published at:

https://www.denizbank.com/medium/document-file-6079.vsf

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the FCA in accordance with Article 23 of the UK Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

The BRSA Financial Statements incorporated by reference into this Base Prospectus, all of which are in English, were prepared as convenience translations of the corresponding Turkish language BRSA Financial Statements (which translations the Bank confirms are direct and accurate).

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**) and Registered Notes will be issued outside the United States in reliance on the exemption from registration provided by Regulation S.

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**).

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for: (i) interests in a Permanent Bearer Global Note of the same Series; or (ii) for definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

The option for an issue of Bearer Notes to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Bearer Notes should not be expressed to be applicable in the applicable Final Terms if the Bearer Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency).

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that: (i) an Event of Default (as defined in Condition 11) has occurred and is continuing; (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a

continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes), and on all interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to above provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold will initially be represented by a global note in registered form (a **Registered Global Note**). Registered Global Notes will be deposited with a common depositary, and registered in the name of the nominee for the Common Depositary of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that: (i) an Event of Default has occurred and is continuing; (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been

closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available; or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable

General

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and international securities identification number (**ISIN**) which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 5 May 2020 and executed by the Issuer.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, a supplement to this Base Prospectus or a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

APPLICABLE FINAL TERMS

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][1]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][2]

[[3]**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[[4]**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined

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[1] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[2] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[3] Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

[4] Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) (as amended or modified, the **SFA**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).][5]

[*Date*]

DenizBank A.Ş.

Legal entity identifier (LEI): 3RV7W250LTUQH12INJ88

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
under the U.S.$3,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 12 June 2023 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**)]/[UK Prospectus Regulation] (the **Base Prospectus**). [This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.][6] The Base Prospectus has been published on the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.]

(*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*)

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the base prospectus dated [*original date*] [and the supplement to it dated [*date*]] which are incorporated by reference in the base prospectus dated [*current date*]. This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the UK Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. The Base Prospectus has been published on [•].]

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5 Legend to be included on front of the Final Terms if the Notes are being sold into Singapore.

6 Delete where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the UK Prospectus Regulation.

(*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.*)

(*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*)

1.	Issuer:		DenizBank A.Ş.
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [*date*]][Not Applicable]
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6.	(a)	Specified Denominations:	[ ] [and integral multiples of [●] in excess thereof] *(Notes must have a minimum denomination of €100,000 (or equivalent))* *(Where Bearer multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."))*
	(b)	Calculation Amount (in relation to calculation of interest in global form see Conditions):	[ ]

			(*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*.)
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
8.		Maturity Date:	*[Fixed Rate - Specify date/Floating Rate Notes –* Interest Payment Date falling in or nearest to [*specify month and year*]]
9.		Interest Basis:	[[ ] per cent. Fixed Rate] [[[ ] month [BBSW/EIBOR/EURIBOR/HIBOR/PRIBOR/SAIBOR/SHIBOR/SONIA/SOFR/TLREF/[●]]] +/- [ ] per cent. Floating Rate] [Zero coupon] (see paragraph [14]/[15]/[16] below)
10.		Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal amount
11.		Change of Interest Basis:	[For the period from (and including) the Interest Commencement Date, up to (but excluding) [*date*] paragraph [14/15] applies and for the period from (and including) [*date*], up to (and including) the Maturity Date, paragraph [14/15] applies]/[Not Applicable]
12.		Put/Call Options:	[Investor Put] [Issuer Call] [(see paragraph [18]/[19] below)] [Not Applicable]
13.	(a)	Status of the Notes:	Senior
	(b)	Date Board approval for issuance of Notes obtained:	[ ] (*Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining*

		subparagraphs of this paragraph)
(a)	Rate(s) of Interest:	[ ] per cent. per annum payable [annually/semi-annually/quarterly/[●]] in arrear on each Interest Payment Date
(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
(c)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[[ ] per Calculation Amount]/[Not Applicable]
(d)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
(e)	Day Count Fraction:	[30/360]/[Actual/Actual (ICMA)]
(f)	Determination Date(s):	[[ ] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
15.	Floating Rate Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
(c)	Additional Business Centre(s):	[ ]
(d)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[ ] (the **Calculation Agent**)
(e)	Screen Rate Determination:	

•	Reference Rate:	[ ] month [BBSW/EIBOR/€STR/EURIBOR/HIBOR/PRIBOR/ SAIBOR/SHIBOR/SONIA/SOFR/TLREF/[●]]
•	Index Determination:	[Applicable]/[Not Applicable] (*Applicable for SONIA Compounded Index or SOFR Compounded Index*)
•	Interest Determination Date(s):	[ ] (*Second day on which the T2 System is open prior to the start of each Interest Period if EURIBOR, the second TLREF Business Day prior to the day on which the relevant Interest Period ends if TLREF and at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA or SOFR*)
•	Relevant Screen Page:	[ ] (*Ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
•	Specified Time:	[ ]
•	Relevant Financial Centre:	[ ]
Insert only if any of SOFR, SONIA or €STR is the Reference Rate and Index Determination is ***not*** *applicable:*		
•	Calculation Method:	[Compounded Daily]/[Weighted Average]/[Not Applicable]
•	Observation Method:	[Lag]/[Lock-out]/[Observation Shift]/[Payment Delay]/[Not Applicable]
•	Observation look-back Period:	[●]/Not Applicable *(The length of the Observation Look-back Period should be at least as many Business Days as the period between the Interest Payment Date and the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable".*)
•	D:	[365]/[360]/[●]/[Not Applicable]
•	Rate Cut-Off Date:	[The date falling [●] Business Days prior to the

		Maturity Date or the date fixed for redemption, as applicable – *used for Payment Delay only*]/[Not Applicable] (*The Rate Cut-off Date should be at least 5 Business Days before the Maturity Date or the date fixed for redemption, unless otherwise agreed with the Principal Paying Agent.*)
	Insert only if Index Determination is applicable:	
	• Relevant Decimal Place:	[•] [5] *(unless otherwise specified in the Final Terms, be the fifth decimal place in the case of each of the SONIA Compounded Index and the SOFR Compounded Index*)
	• Relevant Number:	[•] [5] (*unless otherwise specified in the Final Terms, the Relevant Number shall be 5*)
(f)	Linear Interpolation:	[Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(g)	Margin(s):	[+/-] [ ] per cent. per annum
(h)	Minimum Rate of Interest:	[ ] per cent. per annum
(i)	Maximum Rate of Interest:	[ ] per cent. per annum
(j)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
16.	Zero Coupon Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Accrual Yield:	[ ] per cent. per annum
(b)	Reference Price:	[ ]

(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

17.	Notice periods for Condition 8.2:	Minimum period: [15] days Maximum period: [30] days
18.	Issuer Call:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount:	[ ] per Calculation Amount [*Set out appropriate variable details in this pro forma, for example reference obligation*]
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	[ ]
	(ii) Maximum Redemption Amount:	[ ]
	(d) Notice periods:	Minimum period: [15] days Maximum period: [30] days (*When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 5 clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.*)
19.	Investor Put:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount:	[ ] per Calculation Amount
	(c) Notice periods:	Minimum period: [15] days Maximum period: [30] days (*When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 15*

		clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)
20.	Final Redemption Amount:	[ ] per Calculation Amount
21.	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	[ ] per Calculation Amount (*If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes upon an Exchange Agent] [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Bearer Global Note exchangeable for Definitive Notes upon an Exchange Event] [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005] (*The option for an issue of Notes to be represented on issue by a Temporary Bearer Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."*)] [Registered Notes: [Registered Global Note registered in the name of a nominee for common depositary for Euroclear and Clearstream, Luxembourg]
23.	Additional Financial Centre(s):	[Not Applicable/*give details*] (*Note that this paragraph relates to the date of*

		payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(c) relates)
24.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

PROVISIONS APPLICABLE TO TURKISH LIRA NOTES

25.	USD Payment Election:	[Applicable][Not Applicable]
26.	Exchange Agent:	[ ] *(Only applicable for Notes the Specified Currency of which is Turkish Lira)*

THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.][Not Applicable]

Signed on behalf of **DenizBank A.Ş.**:

By: .....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing and Admission to trading	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange's main market and to be listed on the Official List] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify (i) relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's main market or the Regulated Market of Euronext Dublin) and also any third country market, SME growth market or MTF, and (ii) if relevant, listing on an official list (for example, the Official List of the FCA or the official list of Euronext Dublin)*] with effect from [ ].] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading*.) [Not Applicable]
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated]: [Fitch Ratings Ltd. (**Fitch**): [●]] [Not Applicable] Fitch is established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. (*Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*.) *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been*

specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business (*Amend as appropriate if there are other interests*)

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the UK Prospectus Regulation.*)]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(i)	Reasons for the offer:	[See "*Use of Proceeds*" in the Base Prospectus/*Give details*] (*See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details*)
(ii)	Estimated net proceeds:	[ ]

5. YIELD (*Fixed Rate Notes only*)

Indication of yield:	[ ] per cent. per annum The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

(i)	Trade Date:	[ ]
(ii)	ISIN:	[ ]
(iii)	Common Code:	[ ]
(iv)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(v)	FISN	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(vi)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and identification number(s)*]
(vii)	Delivery:	Delivery [against/free of] payment
(viii)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(ix)	[Benchmark Administrator[s]:	[[•] is provided by [•]. [As at the date hereof, [•] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [•] does not fall within the scope of the UK Benchmark Regulation]/[As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmark Regulation apply, such that [•] is not currently required to obtain authorisation/registration (or, if located outside the United Kingdom, recognition, endorsement or equivalence)]/[Not Applicable]]

7. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(iv)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(v)	U.S. Selling Restrictions:	[Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
(vi)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.*)
(vii)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged"*

		products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the UK, "Applicable" should be specified.)
(viii)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] (*Advice should be taken from Belgian counsel before disapplying this selling restriction*)

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by DenizBank A.Ş. (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and

(d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement dated 25 May 2022 and made between the Issuer, The Bank of New York Mellon, London Branch as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the **Registrar**, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents) as supplemented by a Supplemental Agency Agreement dated 12 June 2023 between the same parties (as further amended and/or supplemented and/or restated from time to time, the **Agency Agreement**). The Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Final Terms), the Registrar, the Paying Agents and other Transfer Agents together referred to as the **Agents**.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 5 May 2020 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant (i) are available for inspection or collection during normal business hours at the specified office of each of the Paying Agents and (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agent and provision of holding and identity (in a form satisfactory to the relevant Paying Agent). If the Notes are to be admitted to trading on the main market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and

treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Condition 2.3 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer: (a) the holder or holders must: (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing; and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in

Schedule 7 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor. A Registered Note may not be transferred unless the nominal amount of Registered Notes transferred and (where not all of the Registered Notes held by a transferor are being transferred) the nominal amount of the balance of Registered Notes not transferred, are Specified Denominations.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3. STATUS OF THE NOTES

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. NEGATIVE PLEDGE

4.1 Negative Pledge

So long as any of the Notes remain outstanding the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(a) all amounts payable by it under the Notes are secured by the Security Interest equally and rateably with the Relevant Indebtedness;

(b) such Security Interest is terminated; or

(c) such other Security Interest or arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution of the Noteholders.

Nothing in this Condition 4 shall prevent the Issuer from creating or permitting to subsist any Security Interest upon, or with respect to, any present or future assets or revenues or any part thereof which is created pursuant to: (i) a bond, note or similar instrument whereby the payment obligations are secured by a segregated pool of assets (whether held by the Issuer or any third party guarantor) (any such instrument, a **Covered Bond**); or (ii) any securitisation of receivables, asset-backed financing or similar financing structure (created in accordance with normal market practice) and whereby all payment obligations secured by such Security Interest or having the benefit of such Security Interest are to be discharged principally from such assets or revenues (or in the case of Direct Recourse Securities, by direct unsecured recourse to the Issuer), provided that the aggregate balance sheet value of assets or revenues subject to any Security Interest created in respect of (A) Covered Bonds; and (B) any other secured Relevant Indebtedness (other than Direct Recourse Securities) of the Issuer, when added to the nominal amount of any outstanding Direct Recourse Securities, does not, at the time of the incurrence thereof, exceed 15 per cent. of the consolidated total assets of the Issuer (as shown in the most recent audited consolidated financial statements of the Issuer prepared in accordance with BRSA Reporting Standards (as defined below) or, if prepared, IFRS).

4.2 Interpretation

For the purposes of these Conditions:

Direct Recourse Securities means securities issued in connection with any securitisation of receivables or other payment rights, asset-backed financing or similar financing structure (created in accordance with normal market practice) and whereby all payment obligations secured by such Security Interest or having the benefit of such Security Interest are to be discharged principally from such assets or revenues, or by direct unsecured recourse to the Issuer; and

IFRS means the requirements of International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (the **IASB**) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time);

Relevant Indebtedness means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market or any loan disbursed to the Issuer as a borrower under a loan participation note or similar transaction, where such securities or loan have a maturity in excess of 365 days and (ii) any guarantee or indemnity of any such indebtedness.

5. COVENANTS

5.1 Maintenance of Authorisations

So long as any of the Notes remain outstanding, the Issuer shall take all necessary action to maintain, obtain and promptly renew, and do or cause to be done all things reasonably necessary to ensure the continuance of, all consents, permissions, licences, approvals and authorisations, and make or cause to be made all registrations, recordings and filings, which may at any time be required to be obtained or made in Turkey (including, without limitation, with the CMB and the BRSA) for (i) the

execution, delivery or performance of the Agency Agreement, the Deed of Covenant and the Notes or for the validity or enforceability thereof, or (ii) the conduct by it of the Permitted Business, save for any consents, permissions, licences, approvals, authorisations, registrations, recordings and filings which are immaterial in the conduct by the Issuer of the Permitted Business or do not affect the Issuer's ability to perform its obligations under the Notes.

5.2 Transactions with Affiliates

So long as any of the Notes remains outstanding, the Issuer shall not, and shall not permit any of its Subsidiaries (as defined below) to, in any 12 month period, (a) make any payment to, (b) sell, lease, transfer or otherwise dispose of any of its properties, revenues or assets to, (c) purchase any properties, revenues or assets from, or (d) enter into or make or amend any transaction, contract, agreement, understanding, loan, advance, indemnity or guarantee (whether related or not) with or, for the benefit of, any Affiliate (each, an **Affiliate Transaction**) which Affiliate Transaction has (or, when taken together with any other Affiliate Transactions during such 12 month period, in the aggregate have) a value in excess of U.S.$50,000,000 (or its equivalent in any other currency) unless such Affiliate Transaction (and each such other aggregate Affiliate Transaction) is on terms that are no less favourable to the Issuer or the relevant Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Subsidiary with an unrelated Person.

5.3 Financial Reporting

So long as any of the Notes remains outstanding, the Issuer shall deliver to the Principal Paying Agent for distribution to any Noteholder upon such Noteholder's written request to the Principal Paying Agent not later than 120 days after the end of:

(a) each financial year of the Issuer, English language copies of the Issuer's audited consolidated financial statements for such financial year, prepared in accordance with (i) BRSA accounting and financial reporting standards (**BRSA Reporting Standards**), and (ii) to the extent prepared, IFRS, in each case consistently applied and together with the corresponding financial statements for the preceding financial year (where applicable), and such financial statements of the Issuer shall be accompanied by the reports of the auditors thereon; and

(b) the first six months of each financial year of the Issuer, English language copies of its reviewed consolidated financial statements for such six-month period, prepared in accordance with (i) BRSA Reporting Standards, and (ii) to the extent prepared, IFRS, in each case consistently applied and, together with the financial statements for the corresponding period of the previous financial year (where applicable), and such interim financial statements shall be accompanied by the review report of the auditors thereon.

5.4 Interpretation

In these Conditions:

Affiliate means, in respect of any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, and, in the case of a natural Person, any immediate family member of such Person. For the purposes of this definition, **control**, as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For the purposes of this definition, the terms **controlling**, **controlled by** and **under common control with** shall have corresponding meanings;

BRSA means the Banking Regulation and Supervision Agency (*Bankacılık Düzenleme ve Denetleme Kurumu*) of Turkey;

CMB means the Capital Markets Board (*Sermaye Piyasası Kurulu*) of Turkey;

Permitted Business means any business which is the same as or related, ancillary or complementary to any of the businesses of the Issuer on the Issue Date;

Person means (i) any individual, company, unincorporated association, government, state agency, international organisation or other entity and (ii) its successors and assigns;

Subsidiary means, in relation to any Person, any company (i) in which such Person holds a majority of the voting rights; or (ii) of which such Person is a member and has the right to appoint or remove a majority of the board of directors; or (iii) of which such Person is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of such Person; and

Turkey means the Republic of Turkey.

6. INTEREST

6.1 Interest on Fixed Rate Notes

This Condition 6.1 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 6.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are: (i) represented by a Global Note; or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of: (A) the Fixed Rate Notes represented by such Global Note; or (B) such Registered Notes; or

(b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 6.1:

(i) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of: (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of: (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if **30/360** is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or

the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.2 Interest on Floating Rate Notes

This Condition 6.2 applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 6.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, the party who will calculate the amount of interest due if it is not the Principal Paying Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. The applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and: (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur; or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date: (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis*; or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Istanbul and each Additional Business Centre (other than T2 System) specified in the applicable Final Terms;

(b) if T2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the real time gross settlement system operated by the Eurosystem (known as T2) or any successor or replacement for that system (the **T2 System**) is open for the settlement of payments in euro; and

(c) either: (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); or (2) in relation to any sum payable in euro, a day on which the T2 System is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR or TLREF

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms as being a Reference Rate other than SONIA, SOFR, €STR or TLREF, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (as indicated in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest

quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of Clause 4(b)(ii)(B)(1)(x), no offered quotation appears on the Relevant Screen Page or, in the case of Clause 4(b)(ii)(B)(1)(y) above, fewer than three offered quotations appear on the Relevant Screen Page, in each case as at the Specified Time, the Issuer shall request each of the Reference Banks to provide the Principal Paying Agent or the Calculation Agent, as applicable, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent or the Calculation Agent, as applicable, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent or the Calculation Agent, as applicable, determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (at the request of the Issuer) the Principal Paying Agent or the Calculation Agent, as applicable, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent or the Calculation Agent, as applicable, it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, and provided further that such failure is not dure to the occurrence of a Benchmark Event, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

Reference Banks means the principal office of four major banks in the inter-bank market of the Relevant Financial Centre, in each case selected by the Issuer.

Reference Rate means any of the following benchmark rates or such other benchmark rate specified in the applicable Final Terms in respect of the currency and period specified in the applicable Final Terms.

(a) Australia Bank Bill Swap (BBSW);

(b) Emirates interbank offered rate (EIBOR, available on the Relevant Screen Page as EIBOR=);

(c) Euro Short-Term Rate (€STR);

(d) Euro-Zone interbank offered rate (EURIBOR);

(e) Hong Kong interbank offered rate (HIBOR, available on the Relevant Screen Page as HKABHIBOR);

(f) Prague interbank offered rate (PRIBOR);

(g) Saudi Arabia interbank offered rate (SAIBOR, available on the Relevant Screen Page as SAIBOR=);

(h) Shanghai interbank offered rate (SHIBOR);

(i) Sterling Overnight Index Average (SONIA);

(j) Secured Overnight Financing Rate (SOFR); and

(k) Turkish Lira overnight reference rate (TLREF).

(ii) Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR or €STR

(I) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Final Terms as being SONIA, SOFR or €STR:

(A) where the Calculation Method in respect of the relevant Series of Notes is specified in the applicable Final Terms as being **Compounded Daily**, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 6.2(c) and Condition 6.3 and subject as provided below) be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards; and

(B) where the Calculation Method in respect of the relevant Series of Notes is specified in the applicable Final Terms as being **Weighted Average**, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 6.2(c) and Condition 6.3 and subject as provided below) be the

Weighted Average Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.

(II) Where **SONIA** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 6.3 if, in respect of any Business Day, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA rate shall be:

(A) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day; plus (ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or

(B) if the Bank Rate is not published by the Bank of England at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors), and, in each case, **r** shall be interpreted accordingly.

(III) Where **SOFR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 6.3, if, in respect of any Business Day, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SOFR rate does not appear on the Relevant Screen Page, such Reference Rate shall be the SOFR for the first preceding Business Day on which the SOFR was published on the Relevant Screen Page (and "**r**" shall be interpreted accordingly).

(IV) Where **€STR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 6.3, if, in respect of any Business Day, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the €STR rate does not appear on the Relevant Screen Page, such Reference Rate shall be the €STR for the first preceding Business Day on which the €STR was published on the Relevant Screen Page (and "r" shall be interpreted accordingly).

(V) In the event that the Rate of Interest for the relevant Interest Period cannot be determined in accordance with the foregoing provisions, subject to Condition 6.3, the Rate of Interest for such Interest Period shall be: (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest

relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

(VI) If the relevant Series of Notes become due and payable in accordance with Condition 11 (*Events of Default*), the last Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as the Notes remain outstanding, be that determined on such date.

(VII) For the purposes of this Condition:

If **Payment Delay** is specified as the Observation Method in the applicable Final Terms as being applicable, all references in these Conditions to interest on the Notes being payable on an Interest Payment Date shall be read as references to interest on the Notes being payable on an Effective Interest Payment Date instead;

Applicable Period means:

(A) where **Lag**, **Lock-out** or **Payment Delay** is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; and

(B) where **Observation Shift** is specified as the Observation Method in the applicable Final Terms, the Observation Period relating to such Interest Period;

Business Day or **BD**, means,

(A) where "SONIA" is specified as the Reference Rate in the applicable Final Terms, any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

(B) where "SOFR" is specified as the Reference Rate in the applicable Final Terms, any day which is a U.S. Government Securities Business Day and is not a legal holiday in New York and is not a date on which banking institutions in New York are authorised or required by law or regulation to be closed: and

(C) where "€STR" is specified as the Reference Rate in the applicable Final Terms, a day on which T2 System is open for settlements of payments in euro.

Compounded Daily Reference Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Final Terms and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent or the Principal Paying Agent (or such other party responsible for the

calculation of the Rate of Interest, as specified in the applicable Final Terms) as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{r_{i-pBD} \times n_i}{D}\right)-1\right] \times \frac{D}{d}$$

D is the number specified in the applicable Final Terms;

d means, for the relevant Applicable Period, the number of calendar days in such Applicable Period;

d_o means, for the relevant Applicable Period, the number of Business Days in such Applicable Period;

Effective Interest Payment Date means any date or dates specified as such in the applicable Final Terms;

€STR means, in respect of any Business Day, a reference rate equal to the daily euro short-term rate for such Business Day as provided by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank currently at http://www.ecb.europa.eu, or any successor website officially designated by the European Central Bank (the **ECB's Website**) in each case, on or before 9:00 a.m., (Central European Time) on the Business Day immediately following such Business Day;

i means, for the relevant Applicable Period, a series of whole numbers from one to do, each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period;

Lock-out Period means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

n_i, for any Business Day "i" in the Applicable Period, means the number of calendar days from, and including, such Business Day "i" up to but excluding the following Business Day;

New York Federal Reserve's Website means the website of the Federal Reserve Bank of New York currently at http://www.newyorkfed.org, or any successor website of the Federal Reserve Bank of New York;

Observation Period means, in respect of the relevant Interest Period, the period from, and including, the date falling "p" Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "p" Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Business Days prior to such earlier date, if any, on which the Notes become due and payable);

p means, for any Interest Period:

(A) where "Lag" is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms (which shall not be less than five Business Days without the consent of the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms));

(B) where "Lock-out" is specified as the Observation Method in the applicable Final Terms, zero; and

(C) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms (which shall not be less than five Business Days without the consent of the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms));

r means:

(A) where in the applicable Final Terms "SONIA" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SONIA rate in respect of such Business Day;

(B) where in the applicable Final Terms "SOFR" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SOFR in respect of such Business Day;

(C) where in the applicable Final Terms "€STR" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the €STR in respect of such Business Day;

(D) where in the applicable Final Terms "SONIA" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:

(i) in respect of any Business Day "i" that is a Reference Day, the SONIA rate in respect of the Business Day immediately preceding such Reference Day, and

(ii) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SONIA rate in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date);

(E) where in the applicable Final Terms "SOFR" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:

(i) in respect of any Business Day "i" that is a Reference Day, the SOFR in respect of the Business Day immediately preceding such Reference Day, and

(ii) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SOFR in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date);

(F) where in the applicable Final Terms "€STR" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:

(i) in respect of any Business Day "i" that is a Reference Day, the €STR in respect of the Business Day immediately preceding such Reference Day, and

(ii) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the €STR in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date);

(G) where in the applicable Final Terms "SONIA" is specified as the Reference Rate and "Payment Delay" is specified as the Observation Method, in respect of any Business Day, the SONIA rate in respect of such Business Day, provided however that, in the case of the last Interest Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, "r" shall be the SONIA rate in respect of the Rate Cut-off Date;

(H) where in the applicable Final Terms "SOFR" is specified as the Reference Rate and "Payment Delay" is specified as the Observation Method, in respect of any Business Day, the SOFR in respect of such Business Day, provided however that, in the case of the last Interest Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, "r" shall be the SOFR in respect of the Rate Cut-off Date; and

(I) where in the applicable Final Terms "€STR" is specified as the Reference Rate and "Payment Delay" is specified as the Observation Method, in respect of any Business Day, the €STR in respect of such Business Day, provided however that, in the case of the last Interest Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, "r" shall be the €STR in respect of the Rate Cut-off Date;

Rate Cut-off Date has the meaning given in the applicable Final Terms;

Reference Day means each Business Day in the relevant Interest Period, other than any Business Day in the Lock-out Period;

$\mathbf{r_{i\text{-}pBD}}$ means the applicable Reference Rate as set out in the definition of "r" above for, (i) where, in the applicable Final Terms, "Lag" is specified as the Observation Method, the Business Day (being a Business Day falling in the relevant Observation Period) falling "p" Business Days prior to the relevant Business Day "i" or, (ii) otherwise, the relevant Business Day "i";

SOFR means, in respect of any Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Federal Reserve's Website, in each case on or about 3.00 p.m. (New York City Time) on the Business Day immediately following such Business Day (the **SOFR Determination Time**);

SONIA means, in respect of any Business Day, a reference rate equal to the daily Sterling Overnight Index Average rate for such Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors in each case on the Business Day immediately following such Business Day;

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

"**Weighted Average Reference Rate**" means:

(A) where "Lag" is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day; and

(B) where "Lock-out" is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Interest Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, provided however that for any calendar day of such Interest Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day.

(iii) Index Determination

If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and Index Determination is specified in the applicable Final Terms as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\left(\frac{Compounded\ Index\ End}{Compounded\ Index\ Start} - 1\right) X \frac{Numerator}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

Compounded Index shall mean either (i) the SONIA Compounded Index where the "SONIA" is specified as the Reference Rate in the applicable Final Terms or (ii) the SOFR Compounded Index where the "SOFR" is specified as the Reference Rate in the applicable Final Terms;

d is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

End means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to (i) the Interest Payment Date for such Interest Period, or (ii) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

Index Days means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

Numerator means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

Relevant Decimal Place shall, unless otherwise specified in the applicable Final Terms, be the fifth decimal place in the case of each of the SONIA Compounded Index and the SOFR Compounded Index, in each case rounded up or down, if necessary (with 0.000005 being rounded upwards);

Relevant Number is as specified in the applicable Final Terms but, unless otherwise specified shall be five;

SOFR Compounded Index means the value of the index known as the SOFR Index as published at 3:00 pm (New York City time) by the Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source;

SONIA Compounded Index means the value of the index known as the SONIA Compounded Index as published at 10:00 am (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source; and

Start means the relevant Compounded Index value determined in relation to on the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

Provided that a Benchmark Event has not occurred in respect of SONIA Compounded Index or a Benchmark Transition Event and its related Benchmark Replacement Date has not occurred in respect of the SOFR Compounded Index, if, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period in accordance with Condition 6.2(b)(ii) (*Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR or TLREF*) as if Index Determination was not specified in the applicable Final Terms. For these purposes, (i) the Reference Rate shall be deemed to be SONIA in the case of SONIA Compounded Index and SOFR in the case of Compounded SOFR Index, (ii) the Calculation Method shall be deemed to be Compounded Daily, (iii) the Observation Method shall be deemed to be Observation Shift, (iv) the Observation Look-back Period shall be deemed to be the Relevant Number and (v) "D" shall be deemed to be the Numerator. If a Benchmark Event has occurred in respect of the SONIA Compounded Index, the provisions of Condition 6.3 (*Benchmark Replacement*) shall apply *mutatis mutandis* in respect of this Condition 6.2(b)(iii) or if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of the SOFR Compounded Index, the provision of Condition 6.3 (*Benchmark Replacement*) shall apply *mutatis mutandis* in respect of this Condition 6.2(b)(iii), as applicable.

(iv) Screen Rate Determination for Floating Rate Notes that reference TLREF

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Final Terms as being TLREF, then the Rate of Interest applicable to the Notes for each Interest Period shall, subject to Condition 6.2(c) and Condition 6.3 and subject as provided below, be determined by the Calculation Agent on the relevant TLREF Interest Determination Date (by reference to the relevant published TLREF Indices in respect of the relevant Interest Period) in accordance with the following formula:

$$\left\{\left(\frac{\text{The published TLREF Index on the second TLREF Business Day preceding the applicable Interest Payment Date}}{\text{The published TLREF Index on the second TLREF Business Day preceding the previous Interest Payment Date}}\right)^{\frac{n1}{n2}} - 1\right\} * 100$$

(and the resulting percentage shall be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) plus or minus (as indicated in the applicable Final Terms) the Margin (if any); *provided* that, in the case of the first Interest Period, references to the "published TLREF Index on the second TLREF Business Day preceding the previous Interest Payment Date" shall be replaced by a reference to the "published TLREF Index on the day that is two TLREF Business Days preceding the first date of such Interest Period."

For the purposes of the formula above and this Condition 6.2(b)(iv):

BIST TLREF Index means the TLREF value announced via the BISTECH Data Dissemination System (in Turkish: *BISTECH Veri Paylaşım Sistemi*) as published on the TLREF Relevant Screen;

n1 means the number of calendar days in the relevant Interest Period;

n2 means the number of calendar days between: (a) the TLREF Business Day preceding the Interest Payment Date (or such date (if any) on which the relevant payment of interest falls due (but that by its definition and the operation of the relevant provisions is excluded from the Interest Period)) and (b) the TLREF Business Day preceding the previous Interest Payment Date (provided that, in the case of the first Interest Period, reference to the "the TLREF Business Day preceding the previous Interest Payment Date" shall be replaced with a reference to "the TLREF Business Day preceding the first day of such Interest Period");

published TLREF Index means, in respect of any TLREF Business Day, the rate of return of TLREF on the next TLREF Business Day as determined by reference to the BIST TLREF Index that references the return on overnight repo transactions realised on the Borsa İstanbul Repo-Reverse Repo Normal Orders Market, all as published at the relevant time on such TLREF Business Day on the TLREF Relevant Screen;

TLREF means the Turkish Lira overnight reference rate;

TLREF Business Day means a day (other than Saturday or Sunday) on which the BIST Repo-Reverse Repo Market (or the successor or replacement thereof) is open;

TLREF Committee means the committee consisting of representatives of the Ministry of Treasury and Finance of Turkey, the Central Bank of Turkey (the "*Central Bank*"), the Banks Association of Turkey, the Capital Markets Association of Turkey (in Turkish: *Türkiye Sermaye Piyasaları Birliği*), the BRSA, the Istanbul Settlement and Custody Bank (in Turkish: *İstanbul Takas ve Saklama Bankası A.Ş.*) and Borsa İstanbul A.Ş. or any successor or replacement thereof;

TLREF Interest Determination Date means, in respect of any Interest Period, the second TLREF Business Day prior to the day on which such Interest Period ends.

TLREF Reference Rate means, in respect of any TLREF Business Day, a reference rate equal to the publish TLREF Index on such TLREF Business Day; and

TLREF Relevant Screen means the "TLREF Indices" webpage that is available on the website of Borsa İstanbul A.Ş. (borsaistanbul.com) (or any successor website).

If, on any TLREF Interest Determination Date, the applicable published TLREF Index is not available on the TLREF Relevant Screen or has not otherwise been published by the TLREF Committee, then the Rate of Interest in respect of the applicable Interest Period shall, unless the Calculation Agent has been notified of any Successor Rate or Alternative Reference Rate in accordance with Condition 6.3 (and, in either case, the applicable Adjustment Spread and the specific terms of any amendments to these Conditions in accordance with Condition 6.3(e)), be determined as if the published TLREF Index were calculated in the following manner:

(a) the Rate of Interest in respect of such Interest Period shall be the sum of: (i) the policy rate of the Central Bank prevailing at 5:00 pm (or, if earlier, the close of business in İstanbul) on the applicable TLREF Interest Determination Date and available on the Central Bank's website at www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Core+Functions/Monetary+Policy/Central+Bank+Interest+Rates/1+Week+Repo (or

any successor or replacement website) and (ii) the mean of the spread of the published TLREF Index to the policy rate of the Central Bank over the previous five TLREF Business Days on which a TLREF Reference Rate has been published, excluding the highest spread (or, if there are more than one highest spread, then only one of those highest spreads) and the lowest spread (or, if there are more than one lowest spread, then only one of those lowest spreads);

(b) notwithstanding paragraph (a) above, if the TLREF Committee has published guidance as to: (i) how the TLREF Reference Rate is to be determined or (ii) any rate that is to replace the TLREF Reference Rate, then the Calculation Agent shall, to the extent that it is reasonably practicable to do so and as set forth in a direction from the Issuer in writing, follow such guidance in order to determine the TLREF Reference Rate for any TLREF Business Day in such Interest Period and for so long thereafter as the published TLREF Index remains unavailable on the TLREF Relevant Screen or is not otherwise published by the TLREF Committee;

(c) if, on any TLREF Interest Determination Date, the Rate of Interest cannot be determined by reference to paragraphs (a) and (b), then the Rate of Interest for the relevant Interest Period shall be: (i) the Rate of Interest determined as of the last preceding TLREF Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (ii) if there is no such preceding TLREF Interest Determination Date, then the initial Rate of Interest that would have been applicable to the relevant Notes for the first Interest Period of such Notes had such Notes been in issue for a period equal in duration to their first Interest Period but ending on (and excluding) the applicable Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest or Minimum Rate of Interest applicable to such first Interest Period) and

(d) If the Notes become due and payable in accordance with Condition 11, then the final Rate of Interest shall be calculated for the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 6.4.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with

the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

Subject to Condition 6.3, the Principal Paying Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes which are: (i) represented by a Global Note; or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of: (A) the Notes represented by such Global Note; or (B) such Registered Notes; or

(ii) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

(i) if **Actual/Actual (ISDA)** or **Actual/Actual** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if **Actual/365 (Sterling)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if **30/360**, **360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if **30E/360** or **Eurobond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if **30E/360 (ISDA)** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless: (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable (in consultation with the Issuer), shall determine such rate at such time and by reference to such sources as provided by the Issuer.

Designated Maturity means the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2 by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3 Benchmark Replacement

Notwithstanding the provisions of Condition 6.2 above, if the Issuer determines that a Benchmark Event has occurred in relation to a Reference Rate when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply:

(a) the Issuer shall use reasonable endeavours to appoint an Independent Adviser as soon as reasonably practicable to determine a Successor Rate or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate and (in either case) an Adjustment Spread no later than three Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the **Interest Period Determination Cut-off Date**) for the purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the operation of this Condition 6.3);

(b) if (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate, and/or (in either case) the applicable Adjustment Spread, in accordance with subparagraph (a) above prior to the Interest Period Determination Cut-off Date, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, failing which, an Alternative Reference Rate and/or (in either case) an Adjustment Spread for the purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the operation of this Condition 6.3). If the Issuer has failed to determine a Successor Rate or an Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread in accordance with this subparagraph (b), the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in respect of the immediately preceding Interest Period (which may be the immediately preceding Fixed Interest Period, if applicable) (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period for which the Rate of Interest was determined, the Margin relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).

For the avoidance of doubt, if this subparagraph (b) applies and the Issuer has failed to determine a Successor Rate or an Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread, prior to the relevant Interest Determination Date in accordance with this subparagraph (b), this subparagraph (b) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of this Condition 6.3 in its entirety;

(c) if a Successor Rate or an Alternative Reference Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Reference Rate (as applicable) shall be the Reference Rate for all future Interest Periods (subject to the subsequent operation of this Condition 6.3 in its entirety);

(d) the Adjustment Spread (or the formula for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Reference Rate (as the case may be);

(e) if the Independent Adviser or the Issuer (as the case may be) determines a Successor Rate or an Alternative Reference Rate and, in each case, the applicable Adjustment Spread, in accordance with the above provisions, the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in good faith and in a commercially reasonable manner) may also specify changes to these Conditions, including to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Day, Interest Determination Date, Interest Payment Dates and/or the definition of Reference Rate or Adjustment Spread applicable to the Notes (and, in each case, related provisions and definitions), and the method for determining the fallback rate in relation to the Notes, in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread (as applicable), and the Issuer shall, subject to giving notice thereof in accordance with Condition 15, without any requirement for the consent or approval of the Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such changes with effect from the date specified in such notice, which changes shall apply to the Notes for all future Interest Periods (subject to the operation of this Condition 6.3 in its entirety);

(f) any Independent Adviser appointed pursuant to this Condition 6.3 shall act in good faith and subject as aforesaid (in the absence of gross negligence, fraud or wilful misconduct) shall have no liability whatsoever to the Issuer, the Principal Paying Agent or the Calculation Agent, as applicable, or Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 6.3. No Noteholder consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate (as applicable), any Adjustment Spread or such other changes pursuant to subparagraph (e) above, including for the execution of any documents, amendments or other steps by the Issuer or the Principal Paying Agent or the Calculation Agent, as applicable (if required); and

(g) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread, and in any event no later than five Business Days prior to the first Interest Determination Date on which the relevant Successor Rate or, as the case may be, Alternative Reference Rate is to be used in place of the original Reference Rate, give notice of such Successor Rate, Alternative Reference Rate or Adjustment Spread and of any changes pursuant to subparagraph (e) above to the Principal Paying Agent or the Calculation Agent, as applicable, and the Noteholders in accordance with Condition 15.

Notwithstanding any other provision herein or in the Conditions, in no event shall the Calculation Agent or the Principal Paying Agent be responsible for determining if a Benchmark Event has occurred or any substitute for SOFR, Successor Rate or Alternative Reference Rate, or for making any adjustments to any alternative benchmark or spread or margin thereon, the business day convention, interest determination dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, the Calculation Agent or the Principal Paying Agent will be entitled to conclusively rely on any determinations made by the Issuer or the Independent Adviser and will have no liability for such actions taken at the direction of the Issuer or the Independent Adviser.

Any determination, decision or election that may be made by the Issuer or the Independent Adviser in connection with a Benchmark Event or a Benchmark Replacement, including any determination with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer's or the Independent Adviser's sole discretion, and, notwithstanding anything to the contrary in the transaction documents, will become effective without consent from any other party. None of the Principal Paying Agent, the Paying Agent, the Exchange Agent, the Transfer Agent, the Registrar, or the Calculation Agent shall have any liability for any determination made by or on behalf of the Issuer or the Independent Adviser in connection with a Benchmark Event or a Benchmark Replacement.

Notwithstanding the foregoing provisions of this Condition 6.3, neither the Principal Paying Agent nor the Calculation Agent is obliged to concur with the Issuer in respect of any amendments referred to in subparagraph (e) above that, in the sole opinion of the Principal Paying Agent or the Calculation Agent, in each case, acting reasonably and in good faith, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Principal Paying Agent or the Calculation Agent.

As used in this Condition 6.3:

Adjustment Spread means either (i) a spread (which may be positive, negative or zero) or (ii) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the relevant Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable) determines is customarily applied to the Successor Rate or Alternative Reference Rate in international debt capital markets transactions to produce an industry-accepted replacement rate for the relevant Successor Rate or Alternative Reference Rate (as applicable); or

(C) in the case of the Independent Adviser (in consultation with the Issuer) determining that no such spread is customarily applied, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (acting in good faith and in a commercially reasonable manner) (as applicable), determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the relevant Reference Rate where such rate has been replaced by the Successor Rate or Alternative Reference Rate (as applicable); or

(D) in the case of the Independent Adviser (in consultation with the Issuer) determining that no such industry standard is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the relevant Reference Rate with the Successor Rate or Alternative Reference Rate (as the case may be);

Alternative Reference Rate means the rate (and related alternative screen page or source, if available) that the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) is customarily applied in international debt capital markets transactions for the purposes of determining Rates of Interest in respect of Notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Period or, if the Independent Adviser (in consultation with the Issuer) or the Issuer determines (acting in good faith and in a commercially reasonable manner) that there is no such rate, such other rate as the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) in its discretion is most comparable to the relevant Reference Rate;

Benchmark Event means:

(i) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(ii) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the **Specified Future Date**); or

(iii) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the **Specified Future Date**), be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that Reference Rate will, by a specified future date (the **Specified Future Date**), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or

(v) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that in the view of such supervisor, (i) such Reference Rate is or will, by a specified future date (the **Specified Future Date**), be no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or

(vi) it has or will, by a specified date within the following six months, become unlawful for the Principal Paying Agent or the Calculation Agent, as applicable, or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Reference Rate.

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii), (iv) or (v) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with relevant expertise, in each case appointed by the Issuer at its own expense under this Condition 6.3. For the avoidance of doubt, in no event shall the Principal Paying Agent, the Paying Agent, the Exchange Agent, the Transfer Agent, the Registrar or the Calculation Agent be the Independent Adviser unless otherwise agreed upon in writing;

Relevant Nominating Body means, in respect of a Reference Rate:

(i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:

(A) the central bank for the currency to which the Reference Rate relates;

(B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate;

(C) a group of the aforementioned central banks or other supervisory authorities; or

(D) the Financial Stability Board or any part thereof; and

Successor Rate means the reference rate (and related alternative screen page or source, if available) that is formally recommended by any Relevant Nominating Body as a successor to or replacement of the relevant Reference Rate.

6.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 15.

7. PAYMENTS

7.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through

1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof (**FATCA**), or any law implementing an intergovernmental approach thereto.

7.2 Presentation of definitive Bearer Notes and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons failing to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

7.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by

the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

7.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer in the Specified Currency on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

7.6 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

  (i) in the case of Notes in definitive form only, in the relevant place of presentation; and

  (ii) in each Additional Financial Centre (other than T2 System) specified in the applicable Final Terms;

(b) if T2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the T2 System is open for the settlement of payments in euro; and

(c) either: (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); or (2) in relation to any sum payable in euro, a day on which the T2 System is open for the settlement of payments in euro.

7.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 9;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes; and

(e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

7.8 U.S. dollar exchange and payments on Turkish Lira-denominated Notes

(a) If U.S.$ Payment Election is specified as being applicable in the applicable Final Terms and the Specified Currency is Turkish Lira, then a Noteholder (in the case of a Series of Notes in registered form, as of the applicable Record Date) may, not more than 10 and not less than five Business Days before the due date (the **Relevant Payment Date**) for the next payment of interest and/or principal on a Note (such period, the **U.S.$ Election Period**), give an irrevocable election to any Agent to receive such payment in U.S. dollars instead of Turkish Lira (each, a **U.S.$ Payment Election**). Each Agent to which such an election is given shall notify the Principal Paying Agent on the Business Day following each U.S.$ Election Period of the U.S.$ Payment Elections made by the Noteholders during such U.S.$ Election Period and upon its receipt of such notification the Principal Paying Agent shall notify the Exchange Agent of the total amount of Turkish Lira (the **Lira Amount**) to be paid by the Issuer in respect of the Notes the subject of such U.S.$ Payment Elections and which is to be converted into U.S. dollars and paid to the holders of such Notes on the Relevant Payment Date in accordance with the provisions of this Condition 7.8 and Clause 7 of the Agency Agreement.

Each U.S.$ Payment Election of a Noteholder will be made only in respect of the immediately following payment of interest and/or principal on the Notes the subject of such U.S.$ Payment Election and, unless a U.S.$ Payment Election is given in respect of each subsequent payment of interest and principal on those Notes, such payments will be made in Turkish Lira.

(b) Upon receipt of the Lira Amount from the Issuer and by no later than 11.00 a.m. (London time) on the Relevant Payment Date, the Principal Paying Agent shall transfer the Lira Amount to the Exchange Agent, which shall purchase U.S. dollars with the Lira Amount for settlement on the Relevant Payment Date at a purchase price calculated on the basis of its own internal foreign exchange conversion procedures, which conversion shall be conducted in a commercially reasonable manner and on a similar basis to that which the Exchange Agent would use to effect such conversion for its customers (such rate, taking into account any spread, fees, commission or charges on foreign exchange transactions customarily charged by it in connection with such conversions, the **Applicable Exchange Rate**). In no event shall any Agent be liable to any Noteholder, the Issuer or any third party for the conversion rate so used.

The Issuer's obligation to make payments on Notes the Specified Currency of which is Turkish Lira is limited to the specified Turkish Lira amount of such payments and, in the event that it fails to make any payment on the Notes in full on its due date, its obligation shall remain the payment of the relevant outstanding Turkish Lira amount and it shall have no obligation to pay any greater or other amount as a result of any change in the Applicable Exchange Rate between the due date and the date on which such payment is made in full.

(c) Following conversion of the Lira Amount into U.S. dollars in accordance with this Condition 7.8 and the Agency Agreement, the Exchange Agent shall notify the Principal Paying Agent of: (i) the total amount of U.S. dollars purchased with the relevant Lira Amount, and (ii) the Applicable Exchange

Rate at which such U.S. dollars were purchased by the Exchange Agent. On each Relevant Payment Date, the Principal Paying Agent shall give notice to the Noteholders of such U.S. dollars amount and Applicable Exchange Rate in accordance with Condition 15 as so notified to it by the Exchange Agent.

Under the terms of the Agency Agreement, the Principal Paying Agent will need to have received cleared funds from the Issuer by no later than 11.00 a.m. (local time in the relevant financial centre of the payment or, in the case of a payment in euro, London time) on the day that is one London business day prior to the Relevant Payment Date in the case of a payment of interest or principal becoming due in order to make any payments to Noteholders on such Relevant Payment Date, including any such payments in U.S. dollars. If the Principal Paying Agent receives cleared funds from the Issuer after such time, then the Principal Paying Agent will use reasonable efforts to pay the funds.

(d) If, for illegality or any other reason, it is not possible for the Exchange Agent to purchase U.S. dollars with the Lira Amount, then the Exchange Agent will promptly notify the Principal Paying Agent, which shall, as soon as practicable upon receipt of such notification from the Exchange Agent, promptly notify the Noteholders of such event in accordance with Condition 15 and all payments on the Notes on the Relevant Payment Date will be made in Turkish Lira in accordance with this Condition 7.8, irrespective of any U.S.$ Payment Election made.

(e) To give a U.S.$ Payment Election:

(i) in the case of Notes in definitive form, a Noteholder must deliver at the specified office of any Agent, on any Business Day falling within the U.S.$ Election Period, a duly signed and completed U.S.$ Payment Election in the form (for the time being current) obtainable from any specified office of any Agent and in which the holder must specify a U.S.$ bank account to which payment is to be made under this Condition 7.8 accompanied by the relevant Notes or evidence satisfactory to the Agent concerned that such Notes will, following the delivery of the U.S.$ Payment Election, be held to the Agent's order or under its control until the applicable U.S. dollar payment is made; and

(ii) in the case of Notes in global form, a Noteholder must, on any Business Day falling within the U.S.$ Election Period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg, as applicable (which may include notice being given on such holder's instruction by Euroclear, Clearstream, Luxembourg or any depositary for any of them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear or Clearstream, Luxembourg, as applicable, from time to time.

Notwithstanding any other provision in the Conditions to the contrary: (i) all costs of the purchase of U.S. dollars with the Lira Amount shall be borne *pro rata* by the relevant Noteholders relative to the Notes of such Noteholders the subject of U.S.$ Payment Elections, which *pro rata* amount will be deducted from the U.S. dollars payment made to such Noteholders; (ii) none of the Issuer, any Agent or any other Person shall have any obligation whatsoever to pay any related foreign exchange rate spreads, commissions or expenses or to indemnify any Noteholder against any difference between the U.S. dollars amount received by such Noteholder and the portion of the Lira Amount that would have been payable to the Noteholder if it had not made the relevant U.S.$ Payment Election; and (iii) the Issuer shall not have any liability or other obligation to any Noteholder with respect to the conversion into U.S. dollars of any amount paid by it to the Principal Paying Agent in Turkish Lira or the payment of any U.S. dollars amount to the applicable Noteholders.

8. REDEMPTION AND PURCHASE

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

8.2 Redemption for tax reasons

If:

(a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 9) or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after the date on which agreement is reached to issue the most recently issued Tranche of the Notes, on the next Interest Payment Date the Issuer would be required to:

(i) pay additional amounts as provided or referred to in Condition 9; and

(ii) make any withholding or deduction for, or on account of, any Taxes imposed or levied by or on behalf of the Relevant Jurisdiction at a rate in excess of the prevailing applicable rates on such date on which agreement is reached to issue the most recently issued Tranche of the Notes; and

(b) such requirement cannot be avoided by the Issuer taking reasonable measures available to it; or

then the Issuer may at its option, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note) at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver to the Principal Paying Agent: (i) a certificate signed by two Directors of the Issuer stating that the requirement referred to in sub-paragraphs (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

8.3 Redemption at the option of the Issuer (Issuer Call)

This Condition 8.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an **Issuer Call**. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 8.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption.

8.4 Redemption at the option of the Noteholders (Investor Put)

This Condition 8.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an **Investor Put**. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 8.4 for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If 75 per cent. or more in nominal amount of the Notes of a Series then outstanding have been redeemed pursuant to this Condition 8.4 or, as the case may be, purchased by the Issuer, the Issuer may, on giving within 30 days of the Purchase Date not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem or, at the Issuer's option, purchase (or procure the purchase of) all but not some only of the remaining outstanding Notes of that Series at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption or purchase, as the case may be.

As used in this Condition 8.4:

Purchase Date shall be the Business Day following the date on which at least 75 per cent. of the nominal amount of the Notes of a Series then outstanding have been redeemed pursuant to this Condition 8.4 or, as the case may be, purchased by the Issuer.

8.5 Exercise by a Noteholder of Investor Put

To exercise the right to require redemption of this Note under Condition 8.4, the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such holder's instruction by Euroclear, Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 8.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.5 and instead to declare such Note forthwith due and payable pursuant to Condition 11.

8.6 Early Redemption Amounts

For the purpose of Condition 8.2 and Condition 11:

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^y$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either: (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption

or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360); or (ii) Actual/360 (in which case the numerator will be equal to the -actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

8.7 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation. All Notes so purchased will be surrendered to a Paying Agent or the Registrar for cancellation.

8.8 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.7 (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

8.9 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to this Condition 8 or upon its becoming due and repayable as provided in 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.6(b) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 15.

9. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

(a) presented for payment in Turkey; or

(b) presented for payment by or on behalf of a holder which is liable for such taxes or duties in respect of such Note or Coupon by reason of having some connection with a Relevant Jurisdiction other than the mere holding of such Note or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.6).

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA (including pursuant to any agreement described in Section 1471(b) of the Code), any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach to FATCA.

For the purposes of these Conditions:

(i) **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15; and

(ii) **Relevant Jurisdiction** means Turkey or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

10. PRESCRIPTION

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 or Condition 7.2 or any Talon which would be void pursuant to Condition 7.2.

11. EVENTS OF DEFAULT

11.1 Events of Default

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

(a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or

(c) if: (i) any Indebtedness for Borrowed Money of the Issuer or any of its Material Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment, subject to any originally applicable grace period; (iii) any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any of its Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, subject to any originally applicable grace period; provided that the aggregate principal amount of any such Indebtedness for Borrowed Money: (A) of the Issuer or such Material Subsidiary in the case of (i), (ii) and/or (iii) above, and/or (B) in relation to which such guarantee and/or indemnity of the Issuer or such Material Subsidiary has been given in the case of (iv) above, exceeds U.S.$50,000,000 (or its equivalent in any other currency or currencies);; or

(d) if:

(i) any order is made by any competent court, or resolution is passed, for the winding up, dissolution or liquidation of the Issuer or any of its Material Subsidiaries; or

(ii) the Issuer ceases carry on the whole or a substantial part, or any Material Subsidiary ceases to carry on the whole or substantially the whole, in each case, of its business, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of Noteholders, or the Issuer or any of its Material Subsidiaries suspends payment of, or is unable to (or admits inability to) pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated, declared or found by a competent authority to be (or becomes) bankrupt or insolvent; or

(iii) the Issuer or any of its Material Subsidiaries commences negotiations with one or more of its creditors with a view to the general readjustment or rescheduling of all or a substantial part of its indebtedness; or

(iv) the Issuer or any of its Material Subsidiaries: (A) takes any corporate action or other steps are taken or legal proceedings are started: (x) for its winding-up, dissolution, administration, bankruptcy or re-organisation (other than for the purposes of and followed by a reconstruction while solvent upon terms previously approved by an Extraordinary Resolution of Noteholders) or (y) for the appointment of a liquidator, receiver, administrator, administrative receiver, trustee or similar officer of it or any substantial part or all of its revenues and assets or (B) shall or proposes to make a general assignment for the benefit of its creditors or shall enter into any general arrangement or composition with its creditors,

in each case in subparagraphs (i) to (iv) above, save for the solvent voluntary winding-up, dissolution or re-organisation of any Material Subsidiary in connection with any combination with, or transfer of the whole or substantially the whole of its business and/or assets to, the Issuer or one or more other Subsidiaries of the Issuer; or

(e) if the banking licence of the Issuer is temporarily or permanently revoked or management of the Issuer is taken over by the Savings Deposit Insurance Fund under the provisions of the Banking Law (Law No. 5411) of Turkey,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

11.2 Interpretation

For the purposes of the Conditions:

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of:

(a) any notes, bonds, debentures, debenture stock, loan stock or other securities; or

(b) any borrowed money; or

(c) any liability under or in respect of any acceptance or acceptance credit; and

Material Subsidiary means at any time a Subsidiary of the Issuer:

(a) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 15 per cent. of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, provided that in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall immediately become a Material Subsidiary pursuant to this subparagraph (b) but shall cease to be a Material Subsidiary on the date of publication of the Issuer's next audited consolidated accounts unless it would then be a Material Subsidiary under subparagraph (a) above; or

(c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, represent (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 15 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, calculated as set out in subparagraph (a) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its assets represent (or, in the case aforesaid, are

equal to) not less than 15 per cent. of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, calculated as set out in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (c) on the date of publication of the Issuer's next audited consolidated accounts save that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Agency Agreement.

A report requested by the Issuer from the auditors of the Issuer that in their opinion a Subsidiary is or is not or was or was not at any particular time a Material Subsidiary, shall, in the absence of manifest error, be conclusive and binding on all parties.

12. REPLACEMENT OF NOTES COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

13. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent and a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(c) there will at all times be a Paying Agent in a jurisdiction other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.5. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 15.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or

converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

14. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10.

15. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as the case may be.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

16. MEETINGS OF NOTEHOLDERS AND MODIFICATION

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes or the Coupons or amending the Deed of Covenant in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

(a) any modification of the Notes, the Coupons, the Deed of Covenant or any of the provisions of the Agency Agreement which is, in the opinion of the Issuer, not prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law.

19.2 Submission to jurisdiction

(a) The Issuer irrevocably agrees, for the benefit of the Noteholders and the Couponholders, that the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) have exclusive jurisdiction to settle any disputes arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes (a **Dispute**) and each of the Issuer and any Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales).

(b) The Issuer waives any objection to the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) on the grounds that they are an inconvenient or inappropriate forum.

(c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take: (i) any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes (including any Proceeding relating to any non-contractual obligations arising out of or in connection with the Notes) against the Issuer in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

19.3 Consent to Enforcement

The Issuer agrees, without prejudice to the enforcement of a judgment obtained in the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) according to the provisions of Article 54 of the International Private and Procedural Law of Turkey (No. 5718), that in the event that any action is brought in relation to the Issuer in a court in Turkey in connection with the Notes, in addition to other permissible legal evidence pursuant to the Civil Procedure Code of Turkey (No. 6100), any judgment obtained in such courts in connection with such action shall constitute conclusive evidence of the existence and amount of the claim against the Issuer, pursuant to the provisions of the first paragraph of

Article 193 of the Civil Procedure Code of Turkey (No. 6100) and Articles 58 and 59 of the International Private and Procedural Law of Turkey (No. 5718).

19.4 Appointment of Process Agent

The Issuer irrevocably appoints Emirates NBD Bank PJSC at Emirates NBD House, 25, Knightsbridge, London, SW1X 7LY, United Kingdom as its agent for service of process in any proceedings in England in relation to any Dispute and agrees that, in the event of Emirates NBD Bank PJSC being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

19.5 Other documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. The Issuer may agree with the relevant Dealer(s) that the proceeds of an issue shall be used for one or more specific purposes and this will be stated in the applicable Final Terms.

DESCRIPTION OF THE ISSUER

Overview

The Issuer is a full-service, private commercial bank operating principally in Turkey. The Issuer has grown since its establishment in 1997 and is now the eighth largest bank (among private banks, state-owned banks, foreign banks and development banks) in Turkey, by consolidated total assets as of 31 December 2022, having been the 45th largest bank when it started its operations in 1997 (*source: The Banks Association of Turkey*). Since 31 July 2019, following the completion of the transfer of shares from the Sberbank to Emirates NBD, the Issuer has been a subsidiary of Emirates NBD. Emirates NBD, together with its subsidiaries and associate companies, is one of the leading full-service banks in the UAE with branches or representative offices throughout the Middle East and around the world. As of 31 December 2022, ENBD owned 99.99999993% and certain executives within the Emirates NBD group owned 0.00000007 of the outstanding share capital of the Issuer. See "*Share Capital and Ownership – Ownership*."

In line with its strategy of enhancing its services to its customers, particularly in the Wholesale segment (comprising Corporate Banking, Commercial Banking, SME Banking, Public Finance Banking and Agricultural Banking segments) and Retail segment (comprising Consumer Banking and Private and Investment Banking segments), the Issuer has significantly expanded its service network, growing from 400 branches as of 31 December 2008, to 691 branches as of 31 December 2022, which include 570 retail branches and small and medium-sized enterprise (**SME**) branches, 3 corporate centres, 21 commercial centres, 70 "Green Drop" agricultural centres, 1 private banking service points and 6 other branches (2 mobile, 1 free zone, 1 internet, 1 custody, and 1 in Bahrain), as well as 12 regional offices. As of 31 December 2022, the Issuer's branch network covered 81 cities. The Issuer had over 17.3 million customers as of 31 December 2022. The Issuer also provides international banking services to its customers through its subsidiary in Austria (with 20 branches in Austria and Germany), its subsidiary in the Russian Federation and its branch in Bahrain. In addition to its traditional delivery channels, the Issuer offers customer services through ATMs, internet banking, mobile banking, fastPay, API, Contact Centre, SMS Banking, 24-hour telephone banking, point of sale (**POS**) machines and kiosks. As of 31 December 2022, the Issuer had 3,080 ATMs and 371,999 POS machines. During the year ended 31 December 2022, 97% of all financial transactions and requests were conducted through digital banking.

As of 31 December 2022, the Issuer had total consolidated assets of TL 625,001 million, total consolidated customer deposits of TL 416,969 million and total consolidated shareholders' equity of TL 54,863 million, reflecting a growth rate of 58%, 68% and 89%, respectively, since 31 December 2021. For the year ended 31 December 2022, the Issuer's net profit was TL 17,326 million compared to TL 3,540 million for the year ended 31 December 2021, an increase of 389%.

Key Competitive Strengths

The Issuer's management believes that the Issuer has the following key competitive advantages that enable it to compete effectively in the Turkish banking sector, including:

- ***Robust Capital Structure, Healthy Growth in Deposit Base:*** The Issuer has a robust capital structure, as demonstrated by its total capital adequacy ratio of 17.6% as of 31 December 2022, which is significantly above the regulatory requirement of 12.0%. Its total capital adequacy ratio was 16.8% and 16.2%, respectively, as of 31 December 2021 and 2020. Its Tier 1 ratio was 13.0% and shareholders' equity was TL 54,863 million as of 31 December 2022. The Issuer has enjoyed strong growth in its deposit base over the last three years, reflecting its strategy of enlarging its deposit base through (i) deepening its relations with existing customers, (ii) expanding its branch network and (iii) increasing its number of customers by focusing on niche segments (such as micro SMEs and agriculture and senior salary payment customers) where it has a strong presence. The Issuer ranks

number five in senior payroll payments among private banks with 682 thousand customers. In addition, 10% of total TL demand deposit volume comes from senior salary payment customers, and 9% of time deposit accounts comes from senior salary payment customers with a low deposit cost. Moreover, the Issuer had 670 branches in all provinces of Turkey as of 31 December 2022. In addition to the Issuer's strong branch network, the Issuer believes that its strong balance sheet has supported its ability to attract a growing deposit base and that it has benefited from a "flight to quality" during recent periods when difficult market conditions prevailed, with customer deposits having an average annual growth of 27% from TL 61,831 million as of 31 December 2014 to TL 416,969 million as of 31 December 2022. The Issuer's net loans to customer deposits ratio of the Issuer decreased from 91% as of 31 December 2021 (sector average was 93%) to 82% as of 31 December 2022 (sector average was 85%), whereas the customer deposits represented 66.7% of total liabilities as of 31 December 2022 (the sector average was 62.2%). Although a large portion of the Issuer's deposits are short-term (in line with the Turkish banking sector average, which is less than 90 days), on average over the last three years 84% of the Issuer's deposits have historically been reinvested on multiple occasions.

- ***Strong Income Generation Capacity Driven by a Strong Lending Franchise and Cross-Selling Opportunities:*** The Issuer believes that its focus on growing its loan portfolio, rather than its marketable securities portfolio, has contributed to its strong income generation and potential to achieve sustainable returns in terms of both its ability to defend its net interest margin and fee and commission income, in the latter case due to the potential cross-sell opportunities presented by its lending platform. In line with the general slowdown in the economic environment and since the change of ownership in 2019, the Issuer adopted a more prudent loan provisioning policy, which led to the increase in expected credit losses. However, considering the five year average return on equity (which includes the equity as of 31 December 2017 for the calculations), the Issuer's profitability (20.6%) is in line with the sector average of 20.7%. On the other hand, the Issuer concentrated its efforts in increasing the fee and commission income in 2022, reaching TL 6,620 million as of 31 December 2022, demonstrating a 59.0% increase as compared to the year ended 31 December 2021 (the Issuer's peers' average increase is 76.3% whereas the sector's average increase is 101.2%). As of 31 December 2022, net fee income comprises 14% of the total revenues (including interest expenses and fees and commissions paid) of the Issuer (sector average is 101%) and covers 59% of the Issuer's operating expenses (sector average is 49%). Net income attributable to equity holders of the parent was TL 17,174 million for the year ended 31 December 2022, an increase of 390% from TL 3,507 million for the year ended 31 December 2021, which in turn represented an increase of 89% from TL 1,858 million for the year ended 31 December 2020. Since its inception, as a matter of policy, the Issuer's investments in securities have been relatively low compared to the Turkish banking sector as a whole. As of 31 December 2022, the Issuer's securities (financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and investments measured at amortised cost) to assets ratio was 15.7%, below the sector average of 21.0%. As of 31 December 2021 and 31 December 2020, the Issuer's securities to assets ratios were 9.5% and 10.7%, respectively, compared to sector average ratios of 17.9% and 18.3%, respectively, as at the same dates (source: monthly BRSA reports). The Issuer has historically focused on growing its loan portfolio and has achieved a net loan growth rate of 147% over the five year period ended 31 December 2018 to 31 December 2022. The Issuer believes that its strong credit culture and prudent risk management approach have supported the growth and contributed to a healthy diversification of its loan portfolio. The Issuer has leveraged cross-selling opportunities created by the strong synergies between its Corporate, Commercial and SME divisions and its Consumer Banking business, so that many loans extended to corporate and commercial clients lead to increased penetration of its retail products. As of 31 December 2022, 74% of the Issuer's total loan portfolio was comprised of Corporate and Commercial Banking, SME Banking and Agricultural Banking, comprising 50%, 17% and 7% respectively. The remaining 26% of the Issuer's total loan portfolio was comprised of Consumer Banking and retail credit card loans, comprising 14% and 12% respectively. The Issuer's consumer loans can be further broken down into general purpose loans,

housing loans and auto loans comprising 52.6%, 1.4% and 0.1% of total consumer loans, respectively, as of 31 December 2022. As a major part of the consumer loans, general purpose loans also has a high concentration in loans to senior salary payment customers and has a 1.1% NPL ratio as of 31 December 2022. The Issuer's loan portfolio is also diversified among borrower sectors, with the some of the largest shares in tourism, infrastructure, construction, energy and agriculture, representing 8%, 7%, 6%, 5% and 6%, respectively, of the Issuer's cash and non-cash loan portfolio as of 31 December 2022. The share of the Issuer's receivables from its top 100 cash loan customers in the overall cash loan portfolio was 35% as of 31 December 2022.

- ***Record of Innovation in Products and Services, Particularly in Niche Markets:*** The Issuer has a strong track record of developing innovative products and services. The Issuer is the leading private bank in the Turkish agricultural sector in terms of loans to that sector and is also the leader among private banks in senior salary payment customers. The Issuer has a targeted rural branch network known as its "Green Drop" branches to serve agricultural customers and offers them a "Producer Card" that provides innovative targeted solutions, such as repayment schedules tied to the harvest season of over 400 different crops. The Issuer had issued approximately 583 thousand Producer Cards as of 31 December 2022. In addition, the Issuer offers an SME card that provides a unique range of products and services in a single card, including loan, payments and cash management facilities for companies with turnover below TL 40 million. The combination of the SME and Producer cards help to give the Issuer a leading position in the commercial card market in Turkey, with a 17.9% market share in terms of number of such cards in issue as of 31 December 2022, more than 4.2% higher than the 13.7% market share of the second ranked bank.

- ***Successful Deployment of Portal Business Model:*** The Issuer has successfully benefited from a number of synergies between its various customer segments, traditional and alternative delivery channels, products and services by deploying its "portal approach". In particular, the Issuer's Financial Services Group acts as a "financial supermarket", which means it operates as a single portal for marketing all of the Issuer's financial products through both its physical and alternative distribution channels. The Issuer seeks to serve its customers through a focused point of contact, rather than requiring customers to separately access the different products and services that the bank offers. The benefit of this approach is that it provides increased opportunities for cross-selling and strengthening of relationships between customers and their main point of contact at the Issuer. The Issuer has also designed its internal incentive and compensation structures so as to be aligned with this approach, in order to minimise internal competition and ensure customers are provided with the best mix of the Issuer's products and services. In furtherance of this strategy, the Issuer has structured its Private Banking activities as a complementary business line within its Investment Management segment. In addition, the Issuer's Investment Banking products are provided through the branch network, often in combination with Private Banking products, in a system that encourages the branches to promote those services, as the Issuer believes these products are difficult to market directly to customers.

- ***Low Cost to Income Ratio:*** Since its establishment, the Issuer has focused on improving its cost efficiency ratio by being cost efficient in human resources, information technology and public relations activities. Notwithstanding the growth in the Issuer's business, its cost to income ratio has remained at relatively low levels. As a consequence of the efficient cost management policies, resulting in an increase of 83% of operating expenses (which represent the sum of other operating expenses and personnel expenses) in 2022 as compared to 2021, and the overall increase in total banking income (gross profit from operating activities), resulting in an increase of 149% in 2022 as compared to 2021, the Issuer's cost to income ratio decreased to 24.1% as of 31 December 2022 as compared to 32.7% as of 31 December 2021 and 33.7% as of 31 December 2020. The cost to income ratios of the twelve largest private banks in Turkey were 22.4% as of 31 December 2022 and 33.9% and 36.0% as of 31 December 2021 and 2020.

- ***Strong Focus on Employee Training and Development; Highly-Skilled Workforce:*** the Issuer believes that a key element of its success has been its emphasis on the quality, training and development of its employees. The Issuer believes that its well-trained employees form a cornerstone of the Issuer's focus on superior customer service and long-standing customer relationships, and also provide the Issuer with a competitive advantage, particularly in a growing market where there is high demand for skilled personnel. In 2021 the Issuer launched the fourth edition of the "Data Science Program" for employees seeking to specialize in data science. Under the program (which is administered by Deniz Academy, and was the first of its kind in the sector in Turkey in terms of scope and participation), 29 of the Issuer's employees were reassigned as Data Scientists and 14 Junior Data Scientist started working at DenizBank. As of 31 December 2022, total of 204 employees graduated from the program. In addition, Deniz Academy's Entrepreneurship Certificate Programme aims to help employees develop the skills needed to adapt to new technologies and digitisation, and 200 employees completed their online training and received certificates. Separately, in 2021, progress was made in relation to the In-House Entrepreneurship Program under the Deniz Aquarium Fikir Limanı brand within the NEOHUB group. Deniz Aquarium Fikir Limanı is a new generation in-house entrepreneurship and innovation program that allows the employees to convey their solution suggestions and ideas to Deniz Aquarium and implement them (see "*Description of the Issuer Subsidiaries – Domestic Subsidiaries – Domestic Non-Financial Subsidiaries – Neohub – NEOHUB Innovation and Ecosystem Office*" for further details). Historically, the Issuer has sought to maximise opportunities for career development for its employees, with virtually all promotions to non-management positions and approximately 92% of all promotions to management positions being filled by internal candidates. The Issuer's focus on its corporate culture and quality, training and development of its employees has been recognised at the Youth Awards where it received an award in the "Finance Company Most Wanted to Work for by Young People" in 2022.

- ***Maintain High Standards of Corporate Governance and Business Ethics:*** the Issuer believes that its internal corporate governance structure reflects the best market practices of the Turkish and international banking sectors. The Issuer established these corporate governance practices to improve management's efficiency and to further protect the interests of the Issuer's stakeholders, including its customers and shareholders. The Issuer operates with a management approach built on the principles of transparency, equality, responsibility and accountability, and exercises maximum care to comply with the corporate governance provisions outlined in the Banking Legislation, Turkish Commercial Code (Law No. 6102) and other related regulations as regards the management of relations with stakeholders, as well as the determination of the duties, authorities and responsibilities of the Board of Directors.

- ***Leading Digital Banking Offering:*** The Issuer's sustained investment in research and development and new technologies has led to innovative new offerings and applications that increase customer engagement and contribute to turnover growth. The Issuer's pioneering technological initiatives include Turkey's first mobile wallet (**fastPay**), Turkey's first cashier POS system, Turkey's first e-government banking system integration, the first agricultural application aimed at digitising the agriculture sector (Deniz'den Toprağa) and Turkey's first instant cheque factoring application. The Issuer aims to optimize and increase the efficiency of non-branch channels (such as KOBİ'deniz, MobilDeniz, the internet branch and the call centre) and digital channels. In 2021, the Issuer renewed its corporate website. The new website was updated with mobile device compatibility, and the web and mobile versions of DenizBank.com were merged into a single platform through its "Mobile First" approach. Furthermore, the Issuer introduced a service to allow users to become customers remotely, without visiting a physical branch. Efforts are ongoing to develop new product and service models by addressing changing customer needs with unique financial solutions. Rather than simply using traditional banking solutions, the Issuer is focused on meeting the evolving needs of customers resulting from digital transformation and accelerated by the global pandemic. In addition to efforts to boost customer acquisition via digital channels, including remote customer

acquisition, the Issuer prioritizes efforts aimed at financial deepening and customer retention in order to gain a competitive advantage. Furthermore, the Issuer implements marketing automation from the no-cost channel to the cost-effective channel to achieve efficiency. It also aims to optimize acquisition and sales costs and increase sales penetration through digital channels. The Issuer's technological achievements have been recognised through numerous awards, including Most Innovative Bank of the Year by BAI Global Innovation Awards in 2014 and 2016, Global Innovator by EFMA Accenture Awards in 2015, Global Innovator Challenger Player Silver by EFMA Accenture Awards in 2017 and EMEA Regional Winner by Gartner Eye on Innovation Awards in 2018. The Issuer's Digital Banking products have also been recognised individually through similar awards such as Best New Product or Service by EFMA Accenture Awards for Agri App (Deniz'den Toprağa) and at the PSM Awards for Best Mobile Payment Solution for fastPay. In 2021, the Issuer established NEOHUB a new fintech company as a subsidiary, in order to support the entrepreneurial ecosystem of Turkey. As a result of hosting and pioneering initiatives that will shape the future of banking, the Issuer was awarded by The Banker as the "Bank of the Year" both in the Western European region and in Turkey.

- ***Strong and committed shareholder:*** Support from Emirates NBD provides stability and helps to maximise the Issuer's growth potential. Emirates NBD is one of the leading full-service banks in the UAE and also has branches or representative officers in the Kingdom of Saudi Arabia, Qatar, India, Singapore, Indonesia, Egypt, the PRC and the UK. The Issuer benefits from Emirates NBD's know-how and expertise in risk management, internal audit, financial planning and control as well as from Emirates NBD's experience in implementing efficiency improvements and cost management.

- ***Sustainability:*** The Issuer conducts its business operations in line with the principle of responsible banking and with a focus on society and people. The Issuer established the Sustainability Coordination Department under the Financial Institutions Group in order to carry out all sustainability efforts. The Sustainability Coordination Department monitors national and international sustainability practices, encourages sustainability-related activities at the Issuer and inspires all employees to work in line with the Issuer's sustainability goals. Sustainability policies are set by the Sustainability Committee which is chaired by the Chief Executive Officer and reports to the Board of Directors. A sustainability management system was established to measure and manage the Issuer's direct and indirect environmental and social impacts. A systems infrastructure is in place to measure and monitor these impacts.

Strategy

The Issuer corporate goals and strategy are closely aligned with its commitment to further the development of the Turkish economy and the Turkish financial system by providing high quality specialised banking products and services that are both innovative and comprehensive. By achieving sustainable and profitable growth, the Issuer aims to become one of the five largest banks in Turkey in terms of total assets and net income. To achieve this objective, the main pillars of its strategy are as follows:

- ***Continue to Emphasise Prudent Risk Management:*** the Issuer aims to continue to grow its lending portfolio by developing its strong commercial franchise without sacrificing its disciplined loan culture and prudent risk management principles (see "*Risk Management*"). In particular, the Issuer has developed sophisticated underwriting models that enable a high degree of underwriting automation such that 98.5% of loans in the Consumer segment, 99.4% of loans in Credit Cards segment, 94.0% of loans in the SME segment and 67.0% of loans in the Agricultural segment are automated. In addition, the Issuer has developed detailed protocols to assist in the early detection of problematic loans and has implemented cost-efficient and effective ways to manage loan collections and restructuring.

- ***Focus On and Improve Cost Efficiency:*** the Issuer intends to maintain its prudent cost management culture with highly efficient human resources, information technology, marketing and public relations activities. In particular, the Issuer intends to continue its performance-oriented culture that incentivises employee productivity through a high level of internal promotions as well as through employee bonuses. The Issuer also aims to pursue cost-conscious and innovative advertising, maintain cost-effective IT spending which develops lower-cost solutions through the Issuer's in-house technology company (InterTech) and continuously monitor its regional offices and branches for profitability.

- ***Pursue Roll-out of Portal Approach:*** the Issuer plans to continue to maximise synergies between its various customer segments, traditional and alternative delivery channels, products and services with its "portal approach" The DenizBank Financial Services Group, together with its subsidiaries, constitutes an ecosystem in which each subsidiary supports each other: DenizBank, the flagship, and all of its subsidiaries operate under a single model—an alloy design, not a mosaic—together with unified operations in most of the functions (such as IT & operations, communications, legal, finance, human resources, risk, audit and procurement). The system is built on a synergy-driven (and therefore cost-saving), high-tech, web-based IT platform that also drives the digital process, with a focus on segmentation and established niche markets while maintaining prudent lending and high level of client satisfaction while transforming the business to align people, processes and technological initiatives. All physical and digital distribution channels are fed by this portal with a wide range of financial products and services to the clients including those of the Issuer's subsidiaries. With this approach the DenizBank Financial Services Group functions as a "financial supermarket" or single portal for marketing all of the Issuer's financial products which is able to offer the right products at the right time through the right channel to the right customer.

- ***Continue to Focus On Market Segmentation and Further Expand Presence in Established Niche Markets:*** the Issuer intends to enhance its customer-oriented approach by delivering state-of-the-art quality, increasing loyalty and cross-selling and maximising sales effectiveness across the Issuer's segments. Making available tailor-made solutions through the use of innovative products will be the key factor in the Issuer's efforts to increase its number of clients as well as its profitability per client. The Issuer also aims to develop its presence in certain niche markets, including energy, tourism, sports clubs, precious metals and agriculture.

- ***Business Transformation:*** the Issuer intends to grow beyond its core business into relevant ecosystems, targeting excellent customer experience, efficiency and effectiveness by utilising the power of digitalisation and mobility with the assistance of the Deniz Aquarium Innovation Office. The Deniz Aquarium Innovation Office operates under the Issuer's new fintech subsidiary NEOHUB and aims to transform the concept of the traditional business school by creating a new, ideal platform for start-ups where they can accelerate and grow via the Deniz Aquarium Innovation and Entrepreneurship Centre's open innovation, corporate entrepreneurship and corporate venture capital programs as well as through its Blockchain Lab and via Ecosystem Banking with APIs.

Recent Developments

The following information provides an update as to the Issuer's financial performance during the three months ended 31 March 2023 and contains financial information from the Issuer's unaudited consolidated interim financial statements for the three month period ended 31 March 2022.

The Issuer's total assets as of 31 March 2023 were TL 693,522,063 thousand, compared to TL 625,001,114 thousand as of 31 December 2022, representing an increase of approximately 11%.

The Issuer's financial assets (net) as of 31 March 2023 were TL 260,954,788 thousand, compared to TL 231,653,632 thousand as of 31 December 2022, representing an increase of approximately 13%.

The Issuer's financial assets measured at amortised cost (net) as of 31 March 2023 were TL 393,431,859 thousand, compared to TL 361,094,685 thousand as of 31 December 2022, representing an increase of approximately 9%.

The Issuer's investments in associates, subsidiaries and joint ventures as of 31 March 2023 were TL 2,694,359 thousand, compared to TL 2,694,327 thousand as of 31 December 2022, remaining almost the same.

The Issuer's deposits as of 31 March 2023 were TL 475,661,773 thousand, compared to TL 439,407,011 thousand as of 31 December 2022, representing an increase of approximately 8%.

The Issuer's net interest income for the three months ended 31 March 2023 were TL 7,006,636 thousand, compared to TL 4,927,394 thousand for the three months ended 31 March 2022, representing an increase of approximately 42%.

The Issuer's net profit for the three months ended 31 March 2023 were TL 6,851,790 thousand, compared to TL 2,559,925 thousand for the three months ended 31 March 2022, representing an increase of approximately 168%.

The Issuer's net profit for the three months ended 31 March 2023 increased compared to the three months ended 31 March 2022, primarily as a result of the increase in net interest income, net fees and commissions income, other non-funded income and strong collection performance.

On 6 February 2023, two earthquakes with a magnitude of 7.7 and 7.6 (respectively) on the Richter scale occurred in Kahramanmaraş, which caused catastrophic loss of life and destruction of numerous buildings. The Turkish Government declared a Level 4 state of emergency, which includes a call for international assistance as well as the mobilization of all national forces. Emergency relief efforts are still continuing in the region and the impact of these earthquakes is estimated to be U.S.$104 billion in damage. Three of the Issuer’s branches were damaged and three of the Issuer's employees lost their lives as a result of the earthquake.

Additional tax liability has been introduced on 12 March 2023 under Law No. 7440 on the Restructuring of Certain Receivables and the Amendment of Certain Laws. The exemptions and deductions reflected by the corporate taxpayers in the corporate tax return for the year ended 31 December 2022 and the tax base subject to the reduced corporate tax under Article 32/A of Law No. 5520, without being associated with earnings for the period, are subject to an additional tax that is calculated at the rate of 10%, and at the rate of 5% over the exempted income obtained from abroad in pursuant to subparagraph (a) of the first paragraph of Article 5 of the Law No. 5520 resulting in a total additional tax burden of at least 15%, with the first instalment of the additional tax having been paid within the payment period of the corporate tax and the second instalment having been paid in the fourth month following this period. A provision of TL 420 million has been made by the Issuer for the mentioned additional tax.

The Issuer has provided support to staff, customers and the communities affected by the earthquake and made a TL 350 million donation to the earthquake relief effort. The Issuer made significant efforts to ensure uninterrupted banking services throughout the areas affected by the earthquakes, and ensured strong support to key sectors including SMEs, agriculture and tourism.

Global inflation, turbulence in the global banking sector, geopolitical developments were other significant themes in the three months ended 31 March 2023. Despite this challenging environment, the International Monetary Fund estimates that Turkey's Real Gross Domestic Product would grow by 2.7% in 2023, in line

with global growth expectations. The value of the Issuer's strong balance sheet, along with strong shareholder support, ensured that the Issuer was minimally impacted from these events during this challenging quarter. Against the backdrop of this challenging environment, the Issuer was able to increase profitability during the quarter.

History

The Issuer was originally established as a state-owned bank in 1938, primarily for the purpose of financing the newly-emerging Turkish maritime industry. In 1992, after a decision by the government to merge certain state-owned banks, the Issuer merged with EmlakBank. On 20 March 1997, the Issuer was reconstituted from a portion of the assets of EmlakBank and was privatised as a commercial bank. At that time, the assets of the Issuer consisted entirely of branches in İstanbul, İzmir and Ankara that had been inactive since 1992.

Following the resolution of the Turkish High Council of Privatisation, a share sale agreement between the Privatisation Administration and Zorlu Holding A.Ş. (the purchaser of DenizBank) was signed on 29 May 1997. The Issuer acquired its banking licence in August 1997 and effectively began operations in September 1997. From 1997 to 2001, the Issuer experienced significant organic growth, with the number of its branches increasing to approximately 50 and net assets increasing to U.S.$2 billion. DenizLeasing, DenizFactoring and Deniz Yatırım, wholly-owned subsidiaries of the Issuer, were established in 1997 and 1998, respectively.

In late 2001, the Issuer embarked on a strategy to expand its business through acquisitions when it purchased from the SDIF a number of branches, deposit, credit card and financial services companies that had been taken over by the SDIF during the consolidation of various failed Turkish banks in prior years. In a series of transactions during 2001 and 2002 the Issuer acquired financial services companies from the SDIF which held in total 108 branches, deposit accounts amounting to approximately U.S.$250 million and 130,000 credit card accounts. The principal acquisitions included the following (at historical acquisition values):

- In December 2001, Deniz Yatırım purchased 5% of the shares of Demir Investment Trust, a Demirbank subsidiary (which was renamed DenizInvestment Trust in 2002), an A-Type investment trust company, for TL 60,000.

- In February 2002, the Issuer purchased 99.98% of the shares of Yaşarbank Foreign Trade Off-Shore Ltd. (which was initially renamed Eurodeniz Offshore Limited and then Eurodeniz International Banking Unit Limited in 2009), a bank located in the Turkish Republic of Northern Cyprus, for U.S.$490,000.

- In July 2002, the Issuer purchased 100% of the shares of Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. (**Intertech**), a company providing IT services to the financial and banking sectors, for U.S.$1.75 million.

- In September 2002, the Issuer purchased 99.99% of the shares of Esbank AG, Wien (which was renamed DenizBank AG in 2003), a commercial bank located in Vienna (Austria), for U.S.$24.6 million.

- In November 2002, the Issuer and Deniz Yatırım purchased 78.02% of the shares of Ekspres Invest, a securities trading firm engaged in brokerage activities, portfolio management and investment advisory services, for approximately U.S.$2 million.

- In December 2002, the Issuer acquired all of the shares of Tarişbank, including 100% of the share capital of Tariş Securities (which was renamed DenizTürev Securities in 2005), a brokerage firm, at a net book value of TL 2,199.

- In April 2003, Deniz Yatırım acquired 98.42% of the shares of EgePortföyYönetimi A.Ş. (which was renamed Deniz Portföy), a portfolio management firm, for U.S.$468,000.

- In June 2003, the Issuer acquired all of the shares of CJSC İktisat Bank (Moscow) (which was initially renamed DenizBank Moscow and then CJSC Dexia Bank), a bank located in Moscow, for U.S.$450,000.

- In 2002 and 2003, the Issuer purchased a total of 108 banking branches of Bayındırbank, Etibank, İktisatBankası, Toprakbank, EGS Bank and Kentbank in various cities in Turkey.

Through these various acquisitions, the Issuer increased its brokerage and investment advisory services and significantly strengthened its international banking activities. As a result of these and other branch acquisitions, rapid branch expansion took place in 2002 and 2003 with the number of branches increasing from 55 as of 31 December 2001 to 165 as of 31 December 2003. Since then, the Issuer has continued to expand its services through both organic and inorganic growth.

- On 24 September 2004, 25% of the share capital of the Issuer was offered to the public and listed on the Istanbul Stock Exchange.

- In December 2004, the Issuer established Deniz Kültür for the purpose of supporting cultural and arts activities.

- On 30 May 2006, Dexia Participation Belgique SA signed a share purchase agreement with Zorlu Holding for the purchase of its 75.0% stake in the Issuer and the transfer of the shares was completed on 17 October, 2006. Subsequently, a tender offer was made for the publicly traded shares on the ISE, and Dexia Participation Belgique's ownership increased to 99.84%.

- In March 2007, the Issuer acquired 99.6% of the shares of Global Hayat Sigorta A.Ş. (Global Life Insurance Inc.) from Global Yatırım Holding, (which changed its name to DenizHayat Sigorta (Deniz Life Insurance) in August 2007, and, after acquiring a pension company licence, changed its name to DenizEmeklilik (Pension and Life Inc.) in November 2008).

- In January 2009, the Issuer and DenizLeasing entered into a joint venture as founder shareholders with a 33.3% (2.08% and 31.25%, respectively) share to form Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (Cash and Valuable Papers Transportation and Security Services) which provides the services of collecting, distributing, delivering and protection cash, commercial papers, precious metals and other valuable papers.

- In June 2009, DenizLeasing established Pupa Gayrimenkul Kiralama ve Yönetim Hizmetleri A.Ş., dealing mainly with investing in real estate, real estate projects and rights related to real estate.

- On 19 July 2011, all of the shares that were 100% owned by the Issuer directly and indirectly at its subsidiary DenizTürev Securities were sold to Endeks Gayrimenkul ve Madencilik Enerji Sanayi ve Tic. A.Ş.

- On 3 October 2011, 99.86% of the shares the Issuer owned at its subsidiary Deniz Emeklilik was sold to American Life Hayat Sigorta A.Ş.'ye (MetLife).

- On 28 September 2012, Sberbank acquired 99.85% of the shares of the Issuer from Dexia Participation Belgique SA and Dexia NV/SA.

- Deniz Varlık Yönetim A.Ş., established on 8 May 2013, started its operations in December 2013 with the official authorisation granted by the Banking Regulation and Supervision Agency. The company's title was changed as Destek Varlık Yönetim A.Ş. on 9 April 2014.

- On 1 July 2013, the retail business of Citi Turkey, encompassing over 600.000 customers, loans/receivables of TL 1.2 billion and deposits of TL 1.6 billion, was transferred to the Issuer with almost 1.400 employees, including the retail banking branches.

- On 29 December 2016, 100% of the shares of Destek Varlık Yönetim A.Ş., of which DenizBank and its subsidiaries were shareholders, was sold to Lider Faktoring, Merkez Faktoring and real persons.

- On 21 May 2018, Emirates NBD PJSC entered into an agreement (as amended and restated on 2 April 2019) with Sberbank whereby Sberbank would sell its 99.85% stake in the Issuer to Emirates NBD. Subsequently, on 31 July 2019, Emirate NBD PJSC acquired 99.85% of The Issuer shares from Sberbank.

- On 12 November 2019, the title, purpose, scope of activity and capital of "Deniz Kartlı Ödeme Sistemleri A.Ş.", which is a wholly-owned subsidiary of the Issuer, were changed with the registration of the General Assembly resolutions. The new title of the Company was changed to "Hızlıöde Elektronik Para ve Ödeme Hizmetleri A.Ş.". The operating permit was granted by the Central Bank on December 24, 2020 and the company became operational in June 2021. The title of the Company was subsequently changed to "Fastpay Elektronik Para ve Ödeme Hizmetleri A.Ş." with the approval of General Assembly at a meeting held in August 2021.

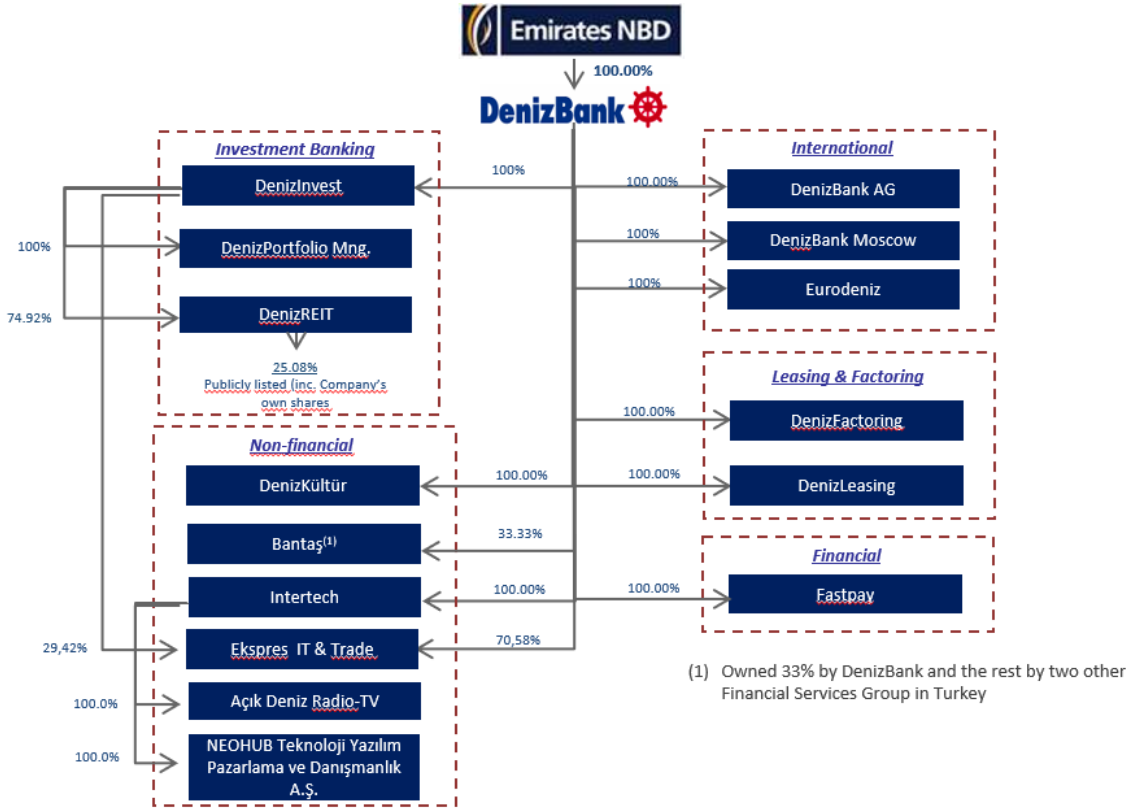
- As per the terms of the CMB Communiqué numbered II-27.2 on Squeeze Out and Sell Out Rights, ENBD exercised its right to squeeze out the other shareholders of the Issuer. As a result, the Issuer shares owned by other shareholders were purchased by ENBD, taking the ownership ratio of ENBD at the Issuer to 100% and subsequently the Issuer shares were delisted from the stock exchange as of 16 December 2019.

- On 29 June 2021, NEOHUB Teknoloji Yazılım Pazarlama ve Danışmanlık A.Ş. (NEOHUB) was established as a wholly-owned subsidiary of Intertech with a capital of TL 35 million. The main activities of the company are software development and marketing, research and development, innovation and innovation activities and consultancy. Deniz Aquarium, Deniz Ventures and fastPay were consolidated under NEOHUB as a single fintech subsidiary to provide a one-stop solution for start-ups in Turkey.

- Pursuant to a transfer agreement dated 12 May 2022, title to the fastPay application (including data relating to the existing fastPay users and other elements presented in the Issuer's inventory) was transferred to fastPay A.S. on 12 January 2023 as capital in kind equal to TL 32,785,798.90.

Organisational Structure

The following chart represents the Issuer's organisational structure as of 31 December 2022, including its subsidiaries' structures.



Overview of Banking Products and Services

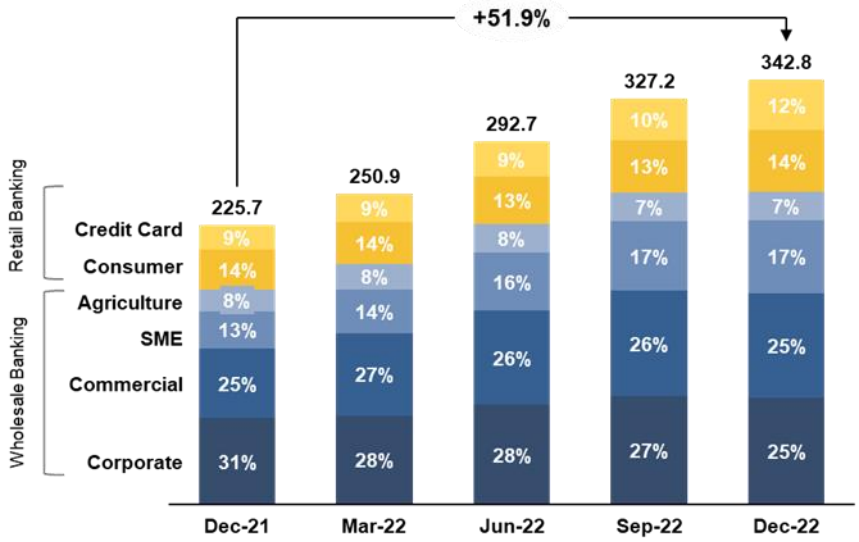
The Issuer's operations are carried out through two main segments, Wholesale Banking and Retail Banking, whereby: (i) Consumer Banking Group, Payment Systems Group, Digital Transformation, Change Management and Non-Branch Channels Group and Private Banking & Investment Sales Group are organised under Retail Banking; and (ii) Corporate & Commercial Banking Group, SME and Public Finance Banking Group and Agricultural Banking Group are organised under Wholesale Banking. The Issuer's service model is supported by its domestic and international subsidiaries.

The following charts detail the breakdown of the Issuer's net loans and customer deposits according to the Wholesale and Retail Banking segments.

Loan Book: Selective lending with a primary focus on retail segments

NET LOANS

TL bn (Sector: 53.7%)

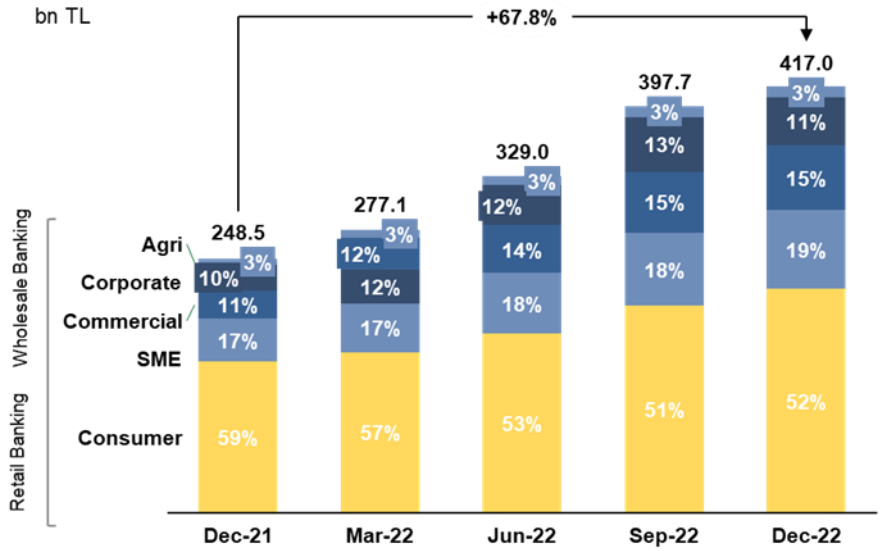


	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
TL Loans	46%	46%	49%	51%	56%
FC Loans	54%	54%	51%	49%	44%
Retail Banking	23%	23%	23%	23%	26%
Wholesale Banking	77%	77%	77%	77%	74%

Total Customer Deposits: Diversified retail deposits base with strong core deposits

CUSTOMER DEPOSITS

bn TL



TL Deposits	23%	28%	32%	34%	40%
FC Deposits	77%	72%	68%	66%	60%
Retail Banking	59%	57%	53%	51%	52%
Wholesale Banking	41%	43%	47%	49%	48%
Demand Deposits	38%	37%	37%	36%	36%
Time Deposits	62%	63%	63%	64%	64%

Wholesale Banking

The Issuer’s Wholesale Banking segment is comprised of Corporate and Commercial Banking, SME Banking and Public Finance, Agricultural Banking, DenizLeasing and DenizFactoring. Wholesale Banking works with the Issuer’s international operations and is assisted by the Issuer's support functions.

Corporate and Commercial Banking

The Corporate and Commercial Banking segment provides financial solutions to corporate and commercial clients across a wide range of industries, including infrastructure, tourism, maritime, sports, health care, education, energy, public finance and manufacturing-exporting. Corporate and Commercial Banking consists of two business lines: (i) Corporate Banking, which serves entities with an annual turnover of more than TL 200 million, as well as the groups to which these companies belong (Financial services companies are included in this segment regardless of their turnover amount), and has three Corporate branches; and (ii) Commercial Banking, which serves entities with an annual turnover of at least TL 125 million and that do not fall within the scope of the Corporate Banking segment, and has 21 Commercial Centre branches. As of 31 December 2022, Corporate and Commercial Banking served 13,266 active clients and had a network of 24 branches across 11 cities in Turkey with 215 customer representatives. As of 31 December 2022, the Corporate and Commercial Banking segment had 248 employees.

Corporate and Commercial Banking provides a wide range of banking products and services. Such offerings include: time and demand deposits, treasury marketing unit products, TL and foreign-exchange cash loans, project finance loans, investment loans, non-cash loans (such as letters of guarantee and letters of credit), insurance products (through its partnerships with AXA and MetLife), POS products, payroll solutions for employee salary payments, credit cards and trade finance. In addition, Corporate and Commercial Banking provides its customers with a wide range of products and services from other Group companies, such as leasing, factoring and investment products, many of which were developed principally to meet the needs of Corporate and Commercial Banking customers and then sold to customers of other Group business lines and subsidiaries. In addition to serving the needs of the Issuer's Turkish clients, Corporate and Commercial Banking also provides these services to non-Turkish companies who are active in the Turkish market. As well as providing the banking products outlined above, Corporate and Commercial Banking works closely with Retail Banking and SME Banking to create synergies between these business lines.

Corporate and Commercial Banking's strategy is summarised as follows:

- focussing on producers and exporters customers which are excluded from new regulations;
- achieving growth in TL assets while focussing on increasing non-risk income of FX loan customers;
- maintaining manageable NPL and Cost of Risk ratios while focussing on collection of troubled debt and provisions recovery;
- cash payment cooperation with Agriculture Banking Department clients, salary payments with Retail Banking clients, enhance trade activities between SME Banking clients and corporates via cash management products; and
- increased coordination and synergy between experienced Private Banking and DenizInvest staff in the area of asset management.

Through its link to the Issuer's project finance team and its expertise in various sectors such as the maritime, energy, education, health, transportation, tourism, shipping, agriculture, iron and steel, textiles, public, real estate and oil sectors, in the period between its formation in 2005 and 31 December 2022, Corporate and Commercial Banking had undertaken more than 200 project finance transactions valued at approximately

U.S.$ 15 billion and, as of 31 December 2022, had 79 current project finance transactions creating approximately U.S.$ 3.9 billion of exposure on its loan book, each tailored to fit the specific client profile in terms of debt sizing and risk management.

- Total Corporate and Commercial Banking cash and non-cash loans were TL 239.1 billion as of 31 December 2022, an increase of 33% from TL 180.1 billion as of 31 December 2021, which in turn represented an increase of 43% from TL 125.8 billion as of 31 December 2020. As of 31 December 2022, Corporate and Commercial Banking customers generated 78% of the Issuer's total loans.

- Total deposits by Corporate and Commercial Banking customers were TL 109.5 billion as of 31 December 2022, an increase of 109% from TL 52.3 billion as of 31 December 2021, which in turn represented an increase of 79% from TL 29.2 billion as of 31 December 2020. Total time deposits were TL 79.9 billion and total demand deposits were TL 29.8 billion as of 31 December 2022, compared to TL 34.7 billion and TL 17.6 billion, respectively, as of 31 December 2021.

SME Banking and Public Finance

The SME Banking and Public Finance Group is comprised of two primary segments: (i) SME Banking; and (ii) Public Finance Banking.

The SME Banking segment is comprised of two customer segments: medium SMEs (representing 17% of active SME segment customers) with revenue between TL 25 million and TL 250 million; small SMEs (representing 83% of active SME segment customers) with revenue between TL 1 million and TL 25 million.

The SME Banking segment also includes one of the biggest public finance businesses among Turkish private banks with 536 active customers and TL 4.8 billion of loans (of which none are non-performing. This segment serves local public administrations, their subsidiaries and economic enterprises, as well as state economic enterprises, their establishments and subsidiaries, and all other enterprises in which the public or public companies hold at least a 50% stake. In addition, the SME Banking segment includes the leading gold bank in the Turkish gold banking sector, which offers the sector's widest variety of products.

SME Banking's service model differentiates based on channel and product across its two segments. Branch network approach has been customized to fit customer needs. SME Banking has two types of relationship managers (**RMs**) (Medium RMs & Small RMs) in three kinds of branches: "Large SME Branches" for Medium Segment Customers, "Small SME Branches" for Small Segment Customers and "Large & Small SME Branches" only for specific regions. SME Banking is currently operating in 81 cities with almost 500 small SME branches while also a strong presence in industrial cities with 40 "Large SME branches".

While each SME segment can access loans, tailored bundle solutions, POS systems and SME cards, medium SMEs interact with SME Banking solely through the relationship manger channel, whereas small SMEs use both the relationship manager, digital channels and KOBİ'deniz, which is a digitally enabled remote tele-service channel created for specific segment SMEs. Key products offered by SME Banking include the SME Card, which provides cardholders with the following features on a single card: (i) an overdraft account for urgent payments; (ii) an instalment loan repayable in up to 36 instalments; (iii) seasonal loans, which are non-recourse loans during periods of low income; and (iv) business cards, which can be used for all personal and business spending. SME Banking also offers bundles, which combine an array of bespoke solutions tailored to individual customers expectations and needs, including product bundles (such as foreign trade or transaction bundles (such Maxi SME, Jumbo SME packages, Jumbo Plus SME and Mega SME packages)).

SME Banking's main strategy is to grow its customer base through increased marketing of its bundle products as well as by developing its leading public finance and gold banking sub-segments. SME Banking also seeks to strengthen customer engagement through MobilDeniz, its digital banking application for SMEs,

which provides access to all SME products and services through smartphones and tablets. As of 31 December 2022, more than 60% of active SME customers used MobilDeniz to carry out transactions.

The Issuer also aims to support female entrepreneurs in terms of access to financing through the special rates, packages and other products offered by the Issuer at its branches and the services presented through digital channels.

As of 31 December 2022, the total number of SME Banking's active customers was 364 thousand. The SME segment's loan portfolio reached TL 70.2 billion as of 31 December 2022, an increase of 90% from TL 37 billion as of 31 December 2021 (which in turn represented an increase of 27% from TL 29.2 billion as of 31December 2020).

Furthermore, the Cash Management and Foreign Trade Finance units are combined under SME Banking to provide services to all the Issuer business lines. The Cash Management unit offers payment and collection methods suitable for customer needs by using specialist technologies. The Cash Management unit operates under the Wholesale Banking-SME Banking Group with the organizational change completed in 2021. In 2022, the Cash Management unit aims to acquire new customers via enhanced synergy between business lines, deepen relationships with existing customers to boost cross-sales and offer innovative products in response to customer demands. In addition, the Issuer offers electronic collection services and electronic payment services.

The Foreign Trade Finance unit within the SME Banking and Public Finance Group acts as the connection point for the customer, branch, trade operations and correspondent banking teams in order to fulfil customer needs with tailor made financing solutions for their foreign trade transactions. In order to support exporters, the Issuer became a shareholder of IGE A.Ş. (Export Promotion) and committed for state-backed guaranteed credit allocation for exporters only. Among other things, the unit provides special-cost foreign currency loans to meet the financing needs of exporting SME customers. Importing SME customers on the other hand used Chinese Yuan Rediscount Credits to support trade in local currencies.

Agriculture Banking

The Issuer is the leading private agricultural bank since 2003 and the first privately owned bank to focus on agricultural lending with a dedicated branch network. Among private banks, the Issuer has a 36% market share in agricultural banking. The Issuer Agricultural Banking Department provides financial solutions and banking services to the agricultural sector. The Issuer considers its support for the agricultural sector to be an excellent business proposition and also a good opportunity to show its commitment to social responsibility projects in Turkey. The Issuer Agricultural Banking Department has grown from 26 branches in 2004 to 330 branches as of 31 December 2022, including 70 "Green Drop" branches, which are smaller branches located in rural areas and some city centres that have a population size of under 15,000 people, specialising in offering agricultural banking services as well as providing SME and retail services to rural populations. The Issuer Agricultural Banking Department has a dedicated sales team with strong industry experience and employs in its agricultural sales force agricultural engineers and individuals who come from a family of farmers. Its nationwide presence allows the Issuer to access producers throughout Turkey who need banking services for their agricultural activities. DenizBank Agricultural Banking customers are segmented as small-scale and micro producers and medium- and large- scale producers, according to transaction volumes, perceptions of products (needs and requirements), usage frequency, and other behavioural characteristics.

The Issuer has developed a range of products specifically tailored to the needs of the agricultural sector, recognising in particular the seasonal cashflow that it entails. It has also entered into partnerships with sector-related companies, such as tractor companies like Türk Traktör Finance (which has 50% market share in the tractor loans sector and is the Issuer's exclusive partner) and Petrol Ofisi (the largest fuel distribution company in Turkey) in order to generate additional business and advantages for farmers. For small and micro scale customers such as farmers and micro producers, the key products are the Producer Card, Farmer

Card (debit card) and investment loans. Products are marketed and targeted through campaign management, local marketing activities, fairs and festivals, as well as alternative distribution channels such as the Issuer's call centre, mobile applications, ATM and internet banking solutions. For medium and large scale customers such as large scale farmers, investors, agricultural dealers, agricultural unions and cooperatives, the main products are the Agriculture Plus Loan, Project Management, Producer Card (Gold/Platinum), Producer POS, cheque book, letters of guarantee, cash loans as well as projects and process management. Products are marketed and targeted through relationship management and customer visits.

The Agricultural Banking Department makes funding available through agricultural business loans, principally through its Producer Card. The Producer Card is a unique product in Turkey that is designed to meet the specific needs of farmers by linking repayments to the harvest season. The card offers farmers the opportunity to buy fuel from distribution companies such as Petrol Ofisi, the largest fuel distribution company in Turkey, with a five-month interest-free grace period of up to six months. The card also offers farmers interest-free financing to purchase fertiliser, feed, pesticides, seed and replacement parts. The Issuer also offers non-interest periods, special discounts and cashback advantages. The maturity of the loan is flexible and can be modified to match the producers' harvest time. In addition, Farmers may also utilise instalment loans via Producer Card with terms of up to three years to satisfy their business's liquidity requirements. Farmers also have the ability to pay their social security (Bağ-Kur) premiums automatically via the Producer Card, which is very important in rural areas since delayed payments may result in cancellation of the incentives given to farmers by the social security agency. Approximately 583 thousand Producer Cards were in circulation as of 31 December 2022, while the number of member merchants accepting the Producer Card as at that date exceeded 17 thousand.

In addition to Producer Card loans, DenizBank also offers spot/revolving business loans to producers and agricultural investment loans in the form of medium- and long-term project loans offered to farmers for their agricultural investments. Such loans include those for tractors and equipment, greenhouse construction, field purchases, animal husbandry and special project investments and typically have a five-year maturity with annual repayments. To support and accelerate the technological integration of agricultural businesses, DenizBank also provides Agricultural Technologies Loans that have re-payment period of up to 5 years. Such a facility helps farmers purchase new technologies such as drones, soil analysis devices, IOT devices and agricultural sensors. In addition, DenizBank offers special 'Start-Up Loans' to support high-tech companies that focus on agricultural technologies.

The Issuer Agricultural Banking Department also offers the Deniz'den Toprağa mobile application, which, since its launch in September 2017, has represented an additional way for the Issuer to deepen its engagement with the Turkish farming community. Deniz'den Toprağa is free and accessible to all farmers, irrespective of whether or not they are a customer of the Issuer, and the application provides them with a single location to monitor weather forecasts, review current prices for a variety of agricultural products, ask questions with agricultural engineers, and review and post advertisements for land and tractors for sale or to rent. Through the application, farmers can also register their farmland, which the application then monitors through satellite imagery to provide farmers with up-to-date information, including the market value of their crops and whether the crops have been affected by disease. In 2020, the Issuer launched a new version of the Deniz'den Toprağa application which for the first time integrated the Issuer's agricultural banking offerings, and in 2021 the strategy was to integrate more diversified banking functions to Deniz'den Toprağa. In 2017 at Efma and Accenture's Distribution & Marketing Innovation Awards, the Deniz'den Toprağa application won the "Best New Product or Service" award.

DenizBank was the largest lender to the agricultural sector among private banks for each of 2022, 2021 and 2020 and has increased net loans made through Agricultural Banking from TL 15.7 billion as of 31 December 2020 and to TL 17.7 billion as of 31 December 2021 and further to TL 25 billion as of 31 December 2022.

Retail Banking

The Retail Banking Group is comprised of: (i) the Consumer and Private Banking Group; (ii) the Payment Systems Group; and (iii) Digital Transformation, Change Management and Non-Branch Channels Group.

Consumer Banking

The Issuer Consumer Banking serves individuals, self-employed professionals and Micro Segment customers with an annual turnover of up to TL 1 million. The Issuer Consumer Banking subcategory aims to provide its customers with superior service quality as well as products and services that make the lives of its customers easier. Consumer Banking manages its customers' needs according to a lifestyle approach, dividing them into segments such as Affluent, Micro and Mass, and subgroups such as Senior payroll customers. Consumer Banking Products are designed to suit the life cycle terms and the financial needs of these segments as well.

Consumer Banking has a three-pronged strategy. First, Consumer Banking aims to maximise its low-cost income through continuing to focus on growing small ticket, low-cost deposits; increasing sales of high margin products, such as general purpose loans and overdraft while avoiding mortgage and car loans; raising commission income through increased marketing of insurance; and boosting the Issuer's share of product sales and transactions via non-branch channels, such as through call centres and the Issuer's digital offerings. Second, Consumer Banking is targeting increased customer acquisition and penetration, particularly in the senior and affluent customer segments where the Issuer also aims to boost cross-selling given these segments' high revenue potential, as well as developing its consumer finance offering through both offline and online vendors (such as MediaMarkt) and growing its Salary & School Payments niche market. Third, Consumer Banking is aiming to increase effective cost management through the Consumer Banking network, through branch consolidation, particularly in Turkey's seven largest cities, which entail higher costs, and instead expanding the branch network in rural areas, which entail lower costs and higher margins and which are nearer to unbanked individuals.

Consumer Banking implements an effective customer segment management strategy, which is based on a customer lifecycle approach. The customers are divided into three segments: Affluent, Micro and Mass. Half of the Consumer Banking segment's deposits are managed by the Affluent segment, whereas 69% of the Consumer Banking segment's loans are managed in the Mass segment. In Mass, the Issuer focuses on senior salary payment customers, due to their higher revenue potential and lower NPL ratio. In the Consumer Banking segment, 18% of total retail deposit volume, 22% of retail Turkish lira demand deposits and 22% of general purpose loans (**GPLs**) comes from senior salary payment customers. As the result of its focus on senior salary payment customers, the Issuer ranks fifth among private banks with these customers as of 31 December 2022 with 682 thousand senior salary payment customers.

Consumer Banking's products predominantly consist of GPLs and credit cards, which products comprise approximately 59.2% and 35.6% of the Issuer's retail loans, as compared to approximately 41% and 27%, respectively, of retail loans in the Turkish banking sector as at 31 December 2022. The Issuer's GPLs (including overdraft) have grown at a CAGR of 28% from TL 5,675 million as of 31 December 2014 to TL 40.838 million as of 31 December 2022. The Issuer attributes this success to three factors: (i) the Issuer's analytical approach to developing the Issuer's existing customer portfolio, which has resulted in preapproved loans to current customers representing 44% of Consumer Banking's GPLs; (ii) effective loan processing, which averages 6 minutes of processing time per GPL; and (iii) new alternative GPL sales channels, which processed 78% of GPL volume in the year ended 31 December 2022, and include, among others, dealers like MediaMarkt and hepsiburada, ATMs, and mobile and internet banking. Consumer Banking also offers mortgage loans and auto loans, though these represent a significantly smaller portion of Consumer Banking's loan portfolio: Mortgage loans represent only 1.4% of the Issuer's retail loans, as compared to 26% in the Turkish retail banking sector, and auto loans represent only 0.08% of the Issuer's retail loans, as compared to 2% in the Turkish retail banking sector. Consumer Banking also focuses on its overdraft offering, which

grew at a CAGR of 31% from TL 455 million as of 31 December 2014 to TL 3.895 billion as of 31 December 2022. As of December 2020, the micro business segment's customers started to be served under the Consumer Banking Segment. Total micro business customer loans were TL 5.594 million as of December 31, 2022 and represented approximately 15% of the Issuer's retail loans.

The total number of Consumer Banking's active customers was 5 million as of 31 December 2022 and, equally, 5.2 million as of 31 December 2021 and 5.2 million as of 31 December 2020. As of 31 December 2022, the Consumer Banking segment had 77 employees.

Consumer Banking performing loans (including credit cards) were TL 86.4 billion as of 31 December 2022, an increase of 70% from TL 50.9 billion as of 31 December 2021, which in turn represented an increase of 45% from TL 35.2 billion as of 31 December 2020. As of 31 December 2022, Consumer Banking generated 26% of the Issuer's total performing loans, as compared to 30% as of 31 December 2021.

Consumer Banking deposits on a consolidated basis were TL 218.7 billion as of 31 December 2022, an increase of 48% from TL 147.5 billion as of 31 December 2021, which in turn represented an increase of 37% from TL 107.4 billion as of 31 December 2020, of which total time deposits were TL 131.7 billion and total demand deposits were TL 86.9 billion as of 31 December 2022, compared to TL 91.7 billion and TL 55.8 billion, respectively, as of 31 December 2021.

Private Banking

DenizBank Private Banking was established in 2004 to provide exclusive and customised services, such as investment, pension and credit services to target clients in this segment. Private Banking is available to individuals and firms with liquid net worth of at least TL 2 million. Using its portal approach, DenizBank Private Banking opens all Group products and services to its clients.

In order to maximise network synergy while performing Private Banking services, the group acts as a separate, but complementary business line, all of the profits of which are distributed to the network and main operating segments respectively.

The main pillars of DenizBank Private Banking are:

- Being the client's financial expert: through financial investments coaching and partnership, DenizBank Private Banking offers a tailored and proactive approach to understanding the expectations of its clients. Its strategy is to listen to the customer, analyse the customer's needs, find solutions and monitor results.

- Portal approach: DenizBank Private Banking makes all Group products and services available to its clients according to their risk/return perception.

- Being in the network, with the network: DenizBank Private Banking cooperates with the Issuer's network to provide premium services to its clients and cedes the revenues from its services to the branches under its 100% retrocession policy.

- Operational efficiency: DenizBank Private Banking aims to provide premium services to its customers at a low cost and high efficiency.

DenizBank provides its private banking services through sixteen dedicated centres (four in İstanbul two in İzmir & Ankara and one in each of Bursa, Thrace, Kayseri, Antalya, Samsun, Adana, Bodrum and Diyarbakır). In Bodrum, Diyarbakır, Kayseri and Samsun, DenizBank Private Banking is the first bank among its peers to have a dedicated Private Banking centre. In addition, customers are served 24/7 through the Issuer's alternative distribution channels, including internet banking and a dedicated call centre.

DenizBank Private Banking offers a wide variety of tailor-made and structured services and products such as deposits (i.e. multi-currency deposits), sovereign and corporate bonds, eurobonds, mutual funds including capital protected funds, FX and equity derivatives, tailor-made retail loans, personalised risk and wealth analysis and upscale pension plans. Specialised personnel analyse the investment strategies and needs of customer and provide products and services designed to meet the customer's risk/return profile. DenizBank Private Banking also intends to provide added value through lifestyle services such as discounts on airport car parks, discounts on airline tickets, discounts at certain luxury restaurants, e-magazine and sailing events. By offering such a wide range of products and services, Private Banking increased its non-deposit assets to 39% in 2022.

As of 31 December 2022, the total number of Private Banking's active customers was 14,265, a 37% increase from 10,415 as of 31 December 2021, which in turn represented an increase of 22% from 8,507 as of 31 December 2020. As of 31 December 2022, the total value of assets under management by Private Banking was approximately TL 192.1 billion, compared to TL 79.9 billion and TL 51.4 billion as of 31 December 2021 and 2020, respectively.

Credit Cards

The Issuer provides a variety of credit and debit card products across its customer segments.

The Issuer considers credit cards to be one of the most profitable consumer banking products and therefore views credit cards as a strategically important business. Credit card products in Turkey have a "revolving" feature. With the advantage of cost of funding and the cash advance feature, which generates both commission and interest rate payments, credit cards typically generate profitability faster than other loan instruments, provided that the portfolio is properly managed in terms of cost of credit, non-performing loans and other costs.

The Issuer offers Private Cards to those customers with assets under management of at least TL 2 million, which represents 0.31% of total cards, and 1% of the Credit Card segment's turnover. Platinum & Black Cards represent 7.14% of total cards and 14% of the Issuer's turnover where Black Cards customers enjoy various benefits provided such customers have assets under management of at least TL 400 thousand. The remaining 92.6% of the Issuer's credit card customers can select from the Gold Bonus, Senior, Football and NetKart cards, which collectively account for 85% of the Credit Card segment's turnover.

The Issuer was the first bank to offer a card programme to all of the four major football (soccer) clubs in Turkey (Fenerbahçe, Galatasaray, Beşiktaş and Trabzonspor). In addition to the Issuer's existing Fenerbahçe Bonus and Turkey's first stadium card GS Bonus (the only card that allows cardholders to enter TT Arena Stadium when used as a season ticket), the Issuer also offers Beşiktaş Bonus, Trabzonspor Bonus and ESES Bonus as co-branded card projects, all of which are equipped with contactless technology.

The Issuer and Garanti Bankası have been Bonus programme partners since 2002, when they were the first banks in Turkey to work together on a loyalty programme. As of December 2022, the programme has more than 1.5 million merchants and 23.4 million credit cards (approximately a quarter of all credit cards in Turkey). This arrangement has given the Issuer access to more than 1 million POS terminals and has created the Issuer's brand awareness in a cost-efficient way. Many other banks have followed the Issuer's path in programme cooperation, such as TEB, ING and Şekerbank. The bonus platform has now reached nine member banks, but as an inaugural member the Issuer has been able to develop the second biggest credit card portfolio of the nine member banks.

The Issuer’s Bonus Business Card is a commercial credit card that tradespeople and SMEs can use both to pay for personal spending and to easily track expenditures made by their employees on behalf of the company. The card also offers the opportunity to purchase with installments at all Bonus merchants.

The Issuer also offers customers the best-in-class mobile application, DenizKartım. DenizKartım is a mobile application with both loyalty and wallet features designed exclusively for the Issuer's credit and debit cards. Aiming to provide the best benefits to customers at the right place and time, this application strives to reduce communication costs and increase customer use while ensuring customer satisfaction thanks to its easy-to-use transaction features. The DenizKartım mobile application enables customers to view all campaign details, sign into their accounts and monitor their status in the loyalty program, review up-to-date information on their cards, view their card limit (including their cash advance limit), check their statement details and bonus balances and pay their card balances.

As of 31 December 2022, the total number of the Issuer's credit cards was 6.6 million, an increase of 12% from 5.9 million as of 31 December 2021, which in turn represented an increase of 11% from 5.3 million as of 31 December 2020. The Issuer's credit cards market share is 6.9% as of 31 December 2022, compared to 7.2% and 7.0% as of 31 December 2021 and 2020, respectively.

Treasury, Financial Institutions and Investment Group

The activities of the Issuer's Treasury and Financial Institutions Group are principally divided between the Treasury Group, the Financial Institutions Group and the Economic Research, Strategy and Program Management Office. The Treasury Department operates via four groups: (i) the Treasury Marketing and Pricing Department; (ii) Fixed Income Securities, Debt Capital Markets and Money Markets Department; (iii) the Treasury Sales Department; and (iv) the Subsidiaries Treasury Department. The Financial Institutions Group operates via four sub-groups: (i) the Correspondent Relations Department; (ii) the Financial Institutions Credit Analysis Department; (iii) the Structured Finance Department; and (iv) the Sustainability Coordination Department.

The Issuer's Investment Services Group has been organized to offer customers a one-stopshop for all financial products and to allow customers to access all sorts of investment instruments – including stocks, mutual funds and derivatives, organized market products, over-the-counter products– and conduct their transactions.

Treasury Group

Treasury Marketing and Pricing Department

The Treasury Marketing and Pricing Department primarily deals with the pricing and marketing of treasury products to customers via branches and alternative delivery channels and acts as flow management desk. The department is comprised of three units: (i) the FX and Interest Transactions Department; (ii) the Securities Department; and (iii) the Derivative Transactions Department.

The FX and Interest Transactions Department's core function is supporting the branches in foreign exchange and precious metal transactions. The department's responsibilities include: (i) monitoring and managing the Issuer's daily foreign exchange and precious metal exposures as a result of customer transactions and performing transactions on the OTC and organized markets; (ii) responding to loan pricing requests of relevant business lines in accordance with the spreads set on the basis of decisions made by the Assets and Liabilities Committee (**ALCO**); (iii) responding to requests for quotations for interest-rate and cross-currency swaps; and (iv) visiting customers in coordination with the branches and the Treasury Sales Department.

The Securities Department is responsible for pricing fixed income products (e.g. treasury bonds, government bonds, Eurobonds, private sector bonds, and repos) requested by external financial institutions, the Issuer's Treasury Sales Department, the Private Banking Group, branch network and other members of the Group. The Department executes trades on the OTC and BIST markets in order to manage the positions occurring within this framework.

The Derivative Transactions Department is responsible for pricing derivative products to clients through the Treasury Sales Department and the Issuer's Private Banking Centre. The product range includes foreign exchange, commodity, precious metals and interest rate options. The Department also supports developing option-embedded products tailored to the needs of the Issuer's clients. The Derivatives Department also manages the derivatives positions and related risks through options, spot foreign exchange transactions, futures and swaps on both over-the-counter and organised markets within pre-defined risk parameters.

Fixed Income Securities, Debt Capital Markets and Money Markets Department

This Department is comprised of three units: (i) the Fixed Income Securities Department; (ii) Debt Capital Markets; and (iii) the Money Markets Department.

The Fixed Income Securities Department is responsible for managing the Issuer's bond portfolio within the parameters set by the ALCO and supporting the ALCO in hedging interest rate risk on the Issuer's balance sheet. The Issuer is one of the primary dealer banks set by the Republic of Turkey's Ministry of Treasury and Finance, and primary dealership rights and obligations are performed by the Fixed Income Securities Department. The team executes transactions on OTC and BIST markets in order to manage its securities exposures.

The Debt Capital Markets Department is responsible for managing local markets debt instruments issuances for the Issuer and its subsidiaries.

The Money Market Department manages the short-term foreign currency and Turkish Lira liquidity of the Issuer. The Money Market Department engages in foreign currency and Turkish Lira money market transactions and manages the Issuer's funds, utilising various tools such as repos, deposits, FX swaps and forwards.

Treasury Sales Department

The Issuer's Treasury Sales Group offers clients across all of the Issuer's business lines a full range of customised investment and hedging products, consistent with the Issuer's client-centric strategy.

The Treasury Sales Group acts as a bridge between the financial markets and the Issuer's branch network. It provides hedging and investment product support to the branch network's existing and potential key customers and develops new products designed to meet the financial needs of targeted customer segments. It is responsible for setting performance targets for treasury products for each branch, evaluating the performance of the branches with a multi-product rating system and providing support for those that fail to meet targets. The Treasury Sales Group provides a two-way information flow by updating customers about market conditions and new products and by gathering feedback to assist in designing new products to meet customer needs. The Treasury Sales Group also trains and educates branch personnel, organises customer seminars held by the Issuer's chief strategist and engages in customer reporting.

Products offered by the Treasury Sales Group include hedging instruments designed to protect against interest rate risk, exchange rate risk and volatility in commodity prices, yield enhancement structures on deposits, currency-linked and commodity-linked products derived from G7 and emerging markets currencies and fixed income and G7 and emerging markets currency options and interest rate options. By providing yield-enhancing products to the Issuer's customers, the Treasury Sales Group assists the Issuer in broadening its deposit base and offering alternative products to those wishing to obtain a higher return than the interest rate offered on deposits.

Subsidiaries Treasury Department

The Subsidiaries Treasury Department is responsible for liquidity management and optimal funding in line with the resolutions and instructions of the management of the Group's subsidiaries.

Financial Institutions Group

Correspondent Relations Department

The Correspondent Relations Department is responsible for establishing and managing bilateral relations with bank counterparties and export credit agencies. The Correspondent Relations Department is also responsible for developing the correspondent banking network to serve the Issuer's customers' needs as well as for facilitating the Issuer's funding activities, including via syndicated loans, bilateral facilities and trade finance.

The Issuer's correspondent banking network extends to over 770 correspondent banks in 104 countries. To improve its service quality and competitiveness in the sector, the Correspondent Relations Department implements and markets new products in collaboration with its correspondent network and other relevant departments of the Issuer.

The Correspondent Relations Department supports customers in their foreign trade activities through: (i) import financing; (ii) issuance, confirmation and discounting of letters of credit; (iii) issuance of letters of guarantee; (iv) avalisation or discounting of promissory notes; and (v) acting as an intermediary for medium- and long-term loan facilities within the scope of the insurance programmes of export credit agencies for GSM-102 loans provided by the U.S. Department of Agriculture to finance agricultural imports from the United States.

On 2 June 2022, the Issuer signed a sustainability-related syndicated loan facility consisting of 3 tranches with a maturity of 367 days, amounting to U.S.$ 196 million and €204.3 million, and a CNY255 million Chinese yuan tranche with a maturity of 364 days. The transaction, which is a first in the sector with the Chinese yuan tranche, was awarded the best transaction of the year in the European category by Banker Magazine in 2022.

In addition, the Issuer participated with 36 other banks from 17 countries in a sustainability-related syndicated loan facility consisting of two tranches, U.S.$ 276.5 million and €329.5 million.

The Issuer also has a diversified portfolio of U.S.$1.1 billion comprised of syndicated loans as of 31 December 2022.

Financial Institutions Credit Analysis Department

The Financial Institutions Credit Analysis Department is responsible for conducting credit analyses of countries, banks and non-bank financial institutions, whose risk is to be assumed by the Issuer. This Department serves all of the Issuer's Financial Services Group entities and ensures that all business divisions have all required limits in place on time. The Financial Institutions Credit Analysis Department acts as a first line of defence: all limit requests are screened by analysts in terms of the existing product methodology and counterparty credit quality. Counterparty credit and financial performance assessments are based on financial statements, external credit reports and ratings, as well as peer comparisons and publicly available sources. Country analyses are based on main country statistics and indicators available via various open public sources. Analysts make sure that the only sound business requests are processed and submitted to the Credit Underwriting group. The Financial Institutions Credit Analysis Department is one of the main coordinators in methodological issues and the establishment of limits on new deal structures and products. The Department also plays a supportive role in the credit monitoring process of the Issuer's existing country and financial institution portfolio.

In 2022, Financial Institutions Credit Analysis Department carried out the limit process of 385 banks and non-bank financial institutions in 57 different countries and 9 domestic and foreign public institutions and applied for group limit approval from Emirates NBD.

Structured Finance Department

The Structured Finance Department is responsible for maintaining relationships with foreign banks and other financial institutions in order to meet the medium- and long-term borrowing needs of the DenizBank Financial Services Group. The Structured Finance Department also manages the financing process, monitors and structures transactions, and coordinates with the Issuer's other business lines.

The Issuer's international borrowing activities are aimed at obtaining long-term funding at competitive rates with longer-term maturities by using different borrowing instruments, diversifying sources of funding and by reaching new lenders. This cost advantage permits the Issuer to more competitively price products offered to its customer base. The Issuer has a diversified payment rights programme created in 2005. Through this programme, the Issuer sold all rights, title and interest in U.S. dollar, Euro and Sterling denominated payment orders received by the Issuer, which are sent or delivered by a payor to any office of the Issuer. Since 2005, several tranches have been issued under the programme. All syndicated loans and remittance-backed financing undertaken by the Issuer require the approval of its Board of Directors.

On February 18, 2021, the Issuer completed a multi-tranche financing in the amount of total of U.S.$ 435 million (U.S.$ 345,000,000 and € 73,582,062) under the Diversified Payment Rights Securitization Programme backed by future foreign remittance flows, with maturities of up to 7 years, with 9 series signed by 13 investors in total in the transaction where Credit Suisse AG and Emirates NBD Capital Limited acted as Joint Coordinators and Bookrunners. International Finance Corporation and European Bank for Reconstruction and Development invested U.S.$ 150 million and U.S.$ 100 million respectively. The financing is being used for energy efficiency and renewable energy projects, supporting women entrepreneurs, the agricultural sector as well as working capital needs of businesses. In connection with this deal, the transaction was awarded “Deal of the Year in Europe” by The Banker, a prestigious media organ in the finance sector and the transaction was also awarded the “Structured Finance Deal of the Year” by Bond and Loans - Turkey Awards.

In June 2022, the Issuer signed a 5-year loan agreement with the Development and Investment Bank of Turkey (**TKYB**) amounting to U.S.$60 million originating from the World Bank-IBRD for the purpose of providing financial support to SMEs to stem the negative impact of the COVID-19 pandemic.

In July 2022, the Issuer secured funding in the amount of €45 million from Société de Promotion et de Participation pour la Coopération Économique SA (Proparco), an institution affiliated with the French Development Agency for a term of seven years (including a two-year grace period) in order to energy efficiency, renewable energy and agriculture.

Sustainability Coordination Department

In 2021, the Issuer established the Sustainability Coordination Department under the Financial Institutions Group in order to manage all its sustainability activities through a single platform. The Sustainability Coordination Department is responsible for jointly conducting all sustainability-related activities with internal and external stakeholders and in line with DenizBank’s vision, mission, and sustainability-oriented strategy. Within this framework, the Sustainability Coordination Department is involved in integrating the Issuer's business processes in a manner that prioritizes the environmental, social and governance interests of society and the UN Sustainable Development Goals ("**SDGs**"). The Sustainability Coordination Department works to implement and strengthen the Issuer's policies relating to sustainability by monitoring national and international practices related to sustainability, determining what activities the Issuer can undertake in this regard, and developing a roadmap for employees to follow to reach their sustainability goals. Towards this end, after creating the infrastructure required to measure and manage both direct and indirect environmental and social impact, a sustainability management system was established and put into practice. That system, which operates as part of the Project Finance Group, is used to conduct environmental and social-impact audits of project finance loans of U.S.$10 million or more. In full awareness of its responsibilities in

connection with the future of our planet, DenizBank views acting with consideration for the direct and indirect environmental and social impact of its operations to be among its most important duties. Within this context, the Issuer has adopted the UN SDGs, which comprise universal criteria of sustainability and set a broad sustainability agenda. Through the value it has produced and shared, the Issuer has directly contributed to 12 of the SDGs.

Investment Group

DenizBank Investment Services Group

DenizBank Investment Services Group has been organized to offer customers a one-stopshop for all financial products. Customers can access all sorts of investment instruments, including stocks, mutual funds and derivatives, organized market products, over-the-counter products, and conduct their transactions via DenizMobil, Online Banking, DenizTrader, and the Call Center.

In 2022, DenizBank Investment Services Group recorded 169.3 thousand newly opened accounts, up 160% compared to the previous year. Approximately 98% of the new accounts were opened via digital channels. The Investment Services Group's total income grew by 333%, in 2022 while pre-tax profit increased by 409% year-on-year.

DenizAsset Management

See "*Description of the Issuer – Subsidiaries – Investment Management – DenizAsset Management*".

DenizInvest

See "*Description of the Issuer – Subsidiaries – Investment Management – DenizInvest*".

Project Finance, Financial Restructuring and Credits International Coordination

The Project Finance department focuses on large scale investments that play a key role in developing Turkey's economy and therefore require medium- and long-term financing. The Project Finance department's core business provides structured financing for projects in certain target sectors, such as telecommunications, energy, infrastructure, public-private partnerships, healthcare, and education; industrial investments; privatisation and acquisition finance transactions; and syndicated lending. Over the last 10 to 15 years, the Issuer has secured approximately U.S.$15 billion in long-term financing for more than 200 projects. For example, the Issuer provided €634 million to the İstanbul's Airport project, €154 million for TAV Bodrum Airport and varying amounts totalling in aggregate €900 million for İzmir Adnan Menderes Airport, İstanbul Atatürk Airport, Antalya Airport, Gazipaşa Airport and €100 million for the Turkish Republic of Northern Cyprus's only airport project.

The Issuer has also played an important role in Turkey's recent power generation capacity expansion and over the last fifteen years has intermediated in commissioning approximately 6,500 MW in installed capacity and has provided $1.1 billion in financing to renewable energy projects. The Issuer has provided over U.S.$5.5 billion in financing to the energy industry, including electricity and natural gas distribution as well as wholesale projects. In November 2021, a 12-year project financing loan of USD 100 million was arranged for the Karapınar Solar Power Plant Project. Once complete, it will be the largest solar power plant in Europe. The Issuer is the largest private Turkish bank contributing to this syndication.

As of 31 December 2022, the Issuer's Project Finance department has provided U.S.$ 1.1 billion of financing to support renewable energy projects and sustainability.

In 2022, the Issuer took part as the only bank in the financing of a mixed-use project in Istanbul. The project is the planned to be partially opened in 2023 and is the first project evaluated by the Issuer from a sustainability perspective.

Subsidiaries

Besides its flagship banking institution, DenizBank Financial Services Group includes six domestic and three international financial subsidiaries, six domestic non-financial subsidiaries and a branch in Bahrain. The Group's domestic subsidiaries include DenizInvest, DenizREIT, DenizAsset Management, DenizLeasing, DenizFactoring, Intertech, DenizKültür, Ekspres IT and Trade, NEOHUB, Fastpay Electronic Money and Payment Systems, Açık Deniz Radyo-TV and Bantaş. DSFG's foreign subsidiaries include Eurodeniz, DenizBank AG and DenizBank Moscow.

Below is a description of the Issuer's primary operating subsidiaries.

Domestic Subsidiaries

Domestic Financial Subsidiaries

DenizLeasing

Deniz Finansal Kiralama A.Ş. (**Deniz Leasing**) was founded in 1997 in order to provide financial leasing solutions to its customers. However, on 24 January 2020, Denizbank AG transferred all of its shares to Denizbank A.Ş., making Denizbank A.Ş. DenizLeasing's sole shareholder. As of 31 December 2022, DenizLeasing had 101 employees.

DenizLeasing offers Financial and Operational Leasing service to investors in the Corporate, Commercial, SME and Agriculture segments who need modern financing methods. From 1997 to today, DenizLeasing, which aims to become the leading company in its field thanks to its customer-oriented approach and principle of developing new products according to customer needs. DenizLeasing works to strengthen its position in the financial leasing sector by targeting selective financing opportunities and through its focus on customer needs. DenizLeasing aims to develop its relations with new and existing customers through its active sales policy and presently offers tailored solutions for customers in the renewable energy, health, real estate and building machinery sectors along with its fleet rental services under the DenizFilo brand.

DenizFilo, which began offering long-term car rental service within DenizLeasing in 2014, was the first brand in Turkey that operated within a leasing company in operational leasing field. DenizFilo aims to ensure customer satisfaction with its professional team by offering extensive, fast and reliable solutions across Turkey. Consistent with this aim, the company offers the safest and most comprehensive service package to customers who are in need of fleet rental services.

In 2022, DenizLeasing focused on the financing of machinery and equipment and increased its share of the financial leasing market by 5%. By utilising DenizBank's agricultural customer portfolio, DenizLeasing expanded its business volume in the area of financing equipment that support production in agriculture, such as combine harvesters and cotton pickers, and increased its share of this market to 10%.

In 2022, DenizLeasing achieved a sales volume of 707 units, amounting to U.S.$194 million, with SMEs representing 47% of the transaction volume and corporate and commercial business representing 44%.

DenizLeasing provides services for investment financing in line with its strategy of productivity and profitability. As at the end of 2022, DenizLeasing recorded TL 8.0 billion in net leasing receivables, it owned a total of TL 2.2 billion in operational leasing assets and the number of cars in the fleet totalled 8,500.

In 2023, DenizLeasing is looking to continue supporting SMEs with achieving growth in exports and it will seek to continue to produce solutions geared towards facilitating operations for businesses through DenizFilo. With all its products, DenizLeasing will continue to support the Group's portal approach as an important part of the Issuer's "financial supermarket" strategy. DenizLeasing serves all Corporate, Commercial and SME segment customers with its leasing and fleet products.

DenizFaktoring

Founded in 1998 to provide factoring services for domestic and international commercial and corporate customers, Deniz Faktoring A.Ş. (**DenizFaktoring**) is a 100%-owned subsidiary of the DenizBank. DenizFaktoring is a member of the Association of Financial Leasing, Factoring and Financing Companies and Factors Chain International. DenizFaktoring provides factoring services to customers throughout Turkey through its headquarters in Istanbul and its branches in 15 regions of Turkey, as well as through 700 DenizBank branches. As of 31 December 2022, DenizFaktoring had 44 employees.

DenizFaktoring's net profit amounted to TL 240.6 million, TL 37.8 million and TL 21.9 million for the years ended 31 December 2022, 2021 and 2020, respectively. DenizFaktoring's market share in profitability in the Turkish factoring sector increased from 1.3% in December 2021 to 4.9% in December 2022 (*Source: Banking Regulation And Supervision Agency*).

The receivables factored by DenizFaktoring amounted to TL 8,100 million, TL 3,002 million and TL 2,704 million as of 31 December 2022, 2021 and 2020, respectively. DenizFaktoring's factoring receivables market share in the Turkish factoring sector was 6.3% and 5.0% as of 31 December 2022 and 2021 respectively. Its transaction volume was TL 19.6 billion with a 118% increase compared to the previous year. 81% of the transaction volume consists of domestic factoring transactions while 19% consists of international factoring transactions.

DenizFaktoring concentrates on collection management services and supplier finance services for corporates and intends to continue to be actively involved in targeting customers of the Issuer's SME and Commercial and Corporate Banking segments. DenizFaktoring aims to be a leader in the Turkish factoring market through developing innovative technology-driven products, such as "Deniz'e Çek Gönder (Send a Cheque to Deniz)", which allows customers to access factoring services through their smartphone or tablet. In 2022 Deniz'e Çek Gönder (Send a Cheque to Deniz) registered 190,000 queries from more than 33,000 companies, accounting for TL 3.3 billion in sales, in a completely digital environment.

Deniz Yatırım (DenizInvest)

Deniz Yatırım Menkul Kıymetler A.Ş. (**Deniz Yatırım** or **DenizInvest**) was established in 1998 and is a 99.98567% owned subsidiary of DenizBank. (0.00367% Hakan Ateş, 0.00333% Tanju Kaya, 0.00367% Ali Murat Dizdar and 0.00367% Bora Böcügöz). As of 31 December 2022, Deniz Yatırım had 339 employees and operated through 33 DenizBank branches, servicing a total of 513 thousand accounts.

Deniz Yatırım's core business is the provision of capital markets services, including intermediation for the purchase and sale of capital market instruments, intermediation for the issuance or public offering of capital market instruments, intermediation for the purchase and sale of derivative instruments, repurchase and reverse repurchase of capital market instruments, investment advisory services, portfolio management services, margin trading, short selling, securities lending and custody services. In addition to providing a domestic derivatives brokerage service, Deniz Yatırım also provides an international derivatives brokerage service in respect of listed derivatives. Deniz Yatırım has been providing electronic trading services on the Borsa İstanbul for international institutional investors since 2006, and in 2007 Deniz Yatırım launched its electronic trading platform to provide direct access to the Borsa İstanbul for foreign institutional investors.

As of 31 December 2022, Deniz Yatırım ranked fourth among brokerage houses in Turkey in equity trading with a TL 7.1 billion trading volume and 5.1% market share and fourth in derivatives trading with a TL 803 billion trading volume and 5.3% market share (*source*: *Borsa İstanbul*). Deniz Yatırım's net commission income and total operating income figures were TL 528 million and TL 892 million, respectively, for the year ended 31 December 2022. Deniz Yatırım's assets were TL 5.1 billion as of 31 December 2022. As of 31 December 2022, Deniz Yatırım's paid-in capital was TL 150 million.

Deniz Yatırım increased both the number of investors and its market share in 2022 by offering fast and competitive solutions to the needs of the new financial climate. The number of newly opened accounts increased to over 169 thousand and the number of active investors exceeded 11,000.

Deniz Yatırım operates at 33 service centres, providing services related to organized capital markets, 16 of which have "Private Investment Center" status and deliver personalized service in all capital market products. In 2021, Deniz Yatırım completed a restructuring to become an investment bank providing a range of capital market products.

In 2022, Deniz Yatırım's Corporate Finance Department led the consortium for two public offerings: Alfa Solar Energy (U.S.$40 million) and Azteck Technology (U.S.$15 million). Demand for the Aztek Technology offering was 53 times oversubscribed while the Europap Tezol Kağıt offering was 29 times oversubscribed. In the last two offerings led by DenizYatırım, DenizYatırım itself collected an average of 23 times the size of the public offering. In addition, in 2022, 40 companies went public and investors participated in all 40 public offerings through DenizInvest Securities.

Deniz Yatırım’s M&A Department provides consultancy to companies in finding domestic, foreign, financial, or strategic partners.

Deniz Yatırım’s Research Department is responsible for interpreting macro and microeconomic data, formulating future strategies, and developing financial projections based on financial data and disclosures from listed companies. The Research Department performs company valuations and presents its findings to investors. In addition, the Department assists other departments in connection with internal information flow. The Research Department also prepares daily reports on relevant news and developments as well as breaking developments throughout the day. It also conducts periodic and annual evaluations in a comprehensive manner in accordance with the legal framework determined by the relevant regulatory body.

DenizAsset Management

Deniz Portföy Yönetimi A.Ş. (**DenizAsset Management**) Management was acquired by Deniz Yatırım in 2003, and provides asset, portfolio, and fund management services to individual and institutional customers on behalf of the Group.

DenizAsset Management manages 76 mutual funds, 1 venture capital fund and 15 pension investment funds for investors. The company focuses on the sales and management of funds investing in private sector bills and bonds. As of December 2022, DenizAsset Management reported that total assets under management is TL 39.8 billion, the aggregate value of its mutual funds is TL 32.8 billion (a growth of 237% achieved in 2022) and a 4.8% market share in mutual funds.

In 2022, DenizAsset Management offered 31 new funds (16 mutual funds and 15 private hedge funds) to investors. These funds further provided new investment opportunities in themes such as domestic and foreign ESG-related companies, electric and autonomous vehicle technologies, metaverse-related tech companies, agricultural companies, As well as goods, silver and other commodities. New issuances in FX hedge funds continued in 2022 in order to meet investor demands and needs.

Deniz Real Estate Investment Trust

Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. (**DenizREIT** or **Deniz Real Estate Investment Trust**) was established in 2014 and is a publicly traded corporation on the Borsa İstanbul. DenizREIT manages real estate (including both real estate projects and real estate securities), capital market instruments and other assets and securities which are defined by the Capital Markets Board. The main shareholder is DenizInvest, which holds 75% of DenizREIT's share capital. DenizREIT's issued share capital is TL 400 million.

As of 31 December 2022, DenizREIT's total revenues increased by 42.7% and was achieved without the sale of a single company-owned investment property maintained in the portfolio for rental purposes. This growth was driven by the 104.6% increase in DenizREIT's net rental income for 2022. DenizREIT's, gross profits increased by 115% in 2022, whereas EBITDA increased by 240% and net profits increased by 518%. The total amount of shareholder equity in DenizREIT increased by 84% in 2022 as compared to 2021.

In 2022, DenizREIT ended its reliance on debt (whether in the form of loans or debt instruments) to finance construction and land expenditures for housing projects currently in its portfolio. As a result, cash flow from sales was retained entirely by DenizREIT. In addition, DenizREIT's receivables average collection period dropped from 53 days in 2021 to 18 days in 2022.

DenizREIT's residential and investment property portfolio grew by 16% in 2022 due to a record 92% increase in the appraisal values of its investment property portfolio. Furthermore, DenizREIT's total assets increased by 56% in 2022 while it reduced borrowing by 90% and trade payables by 13%. As of 31 December 2022, the value of DenizREIT's commercial real estate portfolio amounted to TL 1.1 billion in total. Moreover, DenizREIT holds investment properties the value of which amounts to TL 709 million in aggregate.

Fastpay Electronic Money and Payment Systems

On 12 November 2019, Deniz Kartlı Ödeme Sistemleri Anonim Şirketi an existing 100% subsidiary of the Issuer, was renamed Fastpay Elektronik Para ve Ödeme Hizmetleri Anonim Şirketi (Fastpay Electronic Money and Payment Systems (**fastPay A.S.**)). The aim is for fastPay A.S. to operate as a payment and electronic money institution and an application for the operating permit was made to BRSA on 14 November 2019 for this. As of January 1, 2020, the Central Bank has taken full responsibility for the Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions, including the license application for and the audit. The operating permit was granted by the Central Bank on 24 December 2020 and the company became operational in June 2021. Title to the fastPay application (including data relating to the existing fastPay users and other elements presented in the Issuer's inventory) was transferred to fastPay A.S. on 12 January 2023 as capital in kind equal to TL 32,785,798.90. With this transfer, the new enterprise aims to become Turkey's largest electronic money company with the fastPay platform. The new organisational structure will boost fastPay's collaboration possibilities and extend its areas of activity.

In the second half of 2021, fastPay expanded its business by acquiring more users with PF (Payment Facilitator) products such as virtual POS, pay by link, manual payment via Merchant Panel which enables merchants to accept payments via all prepaid, debit and credit cards including all the major card programs with instalment feature in Turkey.

In 2022, fastPay sought to achieve growth by targeting SME businesses and offering new products and features such as Merchant App (soft POS), Alternative Payment Methods, physical POS, Payment Hub and Credit Hub. In 2022, 3.6 million fastPay users performed 13.9 million financial transactions with a transaction volume of TL 3.7 billion and fastPay A.S.'s fastPOS product accounted for a transaction volume of TL 662 million.

Domestic Non-Financial Subsidiaries

Intertech

Established to provide IT services to the financial sector, İntertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. (**Intertech**) has operated under the umbrella of the DenizBank Financial Services Group (**DFSG**) since 2002. Though it reports to the DenizBank COO, Intertech provides innovative and effective solutions and superior quality services for 49 institutions in 11 countries including DFSG. Intertech has developed both conventional and Islamic core banking platforms used in many domestic and foreign banks, and has capitalised on its experience and expertise to further upgrade its product range. Intertech, a strategic solution partner of Microsoft, has built its inter-Vision integrated banking platform using Microsoft's latest technologies, such as. NET, Microsoft SQL Server RabbitMq, Redis, ELK (Elastic Search), Azure, RedHat, OpenShift and Google Anthos. The platform is being re-written with microservice architecture which has a general framework that was developed following the attendance by Intertech employees of workshops presented by Microsoft and Google experts. A portion of the framework was developed in collaboration with Microsoft engineers. In the last two years, Intertech has been working on open source applications and cloud based SaaS and PaaS services.

In 2021 Intertech launched inter-Cloud as the first and only BRSA-approved financial cloud platform in Turkey. Through the platform, small and medium-sized banks, financial institutions and financial service providers can receive the same quality of service as upper tier banks in areas such as operations, security and Emergency Center (ODM). inter-Cloud is also the first and only platform to offer community cloud services to payment and electronic money institutions subject to Central Bank regulation.

In addition, necessary initiatives have been taken with business partners and customers to position Intertech solutions on inter-Cloud in line with our strategy. With the more efficient and flexible infrastructure provided by the cloud environment of business partner solutions, cost optimization will be aimed, and emergency management of banks and financial institutions will be easy and effective. The business partner solutions to be located in inter-Cloud will make it easier to reach potential customers and will provide revenue-generating growth in the relevant ecosystem.

Inter-API Open Banking Platform and Ecosystem, which is the first in Turkey and in line with global standards in the field of open banking, continued to grow in 2022. Through the platform, the Issuer's mobile applications, payments, account transactions and other different business models were integrated with innovative fintech solutions. The number of business partners of Intertech in inter-API Open Banking-Innovation Fintech and the sales-oriented ecosystem has risen to 56. In 2022, Intertech reached a total volume of TL 7.1 million over the ecosystem. In line with its strategy of expanding inter-Cloud, Intertech aims to increase its sales volume and commission income by including in its business-partner ecosystem all domestic and global fintech companies interested in offering their services to banks on inter-Cloud.

Intertech provides cutting-edge IT solutions recognised by multiple international awards, which help the Issuer to achieve its targets of operational excellence and providing a unique customer experience. Intertech has received numerous awards and accolades since its founding. For example, in 2019, Intertech received awards in the "Turkey-Based Software Development – Finance Sector" and "Software - Finance Sector" categories as well as the special "Contributor to the Turkish Economy" award from Bilişim-500 research awards.

In addition, the Issuer garnered five awards at the Smarties Turkey, a prestigious mobile marketing organisation, and at the Smarties EMEA 2019 with the fastPay digital wallet product developed by Intertech. The Issuer was presented with Gold in the "Mobile Payment" category, Silver in "Cross-Media" category and Bronze in "Mobile Application" category at the Smarties Turkey awards. At the Smarties EMEA awards, DenizBank won Gold in the "Mobile Payment" category and Silver in "Mobile Application" category.

Intertech also ranked first in the "Test Management Team of the Year" category at the European Software Testing Awards 2019 in London. Intertech's quality-oriented software development cycle and products have also been recognised internationally.

Furthermore, Intertech was awarded the 1st prize in the category of “Future of Industry Ecosystems” by International Data Corporation in connection with its “API Ecosystem” in 2021. It was also awarded the Gold prize by PSM (Payment Systems Magazine) in the category of "Best Infrastructure" and in the category of “Dx Future of Digital Infrastructure” in connection with its inter-Cloud which is the first Financial Cloud platform in Turkey.

Lastly, Intertech won the “Best Technology Use in Customer Experience” Award at the CX Customer Experience Awards’22 with the function of “Expenditure Sharing” developed by the team of Mobile Banking Digital Applications.

Intertech implements processes based on the globally recognized ITIL and COBIT standards to keep its services in line with defined Service Level Agreements (SLAs). Additionally, the company has obtained ISO 27001 Information Security Management System, ISO 20000 Service Management System and ISO 22301 Business Continuity Management System certifications. Intertech receives the ISAE 3402 report by going through independent audit on an annual basis.

DenizKültür

Established in 2004 to organise and support scientific research, arts, literature and other cultural activities, Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş. (**DenizKültür**) represents the Group's corporate and social mission through various educational, cultural, arts and sporting events.

Ekspres IT and Trade

Ekspres Bilgi İşlem ve Ticaret A.Ş. (**Ekspres IT and Trade**) joined the Group at the end of 2002 and focuses on offering equity investment services for foreign institutional investors. In particular, Ekspres IT and Trade provides IT services, solutions and systems integration, communication network services, system installation and operation services, IT support and consultancy services. Ekspres IT and Trade is the result of a merger in 2013 between EkspresInvest and DenizInvest, which was ultimately completed in June 2016.

Açık Deniz Radyo ve Televizyon İletişim Yayıncılık Ticaret ve Sanayi A.Ş.

Açık Deniz Radyo ve Televizyon İletişim Yayıncılık Ticaret ve Sanayi A.Ş. was established in 2010 as 100% subsidiary of İntertech. The company carries out radio and television broadcast activities in DenizBank Financial Services Group.

The main activities of the company, which is the visual memory of DFSG, involves documentary production, producing material for the Deniz Academy and Deniz Kültür Youtube channels, and the production of other media material, promotional films of business lines, Captains Meeting, special days, meetings and events, film preparations for these meetings, live broadcasts, providing support to the Advertising Department, regular news program productions, Deniz TV broadcasts within its headquarters, CustomerTV and GişeTV broadcasts in branches, and the management of the headquarters screens and photography production services.

NEOHUB

NEOHUB Teknoloji Yazılım Pazarlama ve Danışmanlık A.Ş. (NEOHUB) was established on 29 June 2021 as a wholly-owned subsidiary of Intertech with a capital of TL 35 million. The main field of activity of the company is software development and marketing, research and development, innovation and innovation

activities and consultancy. Deniz Aquarium, Deniz Ventures and fastPay were consolidated under NEOHUB as a single fintech subsidiary to provide a one-stop solution for startups in Turkey.

DenizBank won two awards for applications prepared and submitted via NEOHUB:

- DenizBank was selected both as the category winner and the first in Turkey in the “Western Europe” category at the Bank of the Year awards of The Banker.

- Kutup Yıldızı (Pole Star), The Issuer mobile application, won an award in the “Corporate Finance” category at the Global Finance – "The Innovators" awards competition.

NEOHUB is comprised of three groups: Innovation and Ecosystem Office, Sales and Marketing Office, and Technology Office. In addition, fastPay, an electronic money and payment services company licensed by the Central Bank, also operates under the NEOHUB umbrella.

NEOHUB Innovation and Ecosystem Office

The Innovation and Ecosystem Office is NEOHUB’s point of contact with the entrepreneurial ecosystem. The Innovation and Ecosystem Office includes Deniz Aquarium Innovation and Entrepreneurship Center, Deniz Ventures Private Equity Investment Fund, and Product Management units.

Deniz Aquarium Innovation and Entrepreneurship Center (Deniz Aquarium) is the Issuer's newly built Innovation Hub. Deniz Aquarium is the home of new initiatives including the Startup Accelerator Program, the In-House Entrepreneurship Program and the Blockchain Lab. These initiatives are the pillars of Deniz Aquarium and represent a strategic focus for the Issuer. The main concentration is on new and emerging technologies in the sectors of financial technologies, blockchain, artificial intelligence, agriculture, health and biotechnology. The Startup Accelerator Program focuses on running an accelerator program that will help start-ups scale up their business and create value for the whole Turkish start-up ecosystem. The program launched in 2022 and produced its first graduates as well as onboarded six new start-ups to the ecosystem. The In-House Entrepreneurship Program runs a program similar to that of an incubator by allowing employees of the Issuer to convey their solution suggestions and ideas to Deniz Aquarium and implement them. The program is focused on adding value by implementing new business models that support both improvement/differentiation in the Issuer’s internal processes and the DFSG strategy. The Blockchain Laboratory operates in conjunction with a strategic partnership of Bahçeşehir University Blockchain Research Center BlockchainIST Center. The Blockchain Team, a working group consisting of different teams within the Issuer, develops products and services that can be implemented in the field of finance. Deniz Ventures Private Equity Investment Fund invests in startups operating in the sectors of financial technologies, blockchain, artificial intelligence, agriculture, health and biotechnology. In addition to the target sectors, Deniz Ventures prioritizes investments with a promising potential in terms of digitalization and global scalability.

The Sales and Marketing Office operates under separate departments: New Generation Digital Trends, Mercan Sales Management and API Banking Business Modeling and Payment Institutions. API Banking Business Modeling and Payment Institutions developed the infrastructure of the API Portal within NEOHUB. The portal provides products and services to the Issuer’s customers and fintechs, including payment and electronic money institutions.

<u>Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.</u>

Bantaş was established on 8 January 2009 in partnership of Denizbank A.Ş., Finansbank A.Ş. and Türk Ekonomi Bankası A.Ş. to carry out activities in valuable deliveries, logistics and security services. The company provides cash transportation, processing, custody services to banks and institutions as well as ATM cash support and ATM primary level maintenance services within the framework of the Law numbered 5188

on Private Security Services. DenizBank receives support from Bantaş for cash transportation and transactions among Branches, Group Centres and Banks.

International Subsidiaries

DenizBank conducts overseas operations through its subsidiaries in Austria (DenizBank AG), Russia (DenizBank Moscow) and the Turkish Republic of Northern Cyprus (EuroDeniz International Banking Unit Ltd.). The Issuer also has a branch in Bahrain and a branch in the Turkish Republic of Northern Cyprus.

DenizBank AG

DenizBank AG is a wholly-owned subsidiary of DenizBank A.Ş. It was acquired from the SDIF (Savings Deposit Insurance Fund) in 2002. DenizBank AG is a licensed commercial bank, headquartered in Vienna, under the supervision of the National Bank of Austria and the Austrian Financial Markets Authority. DenizBank AG has approximately 400 employees, thirteen branches in Austria and seven branches in Germany, an extensive ATM network, and a call center equipped with the latest technology. DenizBank AG's core business areas include corporate, retail and private banking as well as project finance and treasury activities. The Issuer also provides savings and deposit products in the Austrian and German retail markets. As of 31 December 2022, DenizBank AG had 334 (full-time equivalent) employees, 160 thousand active customers and customer deposits of €4.1 billion. DenizBank AG's total assets amounted to €5.8 billion as of 31 December 2022. Its net profit was €81.7 million in shareholder equity for the year ended 31 December 2022.

DenizBank AG provides its corporate, commercial and SME customers with financial support for investment loans, project finance, import-export transactions and other products, focusing mainly on companies with commercial links to the European Union, especially in Turkey, Germany and Austria.

Deniz Immobilien Service GmbH

The company was established on 19 December 2013 as a wholly-owned subsidiary of DenizBank AG for the acquisition of the DenizBank AG's headquarters building in accordance with Austrian law. The company's activity involves purchasing, managing and selling real estate.

DenizBank Moscow

C.J.S.C. DenizBank Moscow (**DenizBank Moscow**) is a wholly-owned subsidiary of DenizBank A.Ş. DenizBank Moscow was acquired from the SDIF in 2003. It is a licensed commercial bank under the supervision of the Central Bank of the Russian Federation. DenizBank Moscow's core business areas are corporate banking and treasury services for blue-chip Turkish corporates active in the Russian Federation. As of 31 December 2022, DenizBank Moscow had customer deposits of U.S.$144 million, net loans of U.S.$100 million, 73 employees, 441 active customers and 48% loan market share among Turkish banks operating in Russia as of 31 December 2022 according to the Central Bank of Russia.

DenizBank Moscow's total assets amounted to U.S.$270 million as of 31 December 2022 (compared to U.S.$342 million, and U.S.$329 million as of 31 December 2021 and 2020, respectively). Its net profit was U.S.$44 million for the year ended 31 December 2022 (compared to U.S.$9.3 million and U.S.$8.9 million for the years ended 31 December 2021 and 2020, respectively).

DenizBank Moscow’s total assets corresponded to 0.8% of the Issuer’s total assets as of 31 December 2022. As of 31 December 2022, 100% of the outstanding loans were granted to Turkish-owned corporate entities in Russia. The share of revenues generated through DenizBank Moscow's business activities in Russia comprised 5% of the total net profit of the Issuer for the year end 2022. Therefore, no material negative impact on DenizBank Moscow is anticipated as a result of the sanctions imposed on Russian persons, entities

and financial sector. DenizBank Moscow continues its business activities in Russia and is in compliance with major international sanctions programs.

EuroDeniz International Banking Unit Ltd.

As part of the Issuer's international business development strategy, DenizBank acquired EuroDeniz International Banking Unit Limited (**EuroDeniz International**) from the SDIF in 2002. EuroDeniz International operates in the Turkish Republic of Northern Cyprus. Its core business lines include the provision of corporate and commercial banking services to The Issuer customers. As of 31 December 2022, EuroDeniz International had customer deposits of U.S.$ 1.5 million, assets of U.S.$9.2 million, net profit of U.S.$107,988 and 3 employees.

DenizBank Bahrain Branch

DenizBank maintains a single branch in Bahrain, which as of 31 December 2022 had customer deposits of U.S.$286 million, assets of U.S.$1.4 billion, loans of U.S.$1.2 billion, 6 employees and 294 active customers.

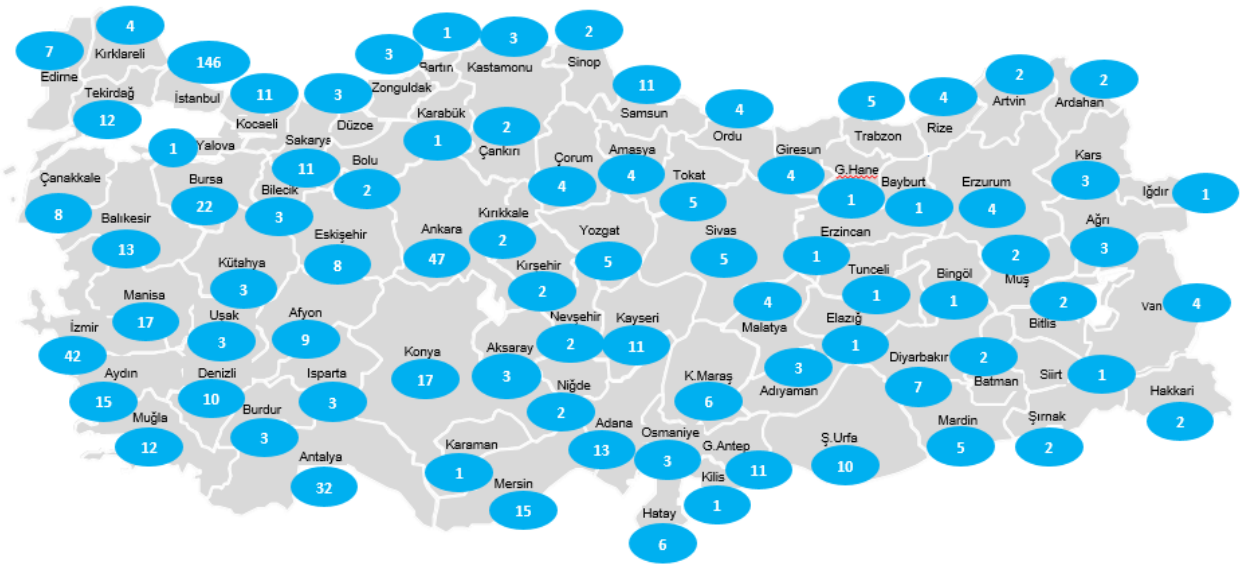
Distribution Network

DenizBank has an extensive distribution network, consisting of traditional banking outlets, including branches, representative offices, ATMs, automated cash deposit machines, and POS credit and debit card terminals, and non-traditional distribution outlets such as home and office banking (through the use of the Internet, personal computers and smartphones).

Branches

As of 31 December 2022, the Issuer had 670 branches across Turkey, one in Bahrain and 20 branches of Denizbank AG, the Issuer's Austrian subsidiary, in Austria and Germany. The Issuer is one of two private banks in Turkey with a branch network in all 81 provinces. While the Issuer's branch network covers all regions in Turkey, most of the branches are in the largest cities, with 61% of the Issuer's branches being located in the 16 largest cities (including İstanbul, Ankara, İzmir, Bursa, Antalya, Adana, Kocaeli, Konya, Mersin, Gaziantep, Kayseri, Samsun, Sakarya, Eskişehir, Diyarbakır and Erzurum as of 31 December 2022). As of 31 December 2022, 519 of the Issuer's branches were retail related. As of 31 December 2022, the Issuer's corporate commercial branch network consisted of 24 branches and the Issuer's private banking network comprised one private banking centre.

Below is an illustration of the Issuer's branch network across Turkey.



Non-Branch Channels

In addition to traditional branches, the Issuer provides services to consumers through non-branch channels as well. Positioning a multi-skilled, experienced workforce in non-branch channels helps the issuer transform branch-dependent operational processes to non-branch channels across all segments and products. Non-branch channels have key responsibilities for the Issuer's widespread growth strategy, from customer acquisition to customer care. As of 31 December 2022, the Issuer handled 41.6 million calls, achieved TL 22.5 billion of collections and completed TL 65.3 billion of sales through non-branch channels.

ATMs

Customers can perform banking transactions at DenizBank ATMs 24 hours a day, seven days a week. As of 31 December 2022, the Issuer had 3,080 ATM machines and nearly 101 million transactions done via ATMs, both at branches and at stand-alone ATMs. In addition, in order to decrease ATM and funding costs, an ATM network-sharing cooperation agreement was signed with QNB FinansBank and TEB in May 2019, which has enabled customers of each of these banks to make withdraws from the others' ATMs without any additional fees.

All of the Issuer's ATMs can accept cash deposits. 'Recycle ATMs' (where the banknotes deposited can be also used for withdrawal) have also been deployed in order to reduce the Issuer's operational cost and to optimise the efficiency of its ATM Network.

Additionally, the Issuer offers an ATM cardless transaction facility, which allows customers to carry out certain transactions without having to carry a card, subject to security procedures.

In order to improve digital convergence, the Issuer has implemented "Cash Withdrawal via QR Code" transactions and is improving its "Cash Deposit via QR Code transactions". The Issuer's "Cash Withdrawal via QR Code" transactions enable the Issuer's customers to withdraw U.S. dollars, Euros and Turkish lira via QR codes without a card and without touching an ATM. The Issuer aims to increase the number of transactions that can be performed via QR codes.

As of 31 December 2022, the Issuer earned net TL 155 million in banking commissions from its customers, and other banks' domestic and foreign based customers.

In addition to being the most frequently visited high volume transaction processing channel, the Issuer continued its focus on sales offers at ATMs.

Mobile, Internet and Digital Banking

As of 31 December 2022, the Issuer had 4.7 million active Digital Banking customers, 4.6 million of which were active Mobile Banking customers. The number of active Digital Banking customers has increased 30% from December 2021 to December 2022. The number of Mobile Banking active customers has increased 31% from December 2021 to December 2022. The share of financial transactions executed through digital banking as a percentage of all financial transactions had increased to 97% as of 31 December 2022.

The Issuer generated exceptional growth in sales from digital channels: 259% year-on-year growth was achieved in respect of volume of general purpose loans produced from digital channels; 138% year-on-year growth was achieved in respect of volume of personal credit card loans produced from digital channels; 203% year-on-year growth was achieved in respect of volume of micro segment commercial loans produced from digital channels; and 64% year-on-year growth was achieved in number of credit card sales from digital channels.

In 2022, the proportion of new customers acquired remotely through digital onboarding increased to one in every three new customers. As a result, DenizBank have succeeded in attracting and 150,000 customers per month. Digital channels such as MobilDeniz, online banking and DenizKartım are now the Issuer's first point of contact with its customers and constitute its most important sources for new customer acquisition. Furthermore, in 2022 DenizBank completed its digitisation process with respect to transactions that, for legal or security reasons, required customers to visit a branch in person. Such transactions can now be completed securely from remotely through videocalls conducted using MobilDeniz's "Do Without Going to the Branch".

The SME Banking Group has also expanded the scope of services offered through the MobilDeniz channel for SMEs. As of 31 December 2022, more than 70% of active SME customers carry out their transactions through MobilDeniz.

The addition of new investment banking products and services allows the Issuer's mobile banking suite MobilDeniz to serve to Private Banking customers and investors under one mobile application.

In July 2022 the Issuer launched "End to End loan application" as a new product on its website. Any individual (whether or not he/she is a customer) can apply for loan limit by providing his/her citizenship ID and phone number. New customers can be onboarded digitally through the Issuer's mobile banking suite and subsequently obtain a loan.

Social networks

The Issuer uses social networks, such as Facebook™ and Twitter™ to inform its customers about products of the Issuer and drive traffic to its website. In 2022, the Issuer continued to actively use its LinkedIn, Facebook (DenizBank Human Resources), Career at Deniz Instagram (@denizdekariyer), Twitter (@denizbankik) accounts in social media and to increase its followers in 2022.

Competition

The banking sector is important to the Turkish economy and foreign banks have become increasingly involved in the sector.

The Turkish banking sector is highly competitive and relatively concentrated with the top 10 deposit banks accounting for 80.4% of total sector assets as of 31 December 2022. Among the top 10 deposit Turkish banks, there are three state banks – Ziraat Bank, Vakıfbank and Halkbank, which were ranked first, second

and fourth respectively, in terms of total unconsolidated assets as of 31 December 2022. State banks accounted for 37.5% of total assets, 38.4% of total net loans and 40.8% of total customer deposits as of 31 December 2022. The top four privately-owned banks are İşbank, Garanti, Yapı ve Kredi and Akbank accounted for 33.1% of total assets, 32.8% of total net loans and 34.0% of total customer deposits as of 31 December 2022. The remaining banks in the top 10 deposit banks in Turkey include three mid-sized banks, namely QNB Finansbank, the Issuer and TEB, which were controlled by Qatar National Bank, Emirates NBD Bank PJSC and TEB Holding, respectively, as of 31 December 2022. According to BRSA statistics, as of 31 December 2022, 2021 and 2020, the Issuer's market share in net loans, customer deposits and assets on a consolidated basis were as follows:

	As of 31 December		
	2022	**2021**	**2020**
		%	
Net Loans (inc. factoring & leasing receivables)	4.5	4.6%	4.6%
Customer Deposits	4.7	4.7%	4.8%
Assets.....	4.4	4.3%	4.3%

Source: Banking Regulatory and Supervisory Agency (BRSA)

As of 31 December 2022, according to BRSA statistics, the Issuer was the fifth largest private bank in Turkey by total consolidated assets and ranked fifth among private banks in terms of consolidated cash and non-cash loans (including letters of guarantee, letters of credit and acceptances) with a 5.7% market share, and had a market share of 4.2% in consumer loans (ranking sixth among private banks) including mortgages, general purpose, auto and credit card loans. As of 31 December 2022, the Issuer's market share in total consolidated customer deposits was 4.7% (compared to 4.7% as of 31 December 2021 and 4.8% as of 31 December 2020) according to BRSA statistics.

As of 31 December 2022, the Issuer's market share in total consolidated cash loans was 4.5% (compared with a market share of 4.6% as of 31 December 2021 and 4.6% as of 31 December 2020) according to BRSA statistics. As of 31 December 2022, the Issuer ranked sixth among, with a consolidated revenue (before provisions) market share of 4.2% for the year ended 31 December 2022 according to BRSA statistics. The Issuer's management views Finansbank and TEB as the Issuer's main competitors.

As of 31 December 2022, the Issuer has a 6.2% market share in credit card outstanding volumes (ranking sixth among private banks) according to BRSA statistics, 6.1% market share in credit card issuing volumes (ranking sixth among private banks) and 6.9% market share in number of credit cards (ranking sixth among private banks), according to the Interbank Card Centre data. As of 31 December 2022, the Issuer was ranked fifth among private banks with a 3.6% market share in non-cash loans according to the BRSA statistics.

As of 31 December 2022, the Issuer also ranked highly in some of its key sectors, including agricultural banking where it ranked first among private banks in the sector in Turkey with an annual average market share of (38.5%) and with its senior salary payment customers, where it ranked fifth among private banks.

Employees

As of 31 December 2022, DenizBank had 13,140 employees, 7,262 of whom are based in branches and 5,878 of whom are based in the head office. Together with its subsidiaries employees, the Group had 15,609 employees in total.

The following table sets out the distribution of DenizBank employees in branches, in the head office and in subsidiaries as of 31 December 2022, 2021 and 2020:

	As at 31 December 2022	*2021*	*2020*
Number of Branch Employees	7,262	6,870	7,029
Number of Head Office Employees	5,878	5,202	4,903
Number of Subsidiaries' Employees	2,469	2,273	2,108
Total DFSG	15,609	14,345	14,040

The average age of the Issuer's employees is 36 years old while 54% of the Issuer's employees are female and 61% of them hold at least one university degree. In 2022, an employee engagement survey was conducted throughout DenizBank, and its 2022 survey results exceeded the Turkish banking sector averages, and employee engagement increased by 2 points compared to 2021. The Issuer employee turnover ratio for the year ended 31 December 2022 was 13.3% for DenizBank and 15.2% for the Group as a whole. For the year ended 31 December 2022, 92% of managerial promotions within the Group were made from among existing employees. DenizBank operates a competitive remuneration policy. Pay awards are intended to reward success and are comparable to those awarded by The Issuer competitors in the Turkish financial sector. DenizBank operates a number of bonus schemes, tailored to reward performance at different levels within the Issuer. For the year ended 31 December 2022, the Issuer paid an average of 2.97 times monthly salary for performance bonus payments and other incentive-based compensation.

All employees are covered by the Turkish Social Security System and governmental legislation in respect of labour relations. In addition, DenizBank provides private health insurance to its employees, their spouses and children. DenizBank operates a company pension scheme through Deniz Emeklilik ve Hayat (Deniz Pension and Life) of which all permanent employees are members, under which DenizBank makes contributions which vary according to the employees' job title.

Deniz Academy, the Issuer's training department, provides numerous training programmes designed for employees at all levels of seniority. It aims to provide a rapid induction programme for new members of staff, to equip employees with the skills required to take on management roles, to assist current managers in their ongoing development and to instil the Issuer’s values across the Group as a whole. Deniz Academy maintains e-learning applications and a virtual development centre, and assists employees in the determination of their individual training plans which are recorded in the Deniz Academy portal. In 2022, Deniz Academy provided 1.5 million hours of training, an average of 10.8 days per employee.

Information Technologies

IT plays a significant role in helping DenizBank to achieve its targets. The Issuer currently runs its operations on the inter-Next Integrated Banking Platform, which was developed by Intertech, a wholly owned subsidiary of DenizBank.

DenizBank continues to invest in IT to improve its automation, efficiency, service quality and sales forces in line with its business strategy. Overall expenditure on IT, including infrastructure as well as software projects, amounted to €93 million for the year ended 31 December 2022 (compared to €60 million and €52

million for the years ended 31 December 2021 and 2022, respectively). The overall budgeted expenditure for IT in 2022 is €63 million.

The Issuer's IT data centre, which is located in Istanbul, is supported by a disaster recovery centre managed by Turkcell, located in Ankara, more than 350 km from İstanbul. In a disaster recovery situation, the centre would serve as the Issuer's production system. Business Continuity tests at the disaster recovery centre are carried out twice a year. In last three years The Issuer's IT systems have not encountered any targeted or non-targeted cyber-attacks that caused a financial or reputational damage.

In order to ensure business continuity, a three-layer approach is implemented within the organisation. Actions for the first minutes/hours of disruption are defined in emergency action plans, which are tested for effectiveness. The Group seeks to ensure the continuous flow of information to both internal and external parties in the case of a disruption by employing a crisis management approach. Activities which are sensitive to the duration of any disruption are assessed by business impact analysis, and resource requirements (people, software, hardware, third party support, and internal dependencies) have been identified for these activities. Remedial measures are developed for specific operational risks and reviewed by senior management.

DenizBank has complied with the Control Objectives for Information and related Technology (**COBIT**) best practices for information technology, a biennial BRSA requirement since 2006. The Issuer's COBIT audit for the years 2006 through 2020 was carried out by KPMG, Deloitte and E&Y. The audit in 2021 and 2022 was carried out by Deloitte on the basis of the BRSA's requirements.

Property

As of 31 December 2022, the total book value of the properties of DenizBank (comprising land and buildings) was TL 744.0 million compared to TL 518.5 million and TL 306.9 million as of 31 December 2021 and 2020, respectively. 14 branches are located on sites owned by DenizBank, and the remainder are leased.

The Issuer also has investment properties held by DenizREIT for the purpose of making lease profits. As of 31 December 2022, this investment property amounts to TL 709 million as compared to TL 370 million and TL 356.0 million as of 31 December 2021 and 2020, respectively.

Loans to Members of the Board of Directors and Key Management

DenizBank currently has TL 3.5 million principal amount of loans outstanding to members of the Board of Directors and other key management personnel. None of the Directors or executive officers of DenizBank has any interest in any transaction effected by DenizBank.

Insurance

The Issuer maintains insurance policies with levels of coverage it deems necessary given the nature of its business. The Issuer's fixed assets, cash in transit and cash in hand are covered by general insurance arrangements covering normal risks. The Issuer maintains insurance on its properties, including its head office and branches and personal property, with respect to such risks, including earthquakes and terrorist attacks, and in such amounts as the Issuer deems appropriate. The Issuer generally requires that real property assets owned by borrowers which form part of the collateral for loans the Issuer makes are insured. The Issuer does not have any credit risk insurance in relation to defaults by its customers as this type of insurance is generally not available in Turkey.

Sanctions

Beginning in 2014, during the period in which the Issuer was owned by Sberbank, the Issuer was subject to European Union sanctions imposed on Sberbank that restricted the Issuer's access to primary and secondary capital markets in the European Union. In 2014, the United States Treasury's Office of Foreign Asset Control (**OFAC**) also added Sberbank to the Sectoral Sanctions Identification List and identified it as subject to certain debt and equity financing restrictions. However, the Issuer petitioned OFAC for a waiver from these restrictions, which the Issuer received on 6 October 2014. Following the sale of the Issuer from Sberbank to Emirates NBD in July 2019, the Issuer is no longer subject to any sanctions.

Legal Proceedings

From time to time, in the ordinary course of its business, the Group is party to legal proceedings, both as a plaintiff and a defendant. There are no legal proceedings pending, or to the Group's knowledge threatened, that may materially adversely affect the Group's business, results of operations or financial condition. As of 31 December 2022, the Issuer has recognised a provision of TL 312 million on a consolidated basis for litigation against the Issuer.

SHARE CAPITAL AND OWNERSHIP

Share Capital

As of the date of this Base Prospectus, the Issuer's share capital consisted of 5,696,099,996 authorised shares with a nominal value of TL 1 each.

Ownership

As of 31 December 2022, Emirates NBD Bank PJSC owned 5,696,099,996 shares, 99.99999993% of the Issuer's share capital, and certain executives (Saod Mohamed İbrahim Hamad Obaidalla, Ahmed Mohammed Aqil Qassim Al Qassim, Salah Mohammed Amin Abdulla and Mohammad Mahmood Ahmed Abdulrazzaq Albastaki) within the Emirates NBD group owned 4 shares, 0.00000007 of the Issuer's share capital.

MANAGEMENT

The Issuer is managed by its Board of Directors, its General Manager and its senior management.

Board of Directors

Pursuant to the Issuer's articles of association, the Board is responsible for the Issuer's management. The Issuer's articles of association stipulate that the Board should consist of a minimum of five and a maximum of fifteen members nominated and elected by the General Assembly, with the General Manager holding a board seat, as required by the Banking Law. The Board is currently composed of 9 members. Each director is appointed for a renewable term of three years. Four of the members of the Board reside in Dubai and five reside in Turkey.

The following table sets forth certain information regarding each member of the Board as of the date of this Base Prospectus.

Name	Position
Hesham Abdulla Al Qassim	Chairman
Hakan Ateş	Member and CEO
Shayne Nelson	Vice Chairman and Member
Ahmed Mohammed Aqil Qassim Al Qassim	Member
Aazar Ali Khwaja	Member
Burcu Çalıklı	Member
Derya Kumru	Member
Tanju Kaya	Member
Dr. Bjorn Lenzmann	Member

Hesham Abdulla Al Qassim, Chairman of the Board of Directors

Mr. Al Qassim graduated from Higher Colleges of Technology with a Diploma in Business - Banking and Finance in 1995. He started his career at National Bank of Dubai as a Chairman. During his time in National Bank of Dubai, he also attended University of Wollongong and got his master's degree in International Business Management in 2001. He is currently appointed as Vice Chairman and Managing Director of Emirates NBD, Vice Chairman and CEO of Wasl Asset Management Group, Chairman of Emirates Islamic Bank PJSC, Chairman of Emirates NBD Egypt SAE, Chairman of Emirates Institute for Banking and Financial Studies, Chairman of Dubai Sports Corporation, Chairman of Dubai Autism Centre, Member of the Board of Directors of Emirates Telecommunication Corporation (Etisalat), Member of the Board of Directors of International Humanitarian City, Member of the Board of Directors of Dubai International Financial Centre Authority, Member of the Board of Directors of DIFC Investments LLC, Member of the Board of Directors of Itissalat Al-Maghrib (IAM) Maroc Telecom, Chairman of International Cooperation Council France UAE.

Hakan Ateş, Member of the Board of Directors, CEO

Born in 1959, Mr. Ateş graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration after completing his studies at TED Ankara College. He started his banking career in 1981 as an Internal Auditor at İşbank. After serving at various Interbank units from 1986 to 1993, he worked as Branch Manager at Elmadağ, Şişli, Bakırköy, İzmir and Central Branches. He established Interbank's Cash Management System and was promoted in 1993 as Executive Vice President in charge of Central Operations. Mr. Ateş worked as Executive Vice President in charge of Financial Affairs and Operations at Bank Ekspres between the years of 1994 and 1996 and led the

bank's restructuring project with Bank of America. He established Garanti Bank Moscow in Russia and worked as CEO for one year starting from June 1996. He has continued his duties as the President & CEO at DenizBank, where he started in June 1997 as the Founder President. During his management tenure, DenizBank shares were offered to public in October 2004 where 5.5 times oversubscription was recorded. His management also ran the process of selling Zorlu Holding owned DenizBank shares to Dexia S.A. in May 2006 for U.S.$3.250 billion at 4.7 times their book value, which is a record in Turkey, as well as the sales process of 99.85% of DenizBank shares owned by Dexia Group to Sberbank 6 years later in June 2012 for U.S.$3.6 billion at 1.33 times their book value. He is also serving as the Chairman of the Board of Directors at DenizBank subsidiaries Deniz Yatırım Menkul Kıymetler A.Ş, Intertech A.Ş, DenizBank Moscow and DenizBank AG Vienna. Hakan Ateş also assumed the duty of Member of Board of Directors at Emirates NBD Egypt as of September 2020. He was granted the "Those who Add Value to Turkey" award presented by Bahçeşehir University in 2015. Hakan Ateş speaks fluent English.

Shayne Nelson, Member of the Board of Directors

Mr. Nelson was born in 1959. In 1982, he started at the Western Australian College of Advanced Education (now Edith Cowan University) for his bachelor's degree in business. In 1995, he received the Australian Institute of Company Directors Diploma from the University of New England. Mr. Nelson started his banking career in 1984 as a Corporate Finance Manager's Assistant. Throughout 35 years of his career, Mr. Nelson also completed many leadership and technical programs from highly regarded institutions. Prior to his Emirates NBD career, Mr. Nelson worked at Standard Chartered Bank for 16 years and he worked as the Head of Corporate and Institutional Banking for Westpac Banking Corporation in Western Australia. During his time in Standard Chartered Bank, he worked in different executive positions and different countries. Earlier in his career, his positions included Standard Chartered Chief Risk Officer for Wholesale Banking, Regional Head of Corporate and Institutional Banking Audit in the Asia Pacific Region and India, as well as Regional Head of Credit in Hong Kong, China and North East Asia. He served in Singapore as the Chief Executive Officer of Standard Chartered Private Bank. He was also the Chairman of Standard Chartered Saadiq Islamic Advisory Board and a Board member of Standard Chartered Bank (China) Ltd. Shayne's previous high-profile positions in the banking arena include Regional CEO of Standard Chartered Bank Middle East and North Africa, Chairman of Standard Chartered (Pakistan) Limited, and Chairman of the Banking Advisory Council to the Board of the Dubai International Financial Centre. He also held the position of Chief Executive Officer and Managing Director of Standard Chartered Bank, Malaysia Berhad. He left his position as CEO of Standard Chartered Bank, Singapore in 2013 and became a member of Emirates NBD PJSC family. Apart from being the Group CEO of ENBD, he is also a board member of Emirates NBD Capital Ltd, a board member of Emirates NBD Capital PSC, a board member of Emirates Islamic Bank PJSC, a board member of Tanfeeth LLC and a board member of Marsh Emirates Insurance Brokers LLC. Also, he founded Higher Colleges of Technology Industry Advisory Council in 2014 and he is still part of the council. A Graduate Member of the Australian Institute of Company Directors, Shayne is also an Associate Fellow of the Australian Institute of Managers.

Ahmed Mohammed Aqil Qassim Al Qassim, Member of the Board of Directors

Mr. Al Qassim was born in 1982 and graduated from Higher Colleges of Technology, Dubai in 2004 with a Bachelor's degree in Applied Science, Engineering Management. He also holds a Master of Business Administration from the University of Victoria in Canada. He has 11 years of experience in investment banking and structured finance and prior to joining Emirates NBD served as the Chief Executive Officer of Dubai Group and as a member on the boards of Bank Muscat, Shuaa Capital, EFG-Hermes and Sun Hung Kai. He was previously a director in Investment Banking at Emirates NBD Capital where he led the Equity Capital Markets and M&A teams and has also held senior roles at General Electric and Mubadala. Mr. Al Qassim was appointed as a member of the Board of Directors of the Issuer effective 10 February 2022. Mr. Al Qassim is also currently the Group Head of Wholesale Banking at Emirates NBD.

Aazar Ali Khwaja, Member of the Board of Directors

Mr. Khwaja is currently also the ENBD Group Head of International. Having served within the ENBD Group since September 2012, Mr. Khwaja has over 25 years of experience in treasury and global markets across a number of geographies. He joined ENBD in 2012 as Group Treasurer and Head of Global Banking and Markets. Prior to joining ENBD, he was the Regional Treasurer for Emerging Markets/Africa with Barclays Bank PLC, during which he also served as Chairman of Barclays' regional Assets and Liabilities Management Committee. He previously served as Managing Director and Head of Markets in Citigroup's Central and Eastern European division, Group Treasurer for Saudi Hollandi (ABN AMRO) Bank in the Kingdom of Saudi Arabia, Managing Director of Treasury for ABN AMRO/K&H Bank in Hungary, General Manager of Treasury for ABN AMRO in Romania, as well as Country Treasurer for Citibank NA in Pakistan. Mr. Khwaja holds a Bachelor of Commerce from the University of Karachi, a Master of Business Administration with the Institute of Business Administration, Pakistan and a Corporate Governance International Directors Program qualification from INSEAD, France.

Burcu Çalıklı, Member of the Board of Directors

Born in 1969, Ms. Çalikli received her bachelor's degree from the Middle East Technical University, Department of Statistics in 1992 and completed her Master of Business Administration degree at Koç University in 2000. Starting her career in 1992 as a Partner at Retsam Ltd. Şti., Ms. Çalikli later served as Auditor at Dışbank between the years of 1995 and 1997 and Corporate Credits Analyst and Market Risk Manager at Citibank A.Ş. between the years of 1997 and 2002. She then assumed the role of Consumer Credits Country Head at Citibank A.Ş. Subsequently, she served as Head of Risk Management Centre at TFKB from 2009 to 2014, Head of Corporate Credits at First Abu Dhabi Bank from 2014 to 2018 and Chief Credit Officer at Commercial Bank of Dubai from 2018 to 2021 before she assumed the role of Senior Risk Advisor at Emirates NBD in 2021. Ms. Çalikli was appointed as a member of the Board of Directors of the Issuer effective 12 January 2022.

Derya Kumru, Member of the Board of Directors

Born in 1964, Mr. Kumru graduated from Ankara University, Political Sciences and earned an MA degree and Ph.D. from Istanbul University, Institute of Social Sciences. Between the years of 1987-1999, he held several positions at Esbank T.A.Ş. and was appointed as Executive Vice President in 1998. Mr. Kumru joined DenizBank Financial Services Group in 1999. After serving as Executive Vice President in charge of DenizBank A.Ş. Corporate Marketing Group, General Manager of DenizLeasing and DenizFactoring, he was appointed as General Manager of DenizBank Moscow in 2004. Between the years of 2009-2011, he served as Executive Vice President in charge of Corporate, Commercial Banking, Public Project Finance and Foreign Subsidiaries Group at DenizBank A.Ş., and from 2011 to 2012, he assumed the title of Executive Vice President in charge of the Wholesale Banking Group at DenizBank A.Ş. Derya Mr. Kumru has been continuing his duty as Member of the Board of Directors at DenizBank A.Ş. since December 2012.

Tanju Kaya, Member of the Board of Directors

Born in 1964, Mr. Kaya graduated from Gazi University, Faculty of Economics and Administrative Sciences, Department of Public Administration in 1985. Starting his banking career at Pamukbank in 1986, he went on to hold various positions at TEB, Marmara Bank and Alternatif Bank. Mr. Kaya worked as Branch Manager at Bank Ekspres from 1994 to 1997. Joining DenizBank A.Ş. in 1997 as Ankara Branch Manager, he then worked as Central Anatolia Regional Manager in 2002 and 2003. Tanju Kaya went on to serve as Executive Vice President in charge of the Administrative Services Group from 2003 to 2016 at DenizBank. Since June 2016, he has served as Executive Vice President in charge of the Administrative Services and Investment Group at DenizBank A.Ş. and Chairman of the Executive Board of DFSG Investment Group. Since June 2020, Mr. Kaya has been continuing his duty as the Board Member in charge of his present functions.

Dr. Bjorn Lenzmann, Member of the Board of Directors

Dr. Lenzmann graduated from TU Dortmund University with a diploma in Physics, achieved his Ph.D. in 2001 and has 20 years of international experience in risk management, advisory and data analytics in developed and emerging markets. Starting his career as a Research Assistant at the University of Dortmund in 1996, he subsequently worked for Commerzbank leading the Operational Risk Quantification Team from 2001 to 2005 and as a Senior Market Risk Manager. He worked with KPMG as Associate Director from 2006 to 2008. Dr. Lenzmann joined Emirates NBD in 2008 as Vice President, Head of Operational Risk before taking on the role of Senior Vice President and Group Head of Operational Risk in August 2010, responsible for operational risk, cyber risk management, business continuity management, reputational risk and outsourcing, fraud prevention and investigations in addition to mergers and digital banking. Dr. Lenzmann is a Member of the Board of Directors and Audit and Risk Committee at DenizBank since March 2021. Dr. Lenzmann has a proven track record of enterprise-wide transformation of operational risk, enterprise risk, market risk and credit risk frameworks and methodologies. He is highly experienced in leading multinational and cross-functional teams across Europe, the Middle East and Asia. During his career, he has successfully established risk management frameworks for Retail Banking, Wealth Management, Private Banking, Corporate Banking, Capital Markets, Treasury, Digital Banking, Insurance, Asset Management, Financial Brokerage and Payment Services.

Senior Management

The current members of the Issuer's senior management and their areas of responsibility are as follows:

Name	Responsibility
Hakan Ateş	Board Member, CEO
Ali Murat Dizdar	EVP, Chief Legal Advisor, Member of the Management Board
Ali Rıza Aydın	EVP, Information Security and Information Technologies Risk Management Group
Ayşenur Hıçkıran	EVP, Retail Banking Group, Member of the Management Board
Bora Böcügöz	EVP, Treasury, Financial Institutions and Investment Group, Member of the Management Board
Ruslan Abil	EVP, Financial Affairs Group, CFO, Member of the Management Board
Burak Koçak	EVP, Agricultural Group
Edip Kürşad Başer	EVP, Retail-SME, Agricultural Banking Credits Allocation and IFRS Group
Engin Eskiduman	EVP, SME Banking and Public Finance Group
Halit Cihan Tunçbilek	EVP, Payment Systems Group
Kishore Swayamberdutt Bhatt	EVP, Credits Allocation Group
Mehmet Aydoğdu	EVP, Wholesale Banking Group, Member of the Management Board
Mustafa Okan Çetinkaya	EVP, Analytics, Data and Customer Value Management Policies Group
Mustafa Özel	EVP, Branch and Central Operations Group
Oğuzhan Özark	EVP, Retail and Private Banking Group
Okan Aksu	EVP, Treasury Group
Savaş Çıtak	EVP, Project Financing, Financing Restructuring and Credits International Coordination Group
Selim Efe Teoman	EVP, Corporate and Commercial Credits Group
Serkan Boran	EVP, Credit Follow-up Group
Umut Özdoğan	EVP, Digital Transformation, Change Management and Non-Branch Channels Group
Hacı Mehmet Oflaz	EVP, Corporate and Commercial Banking Group
Verda Beril Yüzer Oğuz	EVP, Financial Institutions and Sustainability Coordination Group
Yavuz Elkin	EVP, Human Resources and Deniz Academy Group
Rasim Orman	EVP, Secretary General, Secretary General and Litigations Group
Ramazan Işik	Head of Internal Audit

Name	Responsibility
Cem Demirağ	Head of Internal Control Centre and Compliance
Sinan Yilmaz	Head of Risk Management Group
Hayri Cansever	DenizBank AG, General Manager
Cemil Cem Önenç	DenizAsset Management, General Manager
Gürhan Çam	NEOHUB, General Manager
Hüseyin Melih Akosman.....	DenizInvest Securities, General Manager
Mehmet Çitil.....	Deniz Real Estate Investment Trust, General Manager
Murat Kulaksiz	Deniz Factoring, General Manager, Deniz Leasing, Executive Board Member
Oğuz Yalçin.....	CJSC DenizBank Moscow, General Manager
Ömer Uyar.....	Intertech, General Manager

Set forth below is the brief biographical information regarding the Issuer's current senior management (other than those who are members of the Board, whose biographical information is set out above):

Ali Murat Dizdar, Chief Legal Advisor

Born in 1960, Mr. Dizdar graduated from Istanbul University Faculty of Law in 1982 and completed his postgraduate studies in Private Law in 1985. In 1982, Mr. Dizdar began his career as a research assistant at Istanbul University Faculty of Law and held the positions of Legal Advisor in Altheimer & Gray between 1990-1998 and Legal Department Manager at Birleşik Türk Körfez Bank between 1998-2001. Then he served as Legal Consultancy Unit Manager in Osmanlı Bank in 2001 and Legal Advisor and Risk Management Committee Chairman at Taib Yatırımbank in 2002. He worked as Legal Corporate Department Head in DenizBank A.Ş. between 2002- 2003 and as Senior Vice President of the Legal Group between 2003-2010. He has been working as the Chief Legal Advisor in DenizBank A.Ş. since 2010.

Ali Rıza Aydın, Executive Vice President of the Information Security and Information Technologies Risk Management Group

Born in 1972, Mr. Aydin graduated from Hacettepe University, Computer Sciences Engineering in 1994. He started his career the same year in the office of the Prime Minister of the Turkish Republic and participated in the technological transformation of the institution. Mr. Aydin joined the centralization of banking systems in Ziraat Bankası in 2004 and managed all financial systems as the Banking Centre Systems Manager. He took part in the Vakıflar Bankası Technological Transformation Project in 2010 as the Head of System Management and was involved in the mainframe-based systems consolidation and technological transformation projects of the bank. Joining DenizBank A.Ş. in 2012 as the Assistant General Manager of Intertech Infrastructure and Systems Management. Mr. Aydin worked on banking system optimization, increasing performance needs and the security of information technology infrastructures. Entirely focusing on information security and information risk management in 2018, Mr. Aydin worked as Assistant General Manager of Intertech Information Security and IT Risk Management and as Senior Vice President of DenizBank Information Security and Information Technologies respectively. Mr. Aydin worked on information security, secure banking and fraud prevention, information risk management, data protection and business continuity structure management and assumed the roles of CISO and DPO within DenizBank Financial Services Group. In 2020, he completed an Executive MBA Program in Sabancı University and he has been working as an Executive Vice President in charge of the Information Security and Information Technologies Risk Management Group since August 2021.

Ayşenur Hıçkıran, Executive Vice President of the Retail Banking Group

Born in 1969, Ms. Hıçkıran graduated from Ege University, Faculty of Letters, Department of English Language & Literature in 1992. Beginning her career as Sales Manager in Citibank in 1996, Ms. Hıçkıran

held several positions in Citibank as Regional Manager of Bursa, Regional Manager of Aegean Region, Regional Manager of Marmara, Head of Sales Channels Group in Turkey, Head of Consumer Loans and Sales Channel Group, Executive Vice President in charge of Payment Systems, Consumer Loans, Sales and Alternative Distribution Channels and Executive Vice President in charge of Retail Banking, respectively, between 1996-2013. She worked in DenizBank A.Ş. as the Executive Vice President of Payment Systems and Non-Branch Channels Group and was subsequently appointed as the Executive Manager of the Retail Banking Group.

Bora Böcügöz, Treasury, Executive Vice President of the Financial Institutions and Investment Group

Born in 1967, Mr. Böcügöz graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1989. He started his career as Junior Associate at Garanti Bank in 1989. After working as Capital Markets Deputy Department Head at Esbank between 1990-1994 and as Securities Deputy Department Head at Bank Ekspres in 1994, he served as Securities Department Head at Toprakbank until 1997. He worked as Treasury Coordinator and Executive Vice President in charge of Funds, Resource Management and Marketing at Kentbank between 1997-2002. He worked as Executive Vice President in charge of Fund Management in DenizBank A.Ş. between 2002-2007 and continues his duty as Executive Vice President in charge of the Treasury, Financial Institutions and Investment Group in DenizBank A.Ş.

Ruslan Abil, Executive Vice President of the Financial Affairs Group

Born in 1975, Mr. Abil graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of International Relations in 1996 and completed the executive development program at London Business School in 2017. Mr. Abil started his career in 1997 as Auditor in Başaran Nas Yeminli Mali Müşavirlik A.Ş and worked at Price Waterhouse Coopers USA as Director between 2010-2012. He served as Director in charge of Technical Projects and Group Reporting at Union Bank of California between 2012-2013. He joined DenizBank A.Ş. in 2013 as Financial Affairs Senior Vice President. He served as Executive Vice President in charge of Group Reporting and ALM Group in Denizbank A.Ş. from February 2014 to April 2017. Abil was appointed in April 2017 as Executive Vice President in charge of the Financial Affairs Group. Mr. Abil is also a Certified Public Accountant in the USA.

Burak Koçak, Executive Vice President of the Agricultural Group

Born in 1970, Mr. Koçak graduated from Dokuz Eylül University, Faculty of Economics and Administrative Sciences, Department of Econometrics in 1993. Mr. Koçak started his career in 1996 at ToprakBank as Junior Associate in Commercial Banking and worked at Branch, Commercial and Corporate Banking sales positions at Bank Ekspres, TEB, Körfezbank and Garanti Bank, respectively. He then worked at Akbank as Head Office SME Marketing and Branch Manager. He held the positions of Branch Performance Management Senior Vice President in DenizBank A.Ş. between 2006–2009, Istanbul Anatolia-2 Regional Manager between 2009-2014 and SME Banking Group Executive Vice President between 2014-2016. He was appointed as Executive Vice President in charge of Agricultural Banking of DenizBank A.Ş in February 2016.

Edip Kürşad Başer, Executive Vice President of the Retail-SME, Agricultural Banking Credits Allocation and IFRS Group

Born in 1967, Mr. Başer received his BSc degree from Middle East Technical University, Faculty of Engineering, Department of Electrical and Electronics Engineering in 1988. Starting his career in 1989 in research studies at Bilkent University, Mr. Başer then worked at Interbank between the years of 1990 and 1997. He later worked at Nergis Holding as Special Projects Manager from 1997 to 1999, at Doğuş Hizmet Yön. A.Ş. as Assistant General Manager from 2000 to 2001, and at Yassı Metal Sanayi A.Ş. as Assistant

General Manager between the years of 2001 and 2003. He then joined DenizBank A.Ş. and served as Cash Management Department Head in 2004, Cash Management Senior Vice President between the years of 2004 and 2007, Corporate Banking Senior Vice President from 2007 to 2008, Corporate Banking – Sales Senior Vice President from 2008 to 2009, Credit Policies and Risk Monitoring Senior Vice President from 2009 to 2012 and Credits Methodology Senior Vice President from 2012 to 2014. Mr. Başer was nominated as Executive Vice President in charge of Corporate Credit Policies Group at DenizBank A.Ş. in November 2014. He also served as Executive Vice President in charge of Retail, SME, Agricultural Banking Credit Underwriting and IFRS Group at DenizBank A.Ş.

Engin Eskiduman, Executive Vice President of the SME Banking and Public Finance Group

Born in 1973, Mr. Eskiduman received his degree in Economics from Uludağ University, Faculty of Economics and Administrative Sciences in 1996. He started his banking career in Şekerbank in 1998 in the Internal Audit Unit in Etibank and Turkish Economy Bank, respectively. Next, he joined DenizBank as an inspector in the Internal Audit Unit in 2002. Mr. Eskiduman subsequently assumed the roles of SME Banking Çukurova and Central Anatolia Regional Sales Manager, Internal Audit Unit Senior Vice President, Retail Banking Performance Management and Business Development Senior Vice President and lastly Çukurova Regional Manager, respectively. From October 2021 he assumed the role of Executive Vice President of the SME Banking and Public Financing Group.

Halit Cihan Tunçbilek, Executive Vice President of the Payment Systems Group

Born in 1963, Mr. Tunçbilek received his undergraduate degree in Industrial Engineering from Boğaziçi University and his graduate degree and doctorate in Industry and System Engineering from Virginia Tech University. Having started his banking career in 1995 in Citibank, Mr. Tunçbilek assumed various positions including Credit Cards and Loans Senior Vice President. In 2013, he joined DenizBank as the Credit Cards Portfolio Management Senior Vice President, assuming the position of Debit and Credit Cards Management Senior Vice President. Since July 2021, Mr. Tunçbilek has been working as the Payment Systems Group Executive Vice President.

Kishore Swayamberdutt Bhatt, Executive Vice President of the Credit Allocation Group

Born in 1962, Mr. Bhatt graduated from Garhwal University in India with a bachelor's degree in Science and obtained a master's degree in History in 1988. He started his career as a Management Associate at the State Bank of India, Corporate Banking Department in 1988 and then worked at IDBI Bank as Wholesale Banking Vice President from 2000 to 2006. Mr Bhatt joined Emirates NBD UAE Risk Group in 2006 and was responsible for managing the Wholesale and FI portfolio with a focus on facilitating credit underwriting for growth in line with bank's credit strategy. Mr. Bhatt is now the Credit Allocation Group Executive Vice President and Chief Credit Officer for the Issuer.

Mehmet Aydoğdu, Executive Vice President of the *Wholesale Banking Group*

Born in 1968, Mr. Aydoğdu graduated from Dokuz Eylül University, Faculty of Economics and Administrative Sciences, Department of Economics in 1993. Beginning his career as an Associate in Ceylan Holding Fund Management/Finance Department in 1995, Mr. Aydoğdu worked as an Associate in Bank Kapital Central Branch between 1996-1998, as Corporate Products Marketing Senior Associate in Demirbank A.Ş. Kartal Branch in 1998 and as Corporate Marketing Vice President in Bayındırbank between 1998-2002. Between 2002-2003, he served as Vice President in Europe-3 Regional Marketing Department in DenizBank A.Ş., as Beşyüzevler Branch Manager between 2003-2005 and as Çağlayan Branch Manager in 2005 and as Maslak Commercial Centre Branch Manager between 2005-2009. He worked as Commercial Banking Senior Vice President between 2009-2010 and as Executive Vice President in charge of Commercial Banking and Public Finance between 2011-2015. He subsequently worked as Executive Vice

President in charge of Corporate Banking, Commercial Banking and Public Finance and as Executive Vice President in charge of Corporate and Commercial Banking Group.

Mustafa Okan Çetinkaya, Executive Vice president of the Analytics, Data and Customer Value Management Policies Group

Born in 1973, Mr. Çetinkaya received his BA degree from Ege University, Faculty of Letters in 1997 and his MBA degree from Özyeğin University in 2015. Starting his career as Alternative Distribution Channels Deputy Vice President at Pamukbank in 1999, Mr. Çetinkaya worked at Project Development, Database Marketing and Marketing Departments at Halkbank A.Ş. from 2003 to 2007. Mr. Çetinkaya then served as Director in charge of Retail, Commercial and Corporate Marketing Analytics, Strategy and Project Management at QNB Finansbank A.Ş. between the years of 2007 and 2016. He joined our Bank in 2016 as Organisation Senior Vice President and last served as Business Analytics and CRM Senior Vice President. He has continued to serve as Executive Vice President in charge of Analytics, Data and Customer Value Management Policies Group at DenizBank A.Ş., as of March 2021.

Mustafa Özel, Executive Vice President of the Branch and Central Operations Group

Born in 1966, Mr. Özel graduated from Hacettepe University, Faculty of Economics and Administrative Sciences, Public Administration in 1988. Beginning his career in Turkbank Galata Branch, Credits Service in 1988, Mr. Özel worked as Central Operation Associate in Interbank between 1993-1997 and Vice President in Internal Control Department of Dışbank in 1997. Between 1997-1998, he served as Vice President in Internal Control Unit in Denizbank A.Ş., and as Internal Control Senior Vice President in Denizbank A.Ş. in 1998, Auditor in Internal Audit Department between 1999-2001, Head of Internal Control Unit between 2002- 2007. In 2007, he held the position of Internal Control and Compliance Senior Vice President, Head of Internal Control and Compliance Unit between 2008-2010, and Executive Vice President in charge of Central Operations and International Subsidiaries in 2010. He works as Executive Vice President in charge of Branch and Central Operations in Denizbank A.Ş. since 2010.

Oğuzhan Özark, Executive Vice President of the Retail and Private Banking Group

Born in 1976, Mr. Özark graduated from Istanbul Technical University, Department of Mathematical Engineering in 1997. He started his banking career in 1997 at Garanti Bank Retail Banking Department as Junior Associate and then worked at SME Banking Group. Joining DenizBank A.Ş. in 2004 as SME Banking Business Development Department Head, Mr. Özark worked as Capital Markets Instruments Sales, Performance and Business Development Department Head, SME Banking Marketing Small Scale Enterprises Senior Vice President, SME Banking Marketing Senior Vice President, Retail Banking Sales Management Senior Vice President and Mass Banking Sales Management Senior Vice President respectively. He worked as Executive Vice President in charge of the Retail Banking Sales Group in Denizbank A.Ş. and subsequently as Executive Vice President of the Retail Banking Group.

Okan Aksu, Executive Vice President of the Treasury Group

Born in 1982, Mr. Aksu completed his bachelor's degree in Economics at Bilkent University in 2003 and his master's degree in Economics and Finance in Istanbul Bilgi University in 2008. He started his career in DenizBank in 2003 as a Management Trainee and subsequently assumed various roles in the Treasury Group. He was appointed as Fixed Income Securities Department Head in 2010. Between 2010 and 2015, Mr. Aksu worked as Treasury Manager at Royal Bank of Scotland, later assuming the role of Fixed Income Securities and Money Markets SVP in 2015. Mr. Aksu has been working as Executive Vice President in charge of the Treasury Group since December 2021.

Savaş Çıtak, Executive Vice President of the Project Finance, Financial Restructuring and Credits International Coordination Group

Born in 1977, Mr. Çıtak received his BSc degree from Marmara University, Faculty of Engineering in 1999, and his Executive MBA degree from Sabancı University in 2016. Starting his career in 1999 at Pamukbank, Project Finance Department, Mr. Çıtak joined the DenizBank family in 2003 as Cash Management Senior Associate. He served as Corporate Marketing and Sales Department Head at CJSC DenizBank Moscow, Credits International Coordination Senior Vice President and Project Finance, Financial Restructuring and Credits International Coordination Senior Vice President, respectively. He has continued to serve as Executive Vice President in charge of Project Finance, Financial Restructuring and Credits International Coordination Group at DenizBank A.Ş., as of March 2021.

Selim Efe Teoman, Executive Vice President of the Corporate and Commercial Credits Group

Born in 1970, Mr. Teoman graduated from Hacettepe University, Faculty of Economics and Administrative Sciences, Department of Economics in 1993. Beginning his banking career in 1994 at İşbank as a Junior Auditor, Mr. Teoman worked at InterBank A.Ş. as Credits Senior Associate between 1997-1998, Credit Allocation Vice President between 1998-2002 and Marketing Department Head at Ziraat Bank between 2002-2003. Mr. Teoman joined DenizBank A.Ş. in 2003 as Corporate Credits Vice President and held the position of Credits Department Head between 2003-2004, Corporate Credits Department Head between 2004-2006, Contracting Sector Allocation Senior Vice President between 2006-2011 and Corporate Credits Senior Vice President between 2011-2013. He works as Executive Vice President in charge of the Corporate and Commercial Credits Group in Denizbank A.Ş. since January 2013.

Serkan Boran, Executive Vice President of the Credit Follow-up Group

Born in 1973, Mr. Boran received his undergraduate degree in Geological Engineering from Hacettepe University, Faculty of Engineering in 1997, and his MBA from Yeditepe University, Institute of Social Sciences in 2009. Starting his career as Associate- Customer Representative in 1998 at DenizBank, Mr. Boran worked as Portfolio Manager at A Bank in 2000, and then as Senior Associate- Customer Representative at DenizBank in 2002. Working as Marketing Manager and Branch Manager at TurklandBank in 2004. He also served as Branch Manager at BurganBank in 2008 for one year before returning to DenizBank. Mr. Boran previously assumed the roles of Branch Manager, Commercial Plus Branch Manager, Corporate Banking Branch Manager and Large Scale Loans Administrative and Legal Follow-up 2 Senior Vice President. As of August 2022, Mr. Boran was appointed as Executive Vice President of the Credit Follow-up Group.

Umut Özdoğan, Executive Vice President of the Digital Transformation, Change Management and Non-Branch Channels Group

Born in 1976, Mr. Özdoğan studied in İstanbul High School before obtaining a Bachelor of Arts degree in Business Administration in English from Marmara University and MBA degree from Yeditepe University. Starting his career in 1999 with the Denizbank family as Junior Associate, Özdoğan worked as Financial Analysis and Intelligence Associate, Credit and Marketing Associate, Specialized Credits and Pricing Senior Associate. Moving to DenizBank AG in 2003, Özdoğan worked as DenizBank AG Private Banking Department Head from 2003 to 2004, and DenizBank AG Marketing Department Head from 2004 to 2006. As from 2007 he worked as Public Finance Department Head and from 2011 to 2015 as Commercial Banking Sales and Public Finance Senior Vice President. Assuming the function of Istanbul Corporate Branch Manager in 2015, Özdoğan was appointed in April 2017 as Executive Vice President in charge of Cash Management, Public Finance and Organisation Group. He worked as Executive Vice President of the Digital Transformation and Change Management Group. Umut Özdoğan speaks English and German fluently.

Hacı Mehmet Oflaz, Executive Vice President of Corporate and Commercial Banking Group

Born in 1981, Mr. Oflaz completed his undergraduate studies in 2004 at Dokuz Eylül University, Faculty of Science and Letters, Department of Statistics (English), and received his postgraduate degree in 2019 from Galatasaray University, Institute of Social Sciences, Department of Financial Economics. He started his career in 2005 at Burgan Bank as Commercial Banking Portfolio Manager and worked in various positions at the same bank, including Factoring Sales and Customer Relations Manager. Mr. Oflaz joined DenizBank in 2013 and, since then, has served as Commercial Banking Sales Vice President, Public Finance Sales Department Head, Corporate and Commercial Banking Sales and Performance Management Senior Vice President and Large-Scale Credits Administrative Follow-up and Special Credits Under Follow-up-1 Senior Vice President, respectively. Mr. Oflaz has been serving as Executive Vice President in charge of Corporate and Commercial Banking Group as of April 2023.*Verda Beril Yüzer Oğuz, Executive Vice President of the Financial Institutions and Sustainability Coordination Group*

Born in 1975, Ms. Oğuz completed her undergraduate studies at Marmara University, Department of International Relations. Ms. Oğuz started her career in 1997 at Interbank as a Junior Associate and she worked as Correspondent Relations Vice President at Ulusalbank A.Ş., International Relations Officer at Türk Barter A.Ş. and Correspondent Relations Department Head at TEB, respectively. Joining the DenizBank family in 2010 as the SVP in charge of Financial Institutions, Ms. Oğuz served as the SVP in charge of Correspondent Relations, Foreign Trade Finance, Structured Finance and Financial Institutions Credit Analysis Departments between the years of 2010 and 2013. She also held the role of Executive Vice President in charge of the Financial Institutions Group at DenizBank A.Ş..

Yavuz Elkin, Executive Vice President of Human Resources and Deniz Academy

Born in 1971, Mr. Elkin graduated from Marmara University, Faculty of Economics, Administrative and Social Sciences, Department of Business Administration (English) in 1993. Beginning his banking career in 1993 at Yapı ve Kredi Bank as Junior Auditor, Mr. Elkin worked as Head of Customer Management Unit in Corporate Marketing Department between 1998-2000. Between 2000-2004, he worked at DışBank as Commercial Marketing Director. Joining DenizBank A.Ş. in 2004 as Commercial Banking Senior Vice President, Mr. Elkin worked as Senior Vice President in charge of Training between 2007-2008 and Senior Vice President in charge of Human Resources and Deniz Academy between 2008-2014. He serves as Executive Vice President in charge of Human Resources and Deniz Academy in Denizbank A.Ş. since February 2014.

Rasim Orman, Executive Vice President of Secretariat General and Litigations Group

Born in 1970, Mr. Orman received his undergraduate degree in 1997 and his postgraduate degree in Private Law from the Social Sciences Institute in 2003 at Marmara University, Faculty of Law. Starting his career at Esbank T.A.Ş. as a Junior Auditor in 1997, Mr.Orman worked as an auditor at the same bank and later worked at SDIF Collections Department in 2002. Joining DenizBank family as an auditor in the same year, Mr. Orman served as Auditor, Department Head and Internal Audit Senior Vice President at the Internal Audit Department. He assumed the function of Legal Group – Litigations and Proceedings Senior Vice President in 2011. In August 2022, he was appointed as Executive Vice President of Secretariat General and Litigations Group.

Ramazan Işık, Head of Internal Audit, Internal Audit Group

Born in 1977, Mr. Işık graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Economics in 1999. He received his MBA in Banking (English) from Yeditepe University in 2003. Beginning his career in 1999 at Yapı Kredi Bank as an auditor, Mr. Işık served at Credit Europe Bank LTD. as the Head of Internal Audit Department between 2006-2013. He is the General Auditor of DenizBank A.Ş. since February 2013.

Cem Demirağ, Head of Internal Control and Compliance

Born in 1968, Mr. Demirağ graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Public Administration. He started his career in 1991 as Vice President at Garanti Bank and then served as Branch Manager at EGS Bank between 1995-2002 and as Branch Manager at DenizBank A.Ş. between 2002-2003, as EVP in charge of Commercial and SME Banking at Halk Bank in 2003, as Chief Consultant at the Banking Regulation and Supervision Agency between 2004-2005, as Board Member at Vakıflar Bank and TSKB. He then served as the Advisor to the Chairman at Banking Regulation and Supervision Agency between 2009-2010. He held the position of the Head of Internal Control Unit and Compliance at DenizBank A.Ş. between 2010-2012. He was nominated as Board Member in August 2012. He has been continuing his duty as Executive Vice President in charge of Internal Control and Compliance at DenizBank A.Ş. since 2013.

Sinan Yılmaz, Risk Management Group, Head of Risk Management, Executive Vice President

Born in 1974, Mr. Yılmaz graduated from Istanbul Technical University, Faculty of Business Administration, Department of Management Engineering in 1997. Mr. Yılmaz started his banking career in 1998 as Junior Associate at DenizBank A.Ş. Administrative Services Group and served at Financial Planning and Control, Budget Planning and Risk Management Departments, respectively. Mr. Yılmaz worked as Risk Management Senior Vice President. He serves as Head of Risk Management Group with Executive Vice President status in Denizbank A.Ş. since February 2014.

Hayri Cansever, DenizBank AG, General Manager

Born in 1974, Mr. Cansever graduated from Istanbul Technical University Mechanical Engineering in 1998. He completed his MBA at Yeditepe University in Banking and Finance in 2003. Starting his banking career with the Management Trainee Programme at DenizBank in 1998, Mr. Cansever worked as Junior Officer in Zorlu Holding Finance Department between 1998-1999, and as Account Officer, Senior Account Officer and Deputy Branch Manager in Corporate Banking Department of Karaköy Branch between 1999-2004. He carried out his duty as Head of Corporate Banking Department between 2004-2007 and Executive Vice President of Corporate Banking Department in DenizBank Moscow between 2007-2008. He was appointed as Branch Manager of Bayrampaşa Commercial Branch between 2008-2010 and then Senior Vice President of Corporate Banking between 2010-2011 in DenizBank A.Ş. Mr. Cansever worked as President and CEO in Denizbank Moscow between 2011-2012 and was then appointed and worked as Executive Vice President of Corporate Banking and Cash Management in Denizbank A.Ş. between 2013-2015. Between 2015-2016 he worked as General Manager and Board Member of Destek Asset Management Company, a subsidiary of DenizBank Financial Services Group A.Ş. He was nominated as Secretary General and Sberbank Coordination Group Executive Vice President at DenizBank A.Ş. of January 2017. He was subsequently appointed as Secretary General and Foreign Subsidiaries Group Executive Vice President from July 2019 to June 2022 and Deputy General Manager of DenizBank AG from June 2022 to May 2023. In May 2023, Mr. Cansever was appointed as the General Manager of DenizBank AG.

Cemil Cem Önenç, DenizAsset Management, General Manager

Born in 1971, Mr. Önenç graduated from Yıldız Technical University, Department of Mechanical Engineering in 1995. He then completed his MBA in Finance at New York Pace University, Lubin School of Business in 1997 and his postgraduate studies in Banking at Marmara University in 2001. He received his Ph.D. in Banking at Marmara University in 2011. He started his career in 1997 as Specialist Dealer at DenizBank A.Ş. Treasury Department, and then served as Central Anatolia Regional Office Treasury Sales, DenizBank AG Vienna Private Banking Department Head, DenizBank A.Ş. Private Banking Branch Manager and Private Banking Senior Vice President. In addition, he previously assumed the duty of Executive Board Member at Deniz Yatırım A.Ş. and the office of Executive Vice President of the Private Banking and Investment Group.

Gürhan Çam, NEOHUB, General Manager

Born in 1980, Mr. Çam received his undergraduate degree in Business Administration Department from İstanbul Technical University and graduate degree in Strategic Marketing and Brand Management from Bahçeşehir University. He started his banking career in Fortis Bank in 2002 as Corporate Marketing Executive Assistant and later joined DenizBank as System Analysis Projects – CM Business Analyst in 2004. Next, he served as Intertech A.Ş. Information Technology Loans Project HEad, Intertech A.Ş. Retail Banking Projects Department Head, Digital Banking Projects Department Head, Digital Payment Systems Cloud Banking- Mobile Platforms Management Senior Vice President, Fintech Banking, Innovation and Digital Marketing Senior Vice President and finally Digital Banking Senior Vice President, respectively. Since July 2021, he has been working as the General Manager of NEOHUB.

Hüseyin Melih Akosman, DenizInvest Securities, General Manager

Born in 1971, Mr. Akosman graduated from Marmara University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1994. He received his MBA from Loyola University, Faculty of Economics and Administrative Sciences in 1997. Starting his career in Aktuğ Plastik INC. as Finance Analyst in 1991, he worked in REFCO LaSalle Group, Torunlar Gıda Sanayi ve Ticaret A.Ş., respectively. He worked as Deniz Derivatives Assistant General Manager between 2004-2008 and Deniz Invest Derivative Instruments Assistant General Manager between 2008-2010. He has been the Executive Member of Deniz Yatırım A.Ş. since 2010.

Mehmet Çitil, Deniz Real Estate Investment Trust, General Manager

Born in 1966, Mr. Çitil graduated from Istanbul Technical University, Department of Architecture in 1987 and received his MBA in 1988 from Istanbul University, Faculty of Economics and Administrative Sciences. He started his banking career at Interbank in 1988 at the Department of Construction. Mr. Çitil, who worked in DenizBank A.Ş. as Construction and Real Estate Senior Vice President between 1997-2013, has been continuing his duties as Deniz Real Estate Investment Trust General Manager since January 2014.

Murat Kulaksız, Deniz Factoring, General Manager

Born in 1972, Mr. Kulaksız graduated from Çukurova University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1996. He started his career in 1996 at H. Toprak Holding A.Ş. in Import Department and continued to work as an Auditor in ToprakBank A.Ş. and BayındırBank A.Ş respectively. Murat Kulaksız worked as Customer Representative at Çağlayan Branch of DenizBank A.Ş between 2003-2004, as Corporate Marketing Vice President of Ayazağa Branch of DenizBank A.Ş in 2004, as Commercial Banking Vice President of Ayazağa Branch of DenizBank A.Ş between 2004-2005, as Commercial Banking Vice President of Çağlayan Branch of DenizBank A.Ş in 2005, as Commercial Banking Vice President of Maslak Commercial Centre and Istanbul Public Finance Branch of DenizBank A.Ş. between 2005-2007, as Branch Manager of Maslak Commercial Centre and Istanbul Public Finance Branch of DenizBank A.Ş. in 2007, Branch Manager of Ayazağa Branch of DenizBank A.Ş between 2007-2009, Branch Manager of Maslak Commercial Centre and Istanbul Public Finance Branch of DenizBank A.Ş. between 2009-2011, Corporate Banking Branch Manager of Maslak Commercial Centre and Istanbul Public Finance Branch of DenizBank A.Ş. between 2011-2012, Regional Manager of Europe-2 Regional Office of DenizBank A.Ş. between 2012-2016. He was appointed as Executive Vice President in charge of the SME Banking Group of DenizBank A.Ş in February 2016 and subsequently as Executive Vice President in charge of the SME Banking and Public Finance Group in May 2019. As of October 2022, Mr. Kulaksız was appointed as the General Manager of DenizFaktoring A.Ş.

Oğuz Yalçın, CJSC DenizBank Moscow, General Manager

Born in 1975, Mr. Yalçın received his BA degree from Boğaziçi University, Faculty of Economics and Administrative Sciences, Political Science and International Relations Department in 1998. He started his banking career as a Corporate Banking Associate at Bank Ekspres Elmadağ Branch in 1998 after the Management Trainee Programme. He served as Corporate Banking Specialist in DenizBank Maslak Branch between 2002-2004 and as Senior Associate, Corporate Banking Sales in Istanbul Corporate Branch between 2004-2005. Since 2005 he works in CJSC Denizbank Moscow in Russia. In DenizBank Moscow, he held the position of Corporate Banking Deputy Head between 2005-2007 and he served as the Corporate Banking Department Head between 2007-2013. Since January 2013, he has been working as the General Manager of CJSC Denizbank Moscow.

Ömer Uyar, Intertech, General Manager

Born in 1977, Mr. Uyar received his BSc degree from Istanbul Technical University, Control and Computer Engineering Department in 2000. Starting his career in 1996 as a System Engineer in Istanbul Technical University, Mr. Uyar worked in Information Technology, Internal Control Technology and Security, Core Banking Transactions and R &D Departments in Denizbank A.Ş. between 2000-2008. He served as Intertech Assistant General Manager between 2009-2012. He has been working as Intertech General Manager since March 2012.

Board Committees

The Issuer has a number of committees comprising of various members of the Board. These committees include an Audit and Risk Committee, a Corporate Governance and Nomination Committee, a Credit Committee, a Remuneration Committee and a Sustainability Committee. The Audit and Risk Committee is responsible for taking necessary measures in order to ensure that the accounting systems and financial information of the Issuer are audited and disclosed efficiently and for supervising the functioning and effectiveness of internal control system. The Corporate Governance and Nomination Committee is responsible for monitoring the Issuer's alignment with the BRSA's Corporate Governance Principles. The Credit Committee assesses commercial, corporate and SME credit proposals. The Remuneration Committee is responsible for assessing remuneration policies and practices within the framework of risk management and for submitting to the Board of Directors, their recommendations on these each year within reports. The Sustainability Committee, which is chaired by the Chief Executive Officer and reports to the Board of Directors, is responsible for setting sustainability policies.

Corporate Governance

Until recently, there were no mandatory corporate governance rules in Turkey. In 2003, the CMB issued a set of recommended principles for public companies, which applied to public companies on a "comply or explain" basis. In 2004, the Board decided to adopt these principles. On 30 December 2011, the *Communiqué on the Determination and Implementation of Corporate Governance Principles* Series: IV, No: 56 (the **Annulled Corporate Governance Communiqué**) was published and came into force, providing certain compulsory and non-mandatory principles applicable to all companies incorporated in Turkey and listed on the Borsa Istanbul, including the Issuer. The Annulled Corporate Governance Communiqué became applicable to the Issuer on 30 December 2012, as the regulations provided a one-year exemption for listed banks. Following the entrance into force of the New Capital Markets Law No. 6362, by 30 December 2012, the CMB started to prepare secondary legislation in light of the new law. Accordingly, a new communiqué on corporate governance – *the Corporate Governance Communiqué Series: II No: 17.1* (the **Corporate Governance Communiqué**) was published in the Official Gazette as of 3 January 2014 which annulled the Communiqué on the Determination and Implementation of Corporate Governance Principles Series: IV, No: 56. The Corporate Governance Communiqué contains principles relating to: (i) the company shareholders; (ii) public disclosure and transparency; (iii) the stakeholders of the company; and (iv) the board of directors.

A number of principles are compulsory while the remaining principles continue to apply on a "comply or explain" basis as before. The Corporate Governance Communiqué classifies listed companies into three categories according to their market capitalisation and the market value of their free-float shares, subject to recalculation on an annual basis. The CMB has classified 55 companies for the year 2021 as "Tier 1" companies, which have maximum exposure to the mandatory principles set out in the Corporate Governance Communiqué. Some of these mandatory principles are not applicable to "Tier 2" and/or "Tier 3" companies. The Issuer was classified as a "Tier 3" company until its delisting on 16 December 2019. According to the Disclosure Policy of the Issuer, public disclosures and all other relevant information given to stakeholders is done under the supervision of the CEO, Executive Committee Members, the Financial Affairs Group in scope of accessing insider information, the Administrative Services Group, the Internal Control and Compliance Department and staff in Secretary General and relevant managers in all business lines.

- The corporate communication and investor relations and financial analysis departments make the official public disclosures via its Public Disclosure Platform, www.denizbank.com.

- Public disclosure is managed daily so as to assure timely communication.

The mandatory principles under the Corporate Governance Communiqué include: (i) the composition of the board of directors; (ii) appointment of independent board members; (iii) board committees; (iv) specific corporate approval requirements for related party transactions, transactions that may result in a conflict of interest and certain other transactions deemed material by the Corporate Governance Communiqué; and (v) the information rights in connection with General Assembly meetings.

All "Tier 1" and "Tier 2" companies are required to have a number of independent board members that constitute at least one-third of the board of directors. However, these companies can apply to the CMB in order to limit the number of independent board members to two, irrespective of the ratio of the company's free-float shares, as long as at least 51% of their share capital is equally owned by two independent shareholders contractually sharing equal management control but having no direct or indirect shareholding, management or audit relationship among themselves, except for banks. "Tier 3" companies do not have to comply with the one-third ratio, although they are obliged to have at least two independent directors. Pursuant to Article 6 of Corporate Governance Communiqué, banks have discretion in determining the number of independent directors, **provided that** they sustain the minimum requirement of having at least three independent directors. Board members who are appointed as an audit committee members within the bank's organisational structure shall be considered as independent board members within the framework of the Corporate Governance Communiqué.

The Corporate Governance Communiqué further initiated a pre-assessment system to determine the "independency" of individuals nominated as independent board members in "Tier 1" companies. Those nominated for such positions must be evaluated by the "**Nomination Committee**" of the board of directors for fulfilling the applicable criteria stated in the Corporate Governance Communiqué. The board of directors is required to prepare a list of nominees based on this evaluation for final review by the CMB, which is authorised to issue a "negative view" on any nominee and prevent their appointment as an independent member of the board of directors. The Corporate Governance Communiqué also requires listed companies to establish certain other board committees. "Tier 2" and "Tier 3" public companies are not required to go through the CMB pre-assessment for the appointment of independent directors, although the nominations must still be evaluated by the Nomination Committee.

In addition to the mandatory principles regarding the composition of the board and the independent board members, the Corporate Governance Communiqué introduced specific corporate approval requirements for all related-party transactions, transactions creating any guarantee, pledge or mortgage in favour of third parties, transactions that may result in a conflict of interest with the company or its subsidiaries and certain other transactions deemed material by the Corporate Governance Communiqué. For example, material transactions, which are described as the lease, transfer or establishment of rights *in rem* over the total or a

substantial part of the listed company's assets or the acquisition or lease of a material asset, must be approved by the majority of the independent board members. If the majority of the independent directors do not vote in favour of such board resolutions, the relevant transactions will be subject to the approval of the shareholders, which will convene without required meeting quorums and where the related parties to those transactions will not be able to vote. The foregoing framework also applies to all related-party transactions as well as transactions creating any guarantee, pledge or mortgage in favour of third parties.

As of the date of this Base Prospectus, the Issuer is in compliance with the mandatory principles under the Corporate Governance Communiqué, as well as with applicable requirements for having independent directors.

In 2007, the CMB had issued a rating communiqué enabling rating agencies to rate companies on the basis of their compliance with the applicable principles.

The Issuer's shares were delisted from BIST as of 16 December 2019. Therefore, the Issuer has been out of the scope of CMB's legislation for publicly traded companies and not been placed in CMB's Group List as of 2020.

Compensation

The Issuer's compensation policy aims to remunerate fairly and in a manner that is consistent with the nature of work and structure of the general market or the sector, in order to enhance talent and key staff attraction/retention capability and people motivation. The compensation package is composed of base pay and variable pay. The variable pay is linked to the realisation of the Issuer's strategic targets. In general, base pay depends upon the position and the work completed whilst variable pay depends on performance. Thus, the compensation system allows the bank to reward employees according to their level of contribution and responsibility in order to reach the goals of the institution. Salaries and other benefits paid to the Group's senior management amounted to TL 228.999 thousand as of 31 December 2022, TL 122.764 thousand as of 31 December 2021 and TL 91,417 thousand as of 31 December 2020.

Conflicts

None of the members of the Issuer's Board or Senior Management have any existing or potential conflicts of interest with respect to their duties to the Issuer and their private interests or other duties.

RELATED PARTY TRANSACTIONS

Related parties include entities that are directors, shareholders or affiliates of, or entities under common management or control with, the Issuer. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Group is controlled by ENBD, owning 99.99999993% of the ordinary shares of the Issuer, and as a result is considered a related party of the Group.

All of the related-party credit applications must go through the Group's normal credit review process. All extensions of credit to the related parties are made on an arm's length basis and the credit and payment terms in respect of such credits are no more favourable than those offered to third parties.

The Banking Law places limits on a bank's exposure to related parties. Under the Banking Law, the total amount of loans to be extended by a bank to its risk group must not be more than 20% of its own funds. As of 31 December 2022, the Issuer's total net exposure to its risk group totalled TL 375,466 thousand, an amount corresponding to 0.52% of its own funds; the Issuer is therefore within the limits of the Banking Law in terms of its exposure to its subsidiaries and other affiliates.

The following tables show the loans of the Group's risk group as of the dates indicated:

	As of 31 December 2022					
	Associates, subsidiaries and joint ventures		Bank's direct and indirect shareholders		Other real persons and legal entities in risk group	
Group's risk group(*)	**Cash**	**Non cash**	**Cash**	**Non cash**	**Cash**	**Non cash**
	(TL, thousands)					
Loans						
Balance at the beginning of the period	6,164	51,527	272,606	6,144	539,646	-
Balance at the end of the period	34,435	109,314	241,587	93,168	3,484	-
Interest and commission income received	**9,092**	**1**	**3,725**	**-**	**6**	**-**

(*) As described in the Article 49 of Banking Law no 5411.

	As of 31 December 2021					
	Associates, subsidiaries and joint ventures		Bank's direct and indirect shareholders		Other real persons and legal entities in risk group	
Group's risk group(*)	**Cash**	**Non cash**	**Cash**	**Non cash**	**Cash**	**Non cash**
	(TL, thousands)					
Loans						
Balance at the beginning of the period	-	48,031	154,778	4,963	447,926	-
Balance at the end of the period	6,164	51,527	272,606	6,144	539,646	-
Interest and commission income received	**303**	**8**	**1,762**	**-**	**-**	**-**

(*) As described in the Article 49 of Banking Law no 5411.

Group's risk group(*)	As of 31 December 2020					
	Associates, subsidiaries and joint ventures		Bank's direct and indirect shareholders		Other real persons and legal entities in risk group	
	Cash	Non cash	Cash	Non cash	Cash	Non cash
	(TL, thousands)					
Loans						
Balance at the beginning of the period	11	31,543	119,015	4,963	329,133	–
Balance at the end of the period	–	48,031	154,778	4,963	447,926	–
Interest and commission income received.....	**143**	**53**	**2,611**	–	**2**	–

(*) As described in the Article 49 of Banking Law no 5411.

The following tables show the deposits of the Group's risk group for the periods indicated:

Group's risk group(*)	Associates, subsidiaries and joint-ventures		Bank's direct and indirect shareholders (**)		Other real persons and legal entities in risk group	
	For the year ended 31 December					
	2022	2021	2022	2021	2022	2021
	(TL, thousands)					
Balance at the beginning of the period	281,218	148,929	29,596,720	15,518,492	51,594	28,010
Balance at the end of the period	409,442	281,218	33,675,803	29,596,720	104,612	51,594
Interest and commission expense paid	**27,527**	**5,892**	**1,236,506**	**705,627**	**4,084**	**3,639**

(*) As described in the Article 49 of Banking Law no.5411.
(**) Includes the subordinated loans of US Dollar 650 million and Euro 115 million received from ENBD.

Group's risk group(*)	Associates, subsidiaries and joint-ventures		Bank's direct and indirect shareholders (**)		Other real persons and legal entities in risk group	
	For the year ended 31 December					
	2021	2020	2021	2020	2021	2020
	(TL, thousands)					
Balance at the beginning of the period	148,929	155,491	15,518,492	8,130,445	28,010	35,172
Balance at the end of the period	281,218	148,929	29,596,720	15,518,492	51,594	28,010
Interest and commission expense paid	**5,892**	**4,454**	**705,627**	**398,897**	**3,639**	**1,290**

(*) As described in the Article 49 of Banking Law no. 5411.

(**) Includes the subordinated loans.

The following table shows the forward and option agreements and other derivative instruments with the Group's risk group for the periods indicated:

Group's risk group(*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	For the year ended 31 December					
	2022	2021	2022	2021	2022	2021
	(TL, thousands)					
Transactions at fair value through profit or loss						
Beginning of the period.....	–	–	100,000	101,455	–	18,129
End of the period.....	–	–	161,515	100,000	68,852	–
Total profit/loss	**–**	**5,050**	**2,107**	**31,056**	**4,432**	**(572)**
Transactions for hedging purposes						
Beginning of the period.....	–	–	–	–	–	–
End of the period.....	–	–	–	–	–	–
Total profit/loss	**–**	**–**	**–**	**–**	**–**	**–**

(*) As described in the Article 49 of Banking Law no.5411.

The following table shows the forward and option agreements and other derivative instruments with the Group's risk group for the periods indicated:

Group's risk group(*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	For the year ended 31 December					
	2021	2020	2021	2020	2021	2020
	(TL, thousands)					
Transactions at fair value through profit or loss						
Beginning of the period.....	–	–	101,455	594,000	18,129	–
End of the period.....	–	–	100,000	101,455	–	18,129
Total profit/loss	**5,050**	**–**	**31,056**	**628**	**(572)**	**923**
Transactions for hedging purposes						
Beginning of the period.....	–	–	–	–	–	–
End of the period.....	–	–	–	–	–	–
Total profit/loss	**–**	**–**	**–**	**–**	**–**	**–**

(*) As described in the Article 49 of Banking Law no.5411.

RISK MANAGEMENT

Internal Audit Department

The Issuer's Internal Audit Department reports to the Issuer's Audit Committee and conducts its audit operations largely based on the results of risk assessments. The Internal Audit Department oversees the efficiency and adequacy of internal control and risk management systems and also makes risk assessments of the operations of the Issuer and its subsidiaries. The Internal Audit Department monitors the Issuer's compliance with legal requirements, the Issuer's articles of association, in-house regulations and banking principles. In 2022, the Internal Audit Department audited 280 branches and one regional office, yielding a network coverage ratio of 41% and a credit risk coverage ratio of 60% of the Issuer's branches. The Issuer audits all commercial centres and corporate branches every year and audits each branch at least once in every three years according to each branch's respective perceived riskiness. Additionally, in 2022, the Internal Audit Department conducted 51 process audits and 22 IT audits. The Internal Audit Department presents its findings from its audits to the Issuer's Control Functions Committee and Audit Committee each quarter and periodically to the Board of Directors as well.

As of 31 December 2022, the Internal Audit Department had 99 employees.

Risk Management Group

The Issuer's Risk Management Group reports to the Issuer's Audit Committee, the Assets and Liabilities Committee, the Credit Committee, the Risk Committee and to the Board of Directors.

The Risk Management Group is responsible for establishing necessary policies and procedures to identify, measure, analyse and monitor existing and potential risks. Risk policies set out the Issuer's overall risk strategy, which is established in accordance with the Issuer's overall business strategy and risk tolerance, and is approved by the Board of Directors. Risk management policies consist of risk identification, measurement and management processes. The Issuer conducts its banking activities by strictly adhering to risk management policies that aim to analyse risks and manage them within acceptable limits. The Issuer's risk limits are consolidated within the Issuer's Risk Appetite Statement (the **RAS**), which is also approved by the Board of Directors. The Issuer has developed systems that comply with the Basel Banking Supervision Committee regulations and other international risk management principles. The Risk Management Group also applies stress tests on a regular basis to assess the durability of the Issuer's capital position. Additionally, the Risk Management Group has responsibility for monitoring and applying the relevant guidelines set by the Basel Committee, the BRSA and the Central Bank, as well as any decisions of the competent authorities supervising Group entities.

As of 31 December 2022, the Risk Management Group had 22 employees.

Market Risk Management

The Issuer is exposed to various types of market risk, including interest rate, liquidity and foreign exchange risks due to its trading book. The Issuer's risk management policies provide for guidelines with respect to managing market risk and the Issuer's limit structure and define roles and responsibilities for the various teams involved. The Issuer measures market risk according to its "Standard Model" (also known as the "regulatory model") and its "Internal Model".

Standard Model

The Issuer relies on the standard approach defined in the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" issued by the BRSA for the Group's regulatory total capital calculations. The capital requirement for market risk is calculated and reported by the Risk Management Group on a monthly

basis for the Issuer and a quarterly basis for the Group. For regulatory reporting purposes, the currency risk of the banking book is also calculated in addition to the market risk of the trading portfolio under the standard approach in accordance with the banking regulations. The three main components of market risk are interest rate risk, equity risk and foreign exchange risk. The standard approach is also designed to measure risk associated with specific securities.

The table below represents the Group's market risk for 31 December 2022, 2021 and 2020, according to the BRSA regulation:

Market risk (TL thousands)	***Total market risk***	***Interest rate risk***	***Foreign exchange rate risk***	***Commodity risk***	***Equity risk***
31 December 2022.....	9,891,212	1,001,574	5,132,888	3,756,750	0
31 December 2021.....	4,886,675	242,375	2,480,913	2,163,387	0
31 December 2020.....	3,240,138	166,188	1,572,163	1,501,787	0

Internal Model

The internal model calculates market risk on the basis of value at risk (**VaR**) methodology. VaR is used to determine potential loss on the basis of statistically expected changes in market parameters for a particular asset or portfolio for a given holding period at a specified level of probability. For internal monitoring purposes, market risk is attributed to financial instruments and positions held for trading.

VaR analysis is performed on a risk factor basis in order to assess the risk associated with type of risk and is assessed together with the return of the portfolio in order to serve as a basis for risk and return analyses. The Issuer uses a comprehensive system of limits to maintain acceptable levels of market risks and sets risk-based limits for various risk metrics. Within the framework of these risk-based limits, nominal, interest rate sensitivity and stop-loss limits as well as limits on sensitivities of the price of options to changes in the underlying parameters on which they are dependent are used together with the VaR limits defined for risk types of products. Limits on nominal and sensitivity limits are defined and used in order to express risk limits in terms of more practical measures related to current market conditions. VaR and available limits are reported on a daily basis to the persons responsible in order that they can assess the possible expected loss and prevent limits being exceeded.

VaR calculations are based on a 99% and 95% confidence level and one-day holding period. VaR models are used to assess market risk under normal market conditions and with a certain level of probability. The Issuer also relies upon stress analyses to measure and manage market risk. Due to the higher volatility levels in developing markets such as Turkey, volatility and correlations are calculated using an exponentially weighted moving average which reflects the information provided by the latest market movements and prevents risks being underestimated under severe crisis conditions. Model testing is conducted on each business day based on a 99% confidence level to assess risks and primarily consists of retrospective testing of the figures in the profit and loss account against the figures produced by the model for any variation between the two or deterioration of actual as compared to modelled outcomes. Retrospective testing results imply that during the last three years, variations did not exceed the number of exceptions considered to be typical based on relevant regulations.

VaR methodology may not provide satisfactory results under severe crisis conditions. In order to calculate the Issuer's economic capital under extreme market conditions and to limit the maximum risk carried by the Group, the Issuer's management relies upon historical stress testing analyses, although there is no assurance that either VaR methodology or stress testing will be adequate to account for all risks and contingencies in extreme or unusual market conditions.

Daily theoretical profit and loss values are calculated, indicating the potential loss if a position is held as-is. The table below presents the maximum theoretical loss during the years ended 31 December 2022, 2021 and 2020:

	Maximum Daily Theoretical Loss
	(TL thousands)
Year ended 2022	10,063
Year ended 2021	16,170
Year ended 2020	1,837

Interest Rate Risk

The Issuer is exposed to interest rate risk through market fluctuations of balance sheet items, for example price risk, as well as the impact of rate changes on interest-sensitive assets and liabilities. In Turkey, interest rates have been and may continue to be volatile. Based on the Issuer's assets and liabilities as of 31 December 2022, a 1% increase in interest rates would have resulted in a decrease of the Issuer's profit for the 2022 financial year of TL 646 million, where all the other variables are assumed to be constant. Therefore, interest rate risk continues to be a key component of the Issuer's asset and liability management. The Issuer's Risk Management Group monitors the structural interest rate risk that the Group is exposed to due to its balance sheet structure by using advanced models, and the Issuer seeks to maintain risks within the limits defined in RAS. Interest sensitivity analyses are conducted on a regular basis to measure the impact of the Group's maturity mismatch on interest income and the net economic value of assets and liabilities.

The tables below set out the Group's exposure to interest rate risk as of 31 December 2022, 2021 and 2020 in TL thousands. The tables below include the Group's assets and liabilities in terms of time remaining for repricing.

	As of 31 December 2022						
	Up to 1 Month	**1-3 Month**	**3-12 Month**	**1-5 Year**	**5 Years and Over**	**Non-Interest Bearing**	**Total**
Assets							
Cash Equivalents and Central Bank	122,754	957,183	–	–	–	111,075,885	112,155,822
Banks[1]	5,727,674	13,818,308	2,169,727	2,202,801	–	8,950,852	32,869362
Financial Assets at Fair Value through Profit or Loss (Net)	958,268	98,460	167,620	461,217	678,945	6,988,786	9,353,296
Due from Money Markets	16,415	–	–	–	–	–	16,415
Financial Assets at Fair Value through Other Comprehensive Income	6,045,097	21,640,307	15,269,035	18,430,340	15,872,328	1,630	77,258,737
Loans	163,831,132	17,788,915	49,553,536	79,679,802	28,181,280	3,746,184	342,780,849
Financial Assets Measured at Amortised Cost[2]	1,289,497	7,454,135	3,268,047	5,432,157	870,000	–	18,313,836
Other Assets[3]	999	493	1,729	544,130	1,822	31,703,624	32,252,797

	As of 31 December 2022						
	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Years and Over	Non-Interest Bearing	Total
Assets							
Total Assets	177,991,836	61,757,801	70,429,694	106,750,447	45,604,375	162,466,961	625,001,114
Liabilities							
Bank Deposits.....	7,944,275	12,175,843	234,358	943,780	--	1.139,864	22,438,120
Other Deposits	142,492,454	72,318,494	35,498,114	15,959,478	882,778	149,817,573	416,968,891
Due to Money Markets	3,218,736	3,013,873	7,249,188	--	--	--	13,481,797
Miscellaneous Payables	--	--	--	--	--	--	--
Securities Issued ...	581,642	5,074,804	3,142,280	--	--	--	8,798,726
Funds Borrowed....	7,811,604	23,358,138	19,125,686	285,718	14,561,850	--	65,142,996
Other Liabilities(4).	56,266	388,502	1,264,016	655,923	--	95,805,877	98,170,584
Total Liabilities...	162,104,977	116,329,654	66,513,642	17,844,899	15,444,628	246,763,314	625,001,114
Balance Sheet Long Position	15,886,859	--	3,916,052	88,905,548	30,159,747	--	138,868,206
Balance Sheet Short Position	--	(54,571,853)	--	--	--	(84,296,353)	(138,868,206)
Off-balance Sheet Long Position.....	--	931,705	8,869,450	--	--	--	9,801,155
Off-balance Sheet Short Position	(1,280,478)	--	--	(11,526,066)	(2,440,910)	--	(15,247,454)
Total Position	14,606,381	(53,640,148)	12,785,502	77,379,482	27,718,837	(84,296,353)	(5,446,299)

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (37,819)

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (3,072).

(3) Other assets / non-interest bearing column includes; tangible assets, intangible assets, investment properties, investments in associates, subsidiaries and joint ventures, tax assets, assets to be disposed, the provisions for expected credit loss of other assets and other assets with balances of: TL 3,813,562; TL 1,522,786; TL 709,270; TL 2,964,327; TL 4,388,816; TL 6,643,540; TL (22,188); and TL 11,953,511 respectively.

(4) Other liabilities / non-interest bearing column includes; shareholders' equity, current tax liabilities, deferred tax liabilities, provisions, derivative financial liabilities and other liabilities amounting to: TL 54,862,976; TL 3,177,605; TL 654,432; TL 10,289,777; TL 3,421,53; and TL 23,399,554 respectively.

	As of 31 December 2021						
	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank	4,183,262	–	–	–	–	76,705,113	80,888,375
Banks(1)	8,972,262	5,879,569	1,641,536	(2,418)	–	8,556,294	25,047,243
Financial Assets at Fair Value through Profit or Loss (Net)	47,730	8,685	783,004	46,762	61,375	8,002,900	8,950,456
Due from Money Markets	237,803	–	–	–	–	–	237,803
Financial Assets at Fair Value through Other Comprehensive Income	2,397,007	5,941,413	4,526,209	4,904,731	11,337,147	981	29,107,488
Loans	88,823,025	16,664,254	30,770,506	61,356,524	23,286,836	4,825,019	225,726,164
Financial Assets Measured at Amortised Cost(2)	176,380	680,750	1,853,151	4,413,760	–	–	7,124,041
Other Assets(3).....	3,993	–	1,521	487,539	2,673	18,306,588	18,802,314

	As of 31 December 2021						
	Up to 1 Month	**1-3 Month**	**3-12 Month**	**1-5 Year**	**5 Years and Over**	**Non-Interest Bearing**	**Total**
Assets							
Total Assets	**104,841,462**	**29,174,671**	**39,575,927**	**71,206,898**	**34,688,031**	**116,396,895**	**395,883,884**
Liabilities							
Bank Deposits.....	9,766,126	4,129,255	170,893	3,001,160	–	1,089,478	18,156,912
Other Deposits	85,830,846	26,642,093	27,183,320	13,395,394	1,241,506	94,216,232	248,509,391
Due to Money Markets	1,167,909	600,330	6,279,768	–	–	–	8,048,007
Miscellaneous Payables	–	–	–	–	–	–	–
Securities Issued ...	5,297,769	4,381,322	714,539	–	–	–	10,393,630
Funds Borrowed....	6,188,762	23,014,497	17,050,325	2,602,454	10,485,047	–	59,341,085
Other Liabilities(4).	232,271	2,452,346	2,979,128	783,960	165,555	44,821,599	51,434,859
Total Liabilities...	**108,483,683**	**61,219,843**	**54,377,973**	**19,782,968**	**11,892,108**	**140,127,309**	**395,883,884**
Balance Sheet Long Position	–	–	–	51,423,930	22,795,923	–	74,219,853
Balance Sheet Short Position	(3,642,221)	(32,045,172)	(14,802,046)	–	–	(23,730,414)	(74,219,853)
Off-balance Sheet Long Position.....	10,581,651	–	6,297,023	–	–	–	16,878,674
Off-balance Sheet Short Position	–	(3,090,980)	–	(5,323,093)	(6,465,331)	–	(14,879,404)
Total Position	**6,939,430**	**(35,136,152)**	**(8,505,023)**	**46,100,837**	**16,330,592**	**(23,730,414)**	**1,999,270**

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (15,748).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (780).

(3) Other assets / non-interest bearing column includes; tangible assets, intangible assets, investment properties, investments in associates, subsidiaries and joint ventures, tax assets, assets to be disposed, the provisions for expected credit loss of other assets and other assets with balances of: TL 2,258,701; TL 623,700; TL 369,625; TL 1,397,878; TL 3,630,473; TL 3,288,345; TL (8,732); and TL 6,746,598 respectively.

(4) Other liabilities / non-interest bearing column includes; shareholders' equity, current tax liabilities, deferred tax liabilities, provisions, derivative financial liabilities and other liabilities amounting to TL 29,048,034; TL 420,715; TL 161,793; TL 3,387,656; TL 4,459,846; and TL 7,343,555 respectively.

	As of 31 December 2020						
End of current period	**Up to 1 Month**	**1 – 3 Month**	**3 – 12 Month**	**1 – 5 Year**	**5 Years and Over**	**Non-Interest Bearing**	**Total**
Assets							
Cash Equivalents and Central Bank	982,481	–	–	–	–	39,047,437	**40,029,918**
Banks(1).....	3,101,385	3,720,020	1,988,845	33,553	-	2,868,484	**11,712,287**
Financial Assets at Fair Value through Profit or Loss (Net)	49,365	4,606	453,988	–	28,346	3,381,821	**3,918,126**
Due from Money Markets.....	1,763,207	–	–	–	–	–	**1,763,207**
Financial Assets at Fair Value through Other Comprehensive Income.....	3,927,228	3,939,035	5,215,785	4,477,995	2,737,414	777	**20,298,234**
Loans	49,460,108	12,868,333	36,243,239	50,501,032	13,843,983	4,365,867	**167,282,562**
Financial Assets Measured at Amortised Cost(2)	2,725,105	452,644	299,725	3,783,887	–	–	**7,261,361**
Other Assets(3)	41	3,362	249	887,599	–	10,803,702	**11,694,953**
Total Assets	**62,008,920**	**20,988,000**	**44,201,831**	**59,684,066**	**16,609,743**	**60,468,088**	**263,960,648**

End of current period	As of 31 December 2020						
	Up to 1 Month	1 – 3 Month	3 – 12 Month	1 – 5 Year	5 Years and Over	Non-Interest Bearing	Total
Liabilities							
Bank Deposits	8,339,435	4,109,451	205,045	3,645,177	-	962,956	**17,252,064**
Other Deposits.....	60,934,789	23,115,430	15,470,262	15,410,454	986,718	51,549,596	**167,467,249**
Due to Money Markets.....	2,207,320	199,160	2,106,496	–	–	–	**4,512,976**
Miscellaneous Payables	–	–	–	–	–	–	–
Securities Issued..	248,514	679,885	907,133	515,453	817,622	–	**3,168,607**
Funds Borrowed ..	5,297,764	13,611,266	6,013,042	1,238,652	5,742,251	–	**31,902,975**
Other Liabilities(4)	571,591	205,483	4,606,364	1,725,581	170,587	32,377,171	**39,656,777**
Total Liabilities..	**77,599,413**	**41,920,675**	**29,308,342**	**22,535,317**	**7,717,178**	**84,879,723**	**263,960,648**
Balance Sheet Long Position ...	–	–	14,893,489	37,148,749	8,892,565	–	**60,934,803**
Balance Sheet Short Position ...	(15,590,493)	(20,932,675)	–	–	–	(24,411,635)	**(60,934,803)**
Off-balance Sheet Long Position ...	3,304,376	1,746,694	–	–	–	–	**5,051,070**
Off-balance Sheet Short Position ...	–	–	(751,249)	(2,185,858)	(1,471,353)	–	**(4,408,460)**
Total Position	**(12,286,117)**	**(19,185,981)**	**14,142,240**	**34,962,891**	**7,421,212**	**(24,411,635)**	**642,610**

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (3,127).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (682).

(3) Other assets / non-interest bearing column includes; tangible assets, intangible assets, investment properties, investments in associates, subsidiaries and joint ventures, tax assets, assets to be disposed, the provisions for expected credit loss of other assets and other assets with balances of TL 1,354,641, TL 423,409, TL 355,990, TL 831,013, TL 1,802,155, TL 1,572,819, TL (7,602) and TL 4,471,277, respectively.

(4) Other liabilities / non-interest bearing column includes; shareholders' equity, current tax liabilities, deferred tax liabilities, provisions, derivative financial liabilities and other liabilities amounting to TL 23,027,435, TL 392,582, TL 64,714, TL 2,309,167, TL 2,154,844 and TL 4,428,429, respectively.

Foreign Exchange Risk

The Issuer is subject to foreign exchange rate risk due to adverse movements in currency exchange rates in the currencies in which its assets and liabilities are denominated. The Issuer's foreign currency position arises primarily through the mismatch of foreign currency denominated assets and liabilities, together with its purchases and sales of foreign exchange (primarily US dollars) on the spot market. The limit with respect to the size of the Issuer's foreign currency position is set within the RAS and is closely monitored by the Group's Risk Management Group. As a matter of policy, the Issuer does not hold a structural foreign currency position in general and limits its remaining position in accordance with the limits defined by RAS.

Liquidity Risk

The Issuer's funding and liquidity management policy seeks to ensure that, even in adverse conditions, the Issuer maintains sufficient funds to meet its operational needs, including maturing liabilities, and to ensure compliance with BRSA regulations. Liquidity risk refers to the availability of sufficient funds to meet deposit withdrawals and other financial commitments associated with financial instruments and the risk of being unable to liquidate a position in a timely manner at a reasonable price. The risk may arise from difficulties in the funding of financing, trading and investment activities, mainly as a result of the mismatches between payment obligations, including unexpected withdrawals, and incoming payments.

The Issuer is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits and guarantees as well as the Issuer's own maturity exposures. The Issuer maintains cash and cash equivalent reserves that are expected to meet all of these needs.

According to the BRSA Communiqué on liquidity, banks have to meet 80% liquidity ratio of foreign currency assets/liabilities and 100% liquidity ratio of total assets/liabilities for weekly and monthly time brackets. The risk management department performs the calculation of the above-mentioned ratios on a daily basis and shares the results with the treasury department for the management of available liquidity. Further description of the applicable regulatory requirements is set out in "*Turkish Regulatory Environment—Liquidity Requirements*". Liquidity risk is managed in accordance with the internal limits defined in RAS as well as the regulatory requirements. The Issuer also performs monthly stress tests to determine the survival period under stressed conditions.

A significant portion of the Group's funding base consists of deposits and funds borrowed. As of 31 December 2022, deposits comprised 77.1% of the Issuer's total liabilities (excluding equity) and, of all deposits, 87.8% had maturities of three months or less. As of 31 December 2022, loans comprised 57.2% of the Issuer's total assets and, of all loans and receivables, 23.5% had maturities of three months or less.

The following tables set forth the Group's breakdown of assets and liabilities according to their remaining maturities as of 31 December 2022, 2021 and 2020 in TL thousands:

	As of 31 December 2022							
	Demand	**Up to 1 Month**	**1-3 Months**	**3-12 Months**	**1-5 Years**	**5 Years and Over**	**Undistributed (*)**	**Total**
Assets								
Cash Equivalents and Central Bank	71,913,123	40,242,699	--	--	--	--	--	112,155,822
Banks [1].....	8,950,852	5,727,674	13,818,308	2,283,108	2,089,420	--	--	32,869,362
Financial Assets at Fair Value through Profit or Loss (Net)	456,942	1,710,122	1,184,299	1,035,935	3,100,038	1,865,960	--	9,353,296
Due from Money Markets	--	16,415	--	--	--	--	--	16,415
Financial Assets at Fair Value through Other Comprehensive Income.....	1,630	2,943,109	7,040,937	6,838,722	34,636,078	25,798,261	--	77,258,737
Loans.....	--	59,580,134	20,820,091	85,556,966	113,962,881	59,114,593	3,746,184	342,780,849
Financial Assets Measured at Amortised Cost [2].....	--	865	1,704,785	2,252,679	7,432,157	6,923,350	--	18,313,836
Other Assets ...	19,520,035	16	29,691	327,431	86,261	1,731	12,287,632	32,252,797
Total Assets ...	100,842,582	110,221,034	44,598,111	98,294,841	161,306,835	93,703,895	16,033,816	625,001,114
Liabilities								
Bank Deposits.	1,139,864	7,945,166	12,174,952	234,358	943,780	--	--	22,438,120
Other Deposits	149,817,573	142,021,106	72,524,987	35,653,864	16,060,846	890,515	--	416,968,891
Fund Borrowed	--	6,463,471	5,278,534	35,009,373	4,333,110	14,058,508	--	65,142,996
Due to Money Markets.....	--	3,218,736	3,013,873	7,249,188	--	--	--	13,481,797
Securities Issued.....	--	581,632	2,068,661	3,147,576	3,000,857	--	--	8,798,726
Miscellaneous Payables.....	--	--	--	--	--	--	--	--
Other Liabilities	21,954,509	1,241,190	1,885,952	2,049,151	793,241	599,835	69,646,706	98,170,584
Total Liabilities.....	172,911,946	161,471,301	96,946,959	83,343,510	25,131,834	15,548,858	69,646,706	625,001,114
Net Liquidity Excess/ (Gap).	(72,069,364)	(51,250,267)	(52,348,848)	14,951,331	136,175,001	78,155,037	(53,612,890)	--
Net Off-balance sheet	--	(55,002)	(444,740)	303,951	174,079	--	--	(21,712)

Position								
Financial Derivative Assets	--	100,201,745	69,046,963	26,504,850	25,015,706	23,382,201	--	244,151,465
Financial Derivative Liabilities.....	--	(100,256,747)	(69,491,703)	(26,200,899)	(24,841,627)	(23,382,201)	--	(244,173,177)
Non Cash Loans	--	14,269,098	9,888,342	27,961,193	36,565,489	2,316,040	--	91,000,162

	As of 31 December 2021							
	Demand	**Up to 1 Month**	**1-3 Months**	**3-12 Months**	**1-5 Years**	**5 Years and Over**	**Undistributed (*)**	**Total**
Assets								
Cash Equivalents and Central Bank.....	54,125,720	26,762,655	--	--	--	--	--	**80,888,375**
Banks [(1)]	8,556,294	7,609,389	6,044,915	1,907,508	929,137	--	--	**25,047,243**
Financial Assets at Fair Value through Profit or Loss (Net).....	425,041	3,477,040	1,739,148	1,075,251	806,113	1,427,863	--	**8,950,456**
Due from Money Markets	--	237,803	--	--	--	--	--	**237,803**
Financial Assets at Fair Value through Other Comprehensive Income.....	981	1,190,470	584,630	1,313,630	12,854,846	13,162,931	--	**29,107,488**
Loans.....	--	27,117,979	11,796,376	39,745,237	93,170,632	49,070,921	4,825,019	**225,726,164**
Financial Assets Measured at Amortised Cost [(2)]	--	176,380	680,750	1,853,151	4,413,760	--	--	**7,124,041**
Other Assets .	9,332,661	110	20,842	1,491	989,767	2,257	8,455,186	**18,802,314**
Total Assets..	**72,440,697**	**66,571,826**	**20,866,661**	**45,896,268**	**113,164,255**	**63,663,972**	**13,280,205**	**395,883,884**
Liabilities								
Bank Deposits	1,089,478	9,766,125	4,129,256	170,893	3,001,160	--	--	**18,156,912**
Other Deposits	94,216,232	85,700,157	26,640,873	27,248,661	13,457,620	1,245,848	--	**248,509,391**
Fund Borrowed	--	5,458,339	6,006,661	31,123,136	6,711,354	10,041,595	--	**59,341,085**
Due to Money Markets	--	1,167,909	600,330	6,279,768	--	--	--	**8,048,007**
Securities Issued	--	2,617,714	3,366,823	1,919,805	2,489,288	--	--	**10,393,630**
Miscellaneous Payables	--	--	--	--	--	--	--	--
Other Liabilities	8,146,167	1,674,150	3,114,828	3,424,754	1,041,466	426,816	33,606,678	**51,434,859**
Total Liabilities	**103,451,877**	**106,384,394**	**43,858,771**	**70,167,017**	**26,700,888**	**11,714,259**	**33,606,678**	**395,883,884**
Net Liquidity Excess/ (Gap)	**(31,011,180)**	**(39,812,568)**	**(22,992,110)**	**(24,270,749)**	**86,463,367**	**51,949,713**	**(20,326,473)**	**--**
Net Off-balance sheet Position.....	**--**	**2,104,093**	**594,993**	**(765,366)**	**72,341**	**--**	**--**	**2,006,061**
Financial Derivative Assets.....	--	76,368,972	52,188,115	23,813,558	15,508,993	23,211,495	--	**191,091,133**
Financial Derivative	--	(74,264,879)	(51,593,122)	(24,578,924)	(15,436,652)	(23,211,495)	--	**(189,085,072)**

Liabilities								
Non Cash Loans.....	--	11,193,503	7,105,121	20,368,193	7,920,851	20,504,416	--	**67,092,084**

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (15,748).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (780).

(*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short run such as tangible fixed assets, investments in associates, joint ventures and subsidiaries, stationary supplies, non-performing loans (net) and prepaid expenses are included in this column.

	As of 31 December 2020							
	Demand	**Up to 1 Month**	**1-3 Months**	**3-12 Months**	**1-5 Years**	**5 Years and Over**	**Undistributed (*)**	**Total**
Assets								
Cash Equivalents and Central Bank.	27,864,462	12,165,456						**40,029,918**
Banks [1]	2,868,484	2,191,650	4,109,912	2,198,050	344,191			**11,712,287**
Financial Assets at Fair Value through Profit or Loss (Net)	3,381,821	50,454	4,606	452,899		28,346		**3,918,126**
Due from Money Markets		1,763,207						**1,763,207**
Financial Assets at Fair Value through Other Comprehensive Income	777	1,251,306	485,024	1,718,729	8,934,862	7,907,536		**20,298,234**
Loans.....		20,034,260	6,269,076	32,608,318	72,161,124	31,843,917	4,365,867	**167,282,562**
Financial Assets Measured at Amortised Cost [2]		2,181,461	261,277	711,468	4,107,155			**7,261,361**
Other Assets	5,237,034	40	3,362	249	799,576		5,654,692	**11,694,953**
Total Assets.....	**39,352,578**	**39,637,834**	**11,133,257**	**37,689,713**	**86,346,908**	**39,779,799**	**10,020,559**	**263,960,648**
Liabilities								
Bank Deposits	952,956	8,337,932	4,110,954	205,045	3,645,177			**17,252,064**
Other Deposits	51,549,596	60,863,842	23,102,298	15,518,839	15,444,183	988,491		**167,467,249**
Fund Borrowed ...		2,510,112	5,321,598	15,805,833	1,862,757	6,402,675		**31,902,975**
Due to Money Markets		2,207,320	199,160	2,106,496				**4,512,976**
Securities Issued..		248,514	1,587,017	644,702	688,374			**3,168,607**
Miscellaneous Payables								
Other Liabilities .	4,615,000	1,531,672	849,739	4,628,098	1,550,425	638,701	25,843,142	**39,656,777**
Total Liabilities .	**57,117,552**	**75,699,392**	**35,170,766**	**38,909,013**	**23,190,916**	**8,029,867**	**25,843,142**	**263,960,648**
Net Liquidity Excess/ (Gap)	**(17,764,974)**	**(36,061,558)**	**(24,037,509)**	**(1,219,300)**	**63,155,992**	**31,749,932**	**(15,822,583)**	
Net Off-balance sheet Position		**(598,136)**	**80,393**	**469,674**	**158,958**			**110,889**
Financial Derivative Assets		43,865,011	18,469,464	15,268,163	3,020,121	16,616,584		**97,239,343**
Financial Derivative Liabilities		(44,463,147)	(18,389,071)	(14,798,489)	(2,861,163)	(16,616,584)		**(97,128,454)**
Non Cash Loans ..		3,547,811	4,348,182	11,449,429		23,479,286		**42,824,708**

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (3,127).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (682).

(*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short run such as tangible fixed assets, investments in associates, joint ventures and subsidiaries, stationary supplies, non-performing loans (net) and prepaid expenses are included in this column.

The following tables set forth the Group's breakdown of financial liabilities according to their remaining contractual maturities as of 31 December 2022, 2021 and 2020 in TL thousands:

	As of 31 December 2022						
	Demand	**Up to 1 Month**	**1-3 Months**	**3-12 Months**	**1-5 Years**	**5 Years and Over**	**Total**
Liabilities							
Deposits	150,957,437	152,665,198	84,084,192	37,198,498	17,755,936	1,057,799	443,719,060
Funds borrowed(*)	--	10,734,808	7,822,920	34,818,819	10,143,152	17,634,840	81,154,539
Interbank money markets	--	3,348,705	3,068,228	7,534,096	--	--	13,951,029
Securities issued	--	670,720	3,519,344	2,795,744	2,018,378	--	9,004,186
Total	150,957,437	167,419,431	98,494,684	82,347,157	29,917,466	18,692,639	547,828,814

(*) It includes subordinated loans.

	As of 31 December 2021						
	Demand	**Up to 1 Month**	**1-3 Months**	**3-12 Months**	**1-5 Years**	**5 Years and Over**	**Total**
Liabilities							
Deposits	95,305,710	96,408,071	31,695,795	27,599,268	16,469,902	1,256,941	**268,735,687**
Funds borrowed(*)	--	5,639,286	6,270,875	32,415,548	22,180,843	12,258,649	**78,765,201**
Interbank money markets	--	1,169,848	604,103	6,377,190	--	--	**8,151,141**
Securities issued	--	2,256,114	3,790,580	1,954,473	2,489,288	--	**10,490,455**
Total	**95,305,710**	**105,473,319**	**42,361,353**	**68,346,479**	**41,140,033**	**13,515,590**	**366,142,484**

(*) It includes subordinated loans.

	As of 31 December 2020						
	Demand	**Up to 1 Month**	**1-3 Months**	**3-12 Months**	**1-5 Years**	**5 Years and Over**	**Total**
Liabilities							
Deposits	52,502,552	69,221,230	27,498,972	15,811,947	19,104,166	988,482	**185,127,349**
Funds borrowed(*)	-	2,562,047	5,371,556	16,109,723	3,603,578	7,801,498	**35,448,402**
Interbank money markets	-	2,207,320	200,577	2,106,577	-	-	**4,514,474**
Securities issued	-	250,308	1,725,096	733,823	818,891	-	**3,528,118**
Total	**52,502,552**	**74,240,905**	**34,796,201**	**34,762,070**	**23,526,635**	**8,789,980**	**228,618,343**

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Credit Risk Management

The Issuer's Credit Risk Group is tasked with ensuring that the Issuer maintains a liquid and sound credit portfolio. The Group uses a combination of detailed approaches to credit analysis, including applying an evaluation and an internal rating system to maintain the quality of its loan portfolio. A significant part of the portfolio is collateralised in order to minimise the impact of problem loans and the Group has a policy of obtaining collateral or personal or corporate guarantees, where appropriate. Preference is given to more liquid forms of collateral, including guarantees, ship mortgages, real estate mortgages and pledges of securities.

The Issuer's credit risk management is integrated with its shareholder, Emirates NBD. For example, there are certain delegation levels set by the Issuer's Board of Directors and for amounts in excess of these levels, the Issuer consults with Emirates NBD prior to making any credit decision. In addition, there are monthly workshops to monitor and evaluate developments with existing clients and portfolios. The Issuer also provides periodic reporting to Emirates NBD in order to assist Emirates NBD in monitoring the Issuer's credit portfolio.

The Issuer uses certain applications, probability of default scores, income estimation models, segmentation and collection models and analytical decision trees in its underwriting, monitoring and collection processes. The Issuer's rating models are part of its credit policy, reporting and internal capital assessment process and is used to determine risk appetite. The performance of the models is reviewed periodically in coordination with the Risk Management Department and recalibrated where needed. The Issuer believes that by using these models it can better assess the creditworthiness of its own loan customers. The Issuer is planning to introduce loss given default and exposure at default parameters for its Corporate & Commercial, SME, and Retail subcategories as part of its ongoing work of compliance with the Basel II advanced internal ratings-based approach and to better integrate the Group's internal capital assessment and risk appetite process.

For all segments, the Issuer calculates expected loss (**EL**) on a monthly basis for two years. The Issuer's EL calculation is based on three parameters: (i) probability of default by counterparties, obtained from the internal rating model, (ii) loss given default, extracted from a net risk calculation after collateral and haircut tied to internal collateral valuation guidelines, and (iii) exposure at time of default, assuming a weighted average of standard credit conversion factors for non-cash loans and 100% of cash loan risk.

To ensure the Group's rating model is fully and correctly applied, the internal rating system is administered independently from the credit function. The credit approval process for wholesale clients includes an override function with respect to the decision on the final rating. Any investigated rating is discussed and validated by a rating committee.

The organisation of the Issuer's credit function is managed under three main groups: Credit and Collection Policies, Retail-SME, Agricultural Banking Credits Allocation; Corporate & Commercial Credits; and Workout & Credit Risk Monitoring. Each of these three groups is led by an Executive Vice President who reports to the CRO.

Corporate and Commercial Credit Group

There are eight different departments within the Corporate & Commercial Credits Group: Corporate & Commercial Credits 1; Corporate & Commercial Credits 2; Corporate & Commercial Credits 3; Gold Banking Credits; FI Credits; Investigation; Financial Analysis and Credits Management.

Loan Approval Process

The loan approval process starts at the branches. All credit applications initially require the preparation of a credit file by the branch. At branch level, credit decisions are the joint responsibility of the customer representative and branch manager. If the preliminary intelligence and the opinion of the branch credit committee about the potential borrower is positive, a credit file with information about the customer and containing a financial spreadsheet is prepared by the relevant customer representative and sent to the Financial Analysis Department at the Issuer's head office.

At the head office, an analyst in the Financial Analysis Department reviews the file and spreadsheet, makes any necessary adjustment to the spreadsheet and forms an opinion on the financial condition of the potential borrower. The credit file, financial opinion, branch opinion and credit proposal form are then sent to the relevant credit allocation department.

Credit Allocation Department establishes credit limits using a Credit Intelligence Report prepared by the Credit Intelligence Department. The Credit Intelligence Department is responsible for collecting market information from the other Turkish banks regarding new as well as existing clients. The reputation, credibility and existing Turkish bank limits of the company in question are established through communication between the Issuer and its competitors. Credit officers in the relevant credit allocation department assess whether the credit file is compliant with the banking law and the Group's credit principles and undertakes a detailed analysis, including feasibility studies, analysis of financial standing, reputation and

experience of the proposed borrower. Following the detailed analysis and subject to the opinion of the credit officers, viable proposals are finalized by the respective committees in accordance with their respective authorization levels.

Credit files are not submitted to the Underwriting Committee until the relevant deficiencies are eliminated and all missing information or documents are provided. The Underwriting Committee meets at least once a week. Proposals above the authorization of the Corporate and Commercial Credit Underwriting Executive Vice President which are approved by this committee are submitted for the approval of the Issuer's Credit Committee or the Board of Directors in accordance with the relevant provisions of the Banking Law. Credit proposals which are deemed positive are communicated via the Credit Management Department and converted into a credit letter. A credit proposal with no missing information and documents is finalized in approximately 17 business days commencing from the date on which the proposal is received by the Underwriting Department (other than in respect of files forwarded to ENBD for an independent risk opinion).

The Board Committee Responsible for Credits evaluates loan offers within the limits of its jurisdiction in the Commercial, Corporate, Agriculture and SME segments. The committee meets every week and, if necessary, evaluates the proposals within its authority and makes a final decision with respect to each of the proposals. The committee, when necessary, provides a risk opinion to the Credit Committee for credit packages that require decisions at higher levels of authority. The attendance of three members is required to form a quorum, and at least two out of the three votes must be cast by members of the Credit Committee, one of which must the Chairman or his deputy.

Credit packages are reviewed every year. In addition, borrowers are monitored by site visits and through the regular review of their financial statements.

Internal Rating System

The main purpose of the Internal Rating System is to assess the creditworthiness of companies that form the credit portfolio. The rating classification of a company reflects its solvency and ability to repay its debt obligations. DenizBank is required to assign a rating for each credit customer of the Corporate and Commercial Department. Ratings are assigned for one year and reviewed yearly as long as the credit relationship continues.

Credit Allocation

The credit allocation process starts at the branches and then the proposals are sent to the Credit Allocation Department. The Credit Allocation Department contains allocation departments each of which is headed by a Senior Vice President. The Credit Allocation Department evaluates all credit requests. Credit decisions take into account a detailed analysis of the financial condition of the counterparty as well as the borrower's shareholding structure, collateral structure of the credit, credit rating, existing banking relations, characteristics of the sector in which the borrower operates, track record and general market intelligence. Credit is allocated according to the needs and financial condition of the borrower. Risk limits are determined separately for debtors, and groups of debtors are monitored on a weekly basis. Credit risks are also monitored on a separate basis for each of the Issuer's Corporate and Commercial; Agricultural; SME, Retail, and Credit Cards business lines.

The sectoral breakdown of the loan portfolio is reviewed monthly in order to achieve sectoral diversification, with a view to working with companies with a satisfactory credit rating across a broad range of sectors. Sectors are periodically monitored in accordance with changes in prevailing economic conditions, and a deterioration in the economic conditions relevant to that sector may lead to it being categorised as a sensitive sector. A more limited approach can then be applied when allocating credit to companies in that sector and/or to reducing credit limits or cancelling credit to existing customers active in sensitive sectors. The

Group takes what it believes to be a conservative approach to credit assessment. In any new borrowing relationship, the approved amount credit amount is designed to be in line with the size and financial position of the counterparty. Moreover, the proposed collateral and borrowing conditions are intended to be no less favourable than those agreed by the borrower with its existing lenders. In principle, credit will not be granted to companies if they or their shareholders have an impaired current or past credit history. This information will be available from the Credit Intelligence Report, which contains bank and supplier references, payment histories, information about shareholders and details of the borrower's existing Banking relations and credit facilities with other banks.

In addition to the credit departments at Head Office, there are eleven regional credit offices, three in Istanbul and eight in different regions of Anatolia. There are separate credit allocation limits for branches, local credit evaluation groups and regional directorates, Executive Vice Presidents, the Group's Credit Committee and the Board of Directors. The regional credit managers have their own delegation authority for commercial and SME loans.

The delegation limits of the Issuer's Corporate and Commercial Credit are shown in the table below:

Board of Directors	>10% the of equity of the Issuer
Credit Committee	<10% of the equity of the Issuer

Early Warning System

The Issuer's early warning system monitors all customers on a daily basis and forms the basis of risk monitoring process. The system is fed by both automatic and manual warning signals, such as the results of portfolio reviews, results of sectoral analysis, macro-economic developments and audit opinions. The system uses certain watch list criteria to standardise assessment approaches to the impact of certain client-specific developments on a client's timely repayment of debt, and clients are classified accordingly into four colour codes: green, yellow, red and black based on default risk. All monitoring and follow up processes are carried out on according to a client's risk classification group. In the event of the occurrence of a watchlist criteria for any member of a risk classification group, all borrowers in this risk group are classified with the same colour code.

	GREEN	YELLOW	RED	BLACK
CRITERIA	Do not indicate any tendency to realize credit risk	A deviation from the initially expected developments that do not pose a material risk of non-payment	Indicate a high likelihood the Debtor will default on its commitments to the Bank	Clearly indicates that the commitment to repay the loan cannot be met
ACTIONS	No action	• Decision is made by Underwriters • Modification • Restructuring • Providing a new loan	• Blockage on limits • Restructuring	• Implementation of default strategy
PROCESS LEADER	Underwriting Unit	Underwriting Unit	Administrative Follow Up Unit	Legal Follow Up Unit

Credit Policy & Retail-SME, Agricultural Banking Credit Group

The Credit Policy & Retail-SME, Agricultural Banking Credits Allocation Department allocates and manages loans in line with the Issuer's risk appetite. Applicants for loans must demonstrate that they have sufficient payment capacity to service the loans being sought and otherwise satisfy the Issuer's credit criteria.

The Credit Policy & Retail-SME, Agricultural Banking Credit Group consists of the following units: credit policy departments for all business lines and credit functions; Retail, SME and Agricultural credit allocation departments; a loan loss reserve management and a credit reporting department; a credit analytics and decision system department; a collections analytics department; a credit risk modelling department; and a credit project management department. In addition, the Credit Policy & Retail-SME, Agricultural Banking Credit Group maintains credit coordination with Emirates NBD.

Delegation of applications is done within a pre-defined delegation framework, decided upon and documented by the related Credit Departments at the Head Office. All loan products are assessed separately and branch delegations are made depending on the product and are subject to an upper limit allocated per product. Any delegation for a change in collateral must be authorised by the Head Office. Similarly, any delegation with respect to credits to be granted to the Issuer's employees resides with the Head Office.

Loan Assessment

Application Channels

Applications can be made through different channels, mainly branches, SMS or online.

Sources of Intelligence

The credit committee draws on a number of sources to assess the creditworthiness of a credit applicant. These include (i) SABAS, a database containing information on applicants who are or are thought to be fraudulent, compiled from external sources, such as the Credit Bureau of Turkey, Banks Association of Turkey, Prosecution Office and Public Notaries, as well as information regarding applications rejected as doubtful by the Issuer's fraud department; (ii) the Central Bank's database, in which a search for dishonoured cheques, protested bills of exchange and impaired loans are carried out; (iii) the Credit Bureau of Turkey, which provides positive and negative information as to the customers' credit history and historical payment behaviour and loan applications, as well as personal data such as an individual's mother's maiden name, telephone number, address and employer; and (iv) an Address-Based Population Registration System, through which the address communicated by the customer during the credit application and the address in registration system is cross-checked for compliance.

Process

Applications are assessed in an automated workflow system that interacts with a decision engine.

The decision engine is an automated decision module that utilises intelligence sources such as SABAS, data from the Central Bank and credit bureaux and information such as banking history, application scorecards and behavioural scorecards to make a decision on credit applications received from any application channel.

Within pre-defined rules in the decision engine, matters such as the approval, rejection and referral of an application to an underwriter for a final decision are managed automatically. For referrals, the delegation unit is the Head Office and the application processing workflow directs referrals accordingly.

For a credit to be assessed under branch delegation, in addition to the amount and collateral limitations, it should also meet the Credit Bureau performance criteria as specified in the credit approval procedures. The

decision engine also determines whether the requested credit is under branch delegation and applications are assessed by a Regional Credit Office unless the relevant criteria are met.

For credit cards, a limit control check from the Credit Bureau is also performed automatically as part of a legal requirement for determining card limits.

For SME Banking and Agricultural Banking, an additional decision module is used for the determination of the maximum loan amount and collateral requirement for each application, in accordance with the rating the application is assigned in the initial step. The decision engine decides on the delegation unit (Branch/Regional Credit Office/Head Office for SME Banking and Branch/Head Office for Agricultural Banking) and automatically directs the application to the appropriate unit.

Provisioning Policy

Starting from 1 January 2018, the Issuer's classification of financial assets (especially in loans and receivables) and calculation of provisions changed according to TFRS 9.

In accordance with TFRS 9, the Issuer's loan loss provisioning policy was replaced by the expected credit loss (**ECL**) model. ECL estimates are required to be unbiased, probability-weighted, and should include supportable information about past events, current conditions, and forecasts of future economic conditions. The ECL should reflect multiple macroeconomic scenarios and include the time value of money. The ECL model applies to all on-balance financial assets accounted for at amortised cost and fair value through other comprehensive income (**FVOCI**) such as loans and debt securities, as well as to off-balance items such as certain loan commitments, financial guarantees, and undrawn revolving credit facilities.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition. Impairment shall be recognised on outstanding amounts in each category, as follows:

- Stage 1: For financial assets at initial recognition or which do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded on the basis of 12-month expected credit losses.

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

- Stage 3: Includes financial assets which have objective evidence of impairment at the reporting date. For these assets, lifetime ECLs are recognised and interest revenue is calculated on the net carrying amount.

Risk Monitoring Department

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing lending limits where appropriate. In order to prevent loans becoming non-performing due to either cyclical changes or structural problems, the Group has a close monitoring system in place to enable it to identify and resolve potential performance problems at an early stage. The close monitoring system is applied from the time of allocation until the repayment of the loan. If the system detects any risks, the borrower and loan are then monitored on the watch list and supervised until any problems that have been identified are resolved. Through this system, the Issuer has been able to keep problem loans to an acceptable level.

Along with the Risk Monitoring Department, the Workout Department (described below) the Credit Policy & Retail-SME, Agricultural Banking Credits Allocation Department, together with the Corporate and

Commercial Credit Department, are also responsible for reviewing, monitoring and taking necessary steps to safeguard the loan portfolio. They review the credit files of all customers at least once a year and see that intelligence reports (on the market and unpaid cheques) are updated periodically and regular customer calls and factory visits are carried out. They also monitor sectoral trends and screen the portfolio according to specific criteria that may affect the performance of the industry as a whole, such as exchange rate fluctuations, increases in raw material cost, price instability and any extension of the credit term, and measures are taken to address any identified risks. They monitor any late payments of principal, interest or commissions and companies that do not meet their regular payment obligations are put on the watch list. Additionally, they monitor mid-to long-term credits that have been allocated for project financing purposes in order to see if the investment generates the volume and profitability anticipated during the feasibility study.

The Risk Monitoring Department works closely with the Credit Policy & Retail-SME, Agricultural Banking Credits Allocation Department, the Corporate and Commercial Credit Department and the Workout Department. It is responsible for reviewing trends in payments and regularly monitoring compliance with covenants in loan and collateral documents. It is responsible for reviewing trends in payments and regularly monitoring compliance with covenants in loan and collateral documents. The Credit Follow-Up & Risk Monitoring Department will examine negative intelligence data and monitor any unpaid cheques, overdue interest and commission for non-cash loans, as well as confiscation and enforcement orders. The Department produces a number of periodic reports at intervals of one to 90 days to identify those companies which have or are likely to develop repayment problems. Any late payments of principal, interest or commissions are monitored. Companies that do not meet their regular payment obligations are immediately put onto the Watch List Portfolio and any necessary follow up action is taken by the related authorised committees.

The combined monitoring of borrowers by the branches, regional offices, and the Credit Policy & Retail-SME, Agricultural Banking Credits Allocation Department, Corporate and Commercial Credit Departments, Workout Department and Risk Monitoring Department helps to ensure that the Group is in a position to take any available measures to assist in realising and maintaining a liquid, sound and profitable loan portfolio on a timely basis.

Borrowers can be placed in the Watch List Portfolio if there is evidence of a deterioration in their financial condition or as the result of negative intelligence, unpaid cheques or unfavourable developments in the sector, such as increasing raw material cost or similar matters. Once a borrower has been placed on the Watch List Portfolio, priority is given to strengthening collateral and liquidating the Group's remaining exposure. Subject to the approval of the Credit Policy & Retail-SME, Agricultural Banking Credits Allocation Department and the Corporate and Commercial Credit Department, it is possible to continue to work with watch list companies in a controlled way and on a transaction-by-transaction basis, rather than requiring immediate repayment. Companies in the Watch List Portfolio are also subject to monitoring by the related authorised committees.

Workout Department

The management of non-performing exposures covers the Wholesale Banking and Retail Banking segments and is handled by different departments based on the classification of the portfolio as small-scale/medium-scale/large-scale. The underwriting units and workout units have been separate since 2012. Such separation, which is in line with the Article 38 of the Non-performing Exposure Resolution Guide of BRSA which became effective after its publication on the Official Gazette numbered 9644 and dated 29 June 2021, is aimed at ensuring effective credit risk management within the scope of prudent credit management policy and the principle of segregation of duties between those allocating the non-performing exposure and those managing it after it has become non-performing.

The Workout Department is responsible for continuously monitoring the status of customers' creditworthiness, reducing credit risks to manageable levels with tools such as restructurings, controlling

limits and strengthen collateral whenever possible. If needed, legal action is commenced in close co-operation with the Legal Department.

Operational Risk Management

The Issuer defines operational risk as the risk of financial or non-financial impact resulting from inadequate or failed internal processes, people and systems, or from external events. The definition includes legal risk but excludes strategic risk. The definition is based on, but not restricted to, the one used by the Basel Committee, which focuses on losses (negative financial impacts), but which excludes reputation risk. As a consequence, the Issuer focuses on the risks which lead to financial loss, as well as the ones which could have an impact on the Issuer's reputation.

The operational risk department has two main functions: (i) collecting data on operational risk events; and (ii) performing risk and control self-assessment studies. The department also closely works with Internal Audit and Internal Control in analysing risk assessments, loss events and action plans. It also collaborates with the Group's Insurance Department for Bankers Blanket Bond insurance and other business-related insurance policies, including electronic and computer insurance, professional indemnity insurance, business interruption insurance and directors' and officers' liability insurance.

An effective monitoring process is essential for any system of operational risk management. All operational risk events are registered in the events database with answers to a list of questions, including the dates, cause, event type, impact, process impacted and cause/impacted/detection unit. Frequently occurring events which lead to a high total impact and events which have an impact over a certain threshold are subject to further investigation. Potential operational risks are also defined by risk and control self-assessment studies. Both risk events and results of self-assessment studies are submitted to line managers. Action plans are designed and implemented for unacceptable risks and events.

As a legal requirement, like many other banks in Turkey, the Issuer also uses the basic indicator approach for the calculation of operational risk for risk weighted assets. However, a new standardised approach is expected to be used in the near future. To apply the new standardised approach, the losses that occurred in the last 10 years is essential since this approach uses these losses for the calculation of operational risk. In this context, the Issuer has sufficient data and is fully compliant with the new standardised approach.

The table below sets out total risk weighted assets according to risk types:

	31 December 2022
Credit Risk	91.1%
Market Risk	2.3%
Operational Risk	6.6%
Total	**100%**

Capital Adequacy Management

Banks in Turkey are required to comply with capital adequacy guidelines published by the BRSA. These capital adequacy guidelines are based on standards established by BIS. These guidelines require banks to maintain adequate levels of regulatory capital against risk-bearing assets and off-balance sheet exposures.

In accordance with these guidelines, banks must maintain a total capital adequacy ratio of a minimum of 8%, Tier 1 ratio of a minimum of 6% and a CET 1 ratio of a minimum of 4.5%. By taking into account banks' internal systems, assets and financial structure, the BRSA is authorised to (i) increase the minimum capital adequacy ratio, (ii) set different ratios for each bank, and (iii) determine a different calculation and submission period for each bank's capital adequacy ratio. If a bank's capital adequacy ratio is below the ratio set by the BRSA, certain restrictions are imposed.

In respect of forbearance in capital ratio calculations, 2021 year-end exchange rates (TL 13.33 per U.S. dollar) were used for credit – Risk-Weighted Asset calculations since 28 April 2022. Following the BRSA's announcement on 31 January 2023, forbearance exchange rates have been revised with 2022 year-end figures (TL 18.70 per U.S. dollar) with effect from January 2023. However, the second forbearance in relation to which ”banks may disregard negative net valuation differences of securities in "Fair Value Through Other Comprehensive Income" portfolio, in determination of their equities, for securities held by the bank” still continues.

Estimated forbearance impact on December 2022 is 176 bps and 211 bps on Tier-I and CAR respectively.

The table below shows the Issuer's regulatory capital position on a consolidated BRSA basis as of 31 December 2022 and 31 December 2021 in TL thousands unless otherwise stated:

	31 December 2022	**31 December 2021**
COMMON EQUITY TIER I CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Issuer	5,696,100	5,696,100
Share issue premiums	15	15
Reserves	15,258,340	11,635,147
Gains recognised in equity as per TAS[(1)]	16,406,352	6,943,145
Profit	19,960,985	6,333,878
Current Period Profit	17,174,025	3,506,877
Prior Period Profit	2,786,960	2,827,001
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	992	778
Minorities' Share	303,767	151,621
Common Equity Tier I Capital Before Deductions	**57,626,551**	**30,760,684**
Deductions from Common Equity Tier I Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	–	–
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	791,583	244,781
Improvement costs for operating leasing	102,568	69,116
Goodwill (net of related tax liability)	–	–
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1,522,786	623,700
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	–	–
Differences are not recognised at the fair value of assets and liabilities subject to hedge of cash flow risk	–	–
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	–	–
Gains arising from securitisation transactions	–	–
Unrealised gains and losses due to changes in own credit risk on fair	–	–

	31 December 2022	31 December 2021
valued liabilities		
Defined-benefit pension fund net assets	–	–
Direct and indirect investments of the Issuer in its own Common Equity	–	–
Shares obtained contrary to the 4th clause of the 56th Article of the Law	–	–
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Issuer owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Issuer	–	–
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 Issuer owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Issuer	–	–
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	–	632,785
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	–	–
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Issuer owns 10% or more of the issued common share capital	–	–
Excess amount arising from mortgage servicing rights	–	–
Excess amount arising from deferred tax assets based on temporary differences	–	–
Other items to be defined by the BRSA	–	–
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	–	–
Total Deductions From Common Equity Tier I Capital	**2,416,937**	**1,570,382**
Total Common Equity Tier I Capital	**55,209,614**	**29,190,302**
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	–	–
Debt instruments and premiums approved by BRSA	–	–
Debt instruments and premiums approved by BRSA (Temporary Article 4)	–	–
Third parties' share in the Additional Tier I capital	–	–
Third parties' share in the Additional Tier I capital (Temporary Article 3)	–	–
Additional Tier I Capital before Deductions	–	–
Deductions from Additional Tier I Capital	–	–
Direct and indirect investments of the Issuer in its own Additional Tier I Capital	–	–
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	–	–
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Issuer Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	–	–
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial	–	–

	31 December 2022	31 December 2021
Institutions where the Issuer Owns more than 10% of the Issued Share Capital		
Other items to be defined by the BRSA	–	–
Transition from the Core Capital to Continue to deduce Components	–	–
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	–	–
Net deferred tax asset/liability which is not deducted from Common Equity Tier I capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	–	–
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	–	–
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)	**55,209,614**	**29,190,302**
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	14,446,409	10,398,821
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	–	–
Third parties' share in the Tier II Capital	–	–
Third parties' share in the Tier II Capital (Temporary Article 3)	–	–
Provisions (Article 8 of the Regulation on the Equity of Banks)	4,821,377	2,800,069
Tier II Capital Before Deduction	**19,267,786**	**13,198,890**
Deductions From Tier II Capital		
Direct and indirect investments of the Issuer on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier II and components of equity issued by financial institutions with the conditions declared in Article 8	–	–
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Issuer owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Issuer	–	–
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Issuer owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Issuer	–	–
Other items to be defined by the BRSA (-)	–	–
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	**19,267,786**	**13,198,890**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**74,477,400**	**42,389,192**
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	–	–
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	–	–
Other items to be defined by the BRSA	49,244	77,359

	31 December 2022	31 December 2021
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier I capital, Additional Tier I of the issued common share capital of the entity which will not be deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	–	–
The Sum of net long positions of investments in the Additional Tier I capital and Tier II capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	–	–
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	–	–
TOTAL CAPITAL		
Total Capital (The sum of Tier I Capital and Tier II Capital)	74,428,156	42,311,833
Total risk weighted amounts	423,588,063	251,444,727
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	13.03	11.61
Tier I Capital Adequacy Ratio (%)	13.03	11.61
Capital Adequacy Ratio (%)	17.57	16.83
BUFFERS		
Total additional Common Equity Tier I Capital requirement ratio	2.583	2.602
Bank specific total common equity tier I capital ratio (%)	2.500	2.500
Capital conservation buffer requirement (%)	0.083	0.102
Systemic significant bank buffer ratio (%)	–	–
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	1.949	1.387
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	–	–
Portion of the total of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	–	–

	31 December 2022	31 December 2021
Amount arising from mortgage-servicing rights	–	–
Amount arising from deferred tax assets based on temporary differences	–	–
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before one hundred twenty five in ten thousand limitation)	18,495,636	14,811,648
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	4,821,377	2,800,069
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	–	–
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	–	–
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)	–	–
Upper limit for Additional Tier I Capital subjected to temporary Article 4	–	–
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	–	–
Upper limit for Additional Tier II Capital subjected to temporary Article 4[2]	–	–
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	–	–

(1) As of May 2018, the difference between the provision for expected credit loss calculated in accordance with TFRS 9 and the total provision amount calculated before the application of TFRS 9 has been recorded in "Prior Years' Profit and Loss" account. Therefore, in accordance with Provisional Article 5 of the “Regulation on Equity of Banks”, this amount has been shown as net in the calculation of equity by adding 20% of the portion after deduction of the tax amount resulting from the difference as of 31 December 2021, there is no as of 31 December 2022.

(2) There are no loans included in Tier II capital related to “Temporary Article 4”.

The table below shows the Issuer's regulatory capital position on a consolidated BRSA basis as of 31 December 2020 in TL thousands unless otherwise stated:

	31 December 2020
COMMON EQUITY TIER I CAPITAL	
Paid-in capital following all debts in terms of claim in liquidation of the Issuer	5,696,100
Share issue premiums	15
Reserves	9,841,922
Gains recognised in equity as per TAS[1]	3,593,747
Profit	4,620,226
Current Period Profit	1,858,343
Prior Period Profit	2,761,883
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	778
Minorities' Share	53,494
Common Equity Tier I Capital Before Deductions	**23,806,282**
Deductions from Common Equity Tier I Capital	
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	--

Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	356,488
Improvement costs for operating leasing	54,004
Goodwill (net of related tax liability)	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	423,409
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	--
Differences are not recognised at the fair value of assets and liabilities subject to hedge of cash flow risk	--
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	--
Gains arising from securitisation transactions	--
Unrealised gains and losses due to changes in own credit risk on fair valued liabilities	--
Defined-benefit pension fund net assets	--
Direct and indirect investments of the Issuer in its own Common Equity	--
Shares obtained contrary to the 4th clause of the 56th Article of the Law	--
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Issuer owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Issuer	--
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 Issuer owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Issuer	--
Portion of mortgage servicing rights exceeding 10% of the Common Equity	--
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	--
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	--
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Issuer owns 10% or more of the issued common share capital	--
Excess amount arising from mortgage servicing rights	--
Excess amount arising from deferred tax assets based on temporary differences	--
Other items to be defined by the BRSA	--
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	--
Total Deductions From Common Equity Tier I Capital	**833,901**
Total Common Equity Tier I Capital	**22,972,381**
ADDITIONAL TIER I CAPITAL	
Preferred Stock not Included in Common Equity and the Related Share Premiums	--
Debt instruments and premiums approved by BRSA	--
Debt instruments and premiums approved by BRSA (Temporary Article 4)	--
Third parties' share in the Additional Tier I capital	--
Third parties' share in the Additional Tier I capital (Temporary Article 3)	--
Additional Tier I Capital before Deductions	--
Deductions from Additional Tier I Capital	--
Direct and indirect investments of the Issuer in its own Additional Tier I Capital	--
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	--
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Issuer Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	--

The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Issuer Owns more than 10% of the Issued Share Capital	--
Other items to be defined by the BRSA	--
Transition from the Core Capital to Continue to deduce Components	--
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	--
Net deferred tax asset/liability which is not deducted from Common Equity Tier I capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	--
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	--
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)	**22,972,381**
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA	5,870,996
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--
Third parties' share in the Tier II Capital	--
Third parties' share in the Tier II Capital (Temporary Article 3)	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	2,120,251
Tier II Capital Before Deduction	**7,991,247**
Deductions From Tier II Capital	
Direct and indirect investments of the Issuer on its own Tier II Capital (-)	--
Investments of Bank to Banks that invest on Bank's Tier II and components of equity issued by financial institutions with the conditions declared in Article 8	--
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Issuer owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Issuer	--
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Issuer owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Issuer	--
Other items to be defined by the BRSA (-)	--
Total Deductions from Tier II Capital	--
Total Tier II Capital	**7,991,247**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**30,963,628**
Deductions from Total Capital	
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	--
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	--
Other items to be defined by the BRSA	19,630

In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier I capital, Additional Tier I of the issued common share capital of the entity which will not be deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	--
The Sum of net long positions of investments in the Additional Tier I capital and Tier II capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	--
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	--
TOTAL CAPITAL	
Total Capital (The sum of Tier I Capital and Tier II Capital)	30,943,998
Total risk weighted amounts	190,709,237
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio (%)	12.05
Tier I Capital Adequacy Ratio (%)	12.05
Capital Adequacy Ratio (%)	16.23
BUFFERS	
Total additional Common Equity Tier I Capital requirement ratio	2.672
Bank specific total common equity tier I capital ratio (%)	2.500
Capital conservation buffer requirement (%)	0.172
Systemic significant bank buffer ratio (%)	--
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	1.514
Amounts below the Excess Limits as per the Deduction Principles	
Portion of the total of net long positions of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	--
Portion of the total of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	--
Amount arising from mortgage-servicing rights	--
Amount arising from deferred tax assets based on temporary differences	--
Limits related to provisions considered in Tier II calculation	
General provisions for standard based receivables (before one hundred twenty-five in ten thousand limitation)	8,292,896
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2,120,251
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	--

Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	--
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	--
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	--
Upper limit for Additional Tier II Capital subjected to temporary Article 4[(2)]	--
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	--

(1) As of May 2018, the difference between the provision for expected credit loss calculated in accordance with TFRS 9 and the total provision amount calculated before the application of TFRS 9 has been recorded in "Prior Years' Profit and Loss" account. Therefore, in accordance with Provisional Article 5 of the "Regulation on Equity of Banks", this amount has started to be shown net in the calculation of equity by adding 20% of the portion after deduction of the tax amount resulting from the difference (31 December 2020: 40%).

(2) There are no credits included in Tier II capital related to "Temporary Article 4".

Fair Value of Financial Instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by the quoted market price, if available.

The estimated fair value of financial instruments has been determined by the Issuer with the use of available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data in order to develop the estimated fair value. Accordingly, the estimated fair value presented in this Base Prospectus is not necessarily indicative of the amount the Issuer could realise in a current market exchange transaction.

The tables below summarise the carrying value and fair value of the financial assets and liabilities as of 31 December 2022, 2021 and 2020. The carrying value represents the sum of the acquisition costs and interest accruals of financial assets and liabilities.

	As of 31 December 2022	
	Book Value	*Fair Value*
Financial Assets	502,689,060	491,198,948
Interbank Money Market Placements	16,415	16,415
Banks	32,907,181	31,748,109
Financial Assets at Fair Value Through Other Comprehensive Income	77,258,737	77,258,737
Financial Assets Measured at Amortised Cost	18,316,908	19,485,497
Loans	374,189,819	362,690,190
Financial Liabilities	**526,830,530**	**520,881,337**
Bank Deposits	22,438,120	22,369,340
Other Deposits	416,968,891	415,046,850
Interbank Money Market Borrowings	13,481,797	13,481,797
Funds Borrowed From Other Financial Institutions	50,581,504	49,191,868
Subordinated Loans	14,561,492	12,079,242
Securities Issued	8,798,726	8,712,240

	As of 31 December 2021	
	Book Value	*Fair Value*
Financial Assets	**313,052,054**	**307,478,693**
Interbank Money Market Placements	237,803	237,803

	As of 31 December 2021	
	Book Value	*Fair Value*
Banks	25,062,991	24,842,462
Financial Assets at Fair Value Through Other Comprehensive Income	29,107,488	29,107,488
Financial Assets Measured at Amortised Cost	7,124,821	6,919,331
Loans	251,518,951	246,371,609
Financial Liabilities	**344,449,025**	**343,561,438**
Bank Deposits	18,156,912	18,160,793
Other Deposits	248,509,391	248,628,049
Interbank Money Market Borrowings	8,048,007	8,048,007
Funds Borrowed From Other Financial Institutions	48,856,307	48,986,626
Subordinated Loans	10,484,778	9,042,336
Securities Issued	10,393,630	10,695,627

	As of 31 December 2020	
	Book Value	*Fair Value*
Financial Assets	**224,625,267**	**229,657,788**
Interbank Money Market Placements	1,763,207	1,763,207
Banks	11,715,414	11,616,039
Financial Assets at Fair Value Through Other Comprehensive Income	20,298,234	20,298,234
Financial Assets Measured at Amortised Cost	7,262,043	7,332,576
Loans	183,586,369	188,647,732
Financial Liabilities	**224,303,871**	**224,128,591**
Bank Deposits	17,252,064	17,254,467
Other Deposits	167,467,249	167,298,608
Interbank Money Market Borrowings	4,512,976	4,512,976
Funds Borrowed From Other Financial Institutions	25,985,554	26,108,732
Subordinated Loans	5,917,421	5,825,046
Securities Issued	3,168,607	3,128,762

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

Banks, Bank Deposits, Other Deposits, Securities Issued and Funds Borrowed from Other Financial Institutions

The fair values of banks, bank deposits, other deposits, securities issued and funds borrowed from other financial institutions are determined by calculating the discounted cash flows using the current market interest rates.

Loans

The expected fair value of the loans is determined by calculating the discounted cash flows using current market interest rates.

Financial assets

The fair values of financial assets measured at amortised cost are determined based on market prices, or, when such prices are not available, according to the market prices quoted for other securities subject to similar terms of interest, maturity and other conditions.

Demand Deposits

The estimated fair value of demand deposits represents the amount to be paid upon request.

Overnight Deposits and Variable Rate Placements

The fair value of overnight deposits and variable rate placements represents their book value.

Fixed Interest Deposits

The fair value of fixed interest deposits is determined by calculating the discounted cash flows using market interest rates applied to similar loans and other debts.

Assets and liabilities measured at fair value

The following table presents assets and liabilities at fair value as of 31 December 2022 in TL thousands.

Current Period	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets at Fair Value Through Profit or Loss	2,821,452	–	–	2,821,452
Public Sector Debt Securities	1,271,509	–	–	1,271,509
Share Certificated	456,942	–	–	456,942
Other Securities	1,093,001	–	–	1,093,001
Derivative Financial Assets at Fair Value Through Profit or Loss	–	6,531,844	–	6,531,844
Financial Assets at Fair Value Through Other Comprehensive Income	77,257,107	–	–	77,257,107
Public Sector Debt Securities	76,224,247	–	–	76,224,247
Other Securities	1,032,860	–	–	1,032,860
Loans at Fair Value Through Profit or Loss	–	–	–	–
Total Assets	**80,078,559**	**6,531,844**	–	**86,610,403**
Derivative Financial Liabilities at Fair Value Through Profit or Loss	–	3,421,533	–	3,421,533
Total Liabilities	**–**	**3,421,533**	**–**	**3,421,533**

Risk Committees

Within the Issuer, risk management is performed by the audit committee, the assets and liabilities committee, the credit committee and the executive credit risk committee.

The Audit and Risk Committee

The Audit and Risk Committee is empowered by the Board of Directors to assess the adequacy of the Group's risk management system and to develop strategies relating to risk management. The Audit and Risk Committee reviews the Risk Management Group's reports, approves general principles of risk control and risk management, monitors limits for all relevant risks and determines the procedures that the Group is to apply in controlling and managing risk.

The Audit and Risk Committee meets on a quarterly basis and has two members including the member of the Board of Directors responsible for risk management, audit and internal control. Although not members of the Audit and Risk Committee, the Issuer's Chief Financial Officer, Head of Internal Audit, Head of Internal Control Centre and Compliance and Head of the Risk Management Group attend the quarterly meetings to present reports on the Group's performance over the quarter.

The Asset and Liabilities Committee

The Asset and Liabilities Committee (the **ALCO**) is responsible for formulating and overseeing the implementation of the Group's asset and liability management strategy. The responsibilities of the ALCO include regular monitoring of the Group's position with respect to interest rate-sensitive assets and liabilities, monitoring the mismatch of the maturities gap, the Group's liquidity position and the characteristics of the loan portfolio, including interest income and expense on various assets and liabilities. The ALCO also monitors conditions in the financial markets, including the foreign currency market. Using the information obtained through its monitoring operations, the ALCO makes weekly decisions on the Group's overall funding structure as well as regularly determining the availability of resources for Corporate and Commercial, SME, Agriculture, and Retail lending. The ALCO is responsible for setting overall interest rate levels and terms across the Group as a whole, as well as for determining the interest rates the Issuer charges on corporate, commercial and consumer loans. The ALCO makes decisions on all areas relating to risk positions, including interest rate and foreign currency risk. In each case, it conducts an analysis of the risk and profitability of each position. The ALCO makes decisions in relation to the buying and selling of securities to manage the Group's position.

The ALCO has 20 members, including the Issuer's Chief Executive Officer (who also chairs the committee), the Chief Financial Officer, the member of the Board of Directors responsible for internal risk systems, the board member responsible for credit risk, the Executive Vice Presidents of its main business segments (Retail, SME, Agriculture, and Corporate and Commercial), the Executive Vice President of the Financial Institutions and Investment Group, the associated Senior Vice Presidents, the Chief Economist of the Issuer, and a representative of the Risk Management Group. Reporting directly to the Board of Directors, the ALCO meets every week to determine the Group's weekly assets and liabilities strategy on the basis of the Group's balance sheets, review the activities of the Group's business lines, and discuss general economic highlights and current economic and political developments and their implications for the Group.

Credit Committee

The Credit Committee is comprised of three full and two alternate members of the Board of Directors and is responsible for lending processes at the Group. The Credit Committee has ultimate authority to ratify lending decisions and to assess the compliance of approved loan applications with legislation and regulations, banking principles and objectives and the Group's internal lending policies. The Credit Committee is supported by an appraisal committee which conducts an initial assessment of loan applications submitted by the branches. The Credit Committee meets on a weekly basis to assess loan proposals and applications. Depending on the riskiness or magnitude of a proposed loan, the Credit Committee may refer certain loan proposals or applications to the Board of Directors for approval. The meeting frequency of the Committee could change in accordance with the Issuer's business plan.

Executive Credit Risk Committee

The Executive Credit Risk Committee is responsible for reviewing the market and economic conditions and evaluating the issues that might negatively affect the credit portfolio of the Issuer and its subsidiaries, monitoring, inter alia, economic developments that might lead to the deterioration of the credit worthiness of the Issuer's customers, and making assessments concerning the provisions. The Executive Credit Risk Committee meets on a quarterly basis and the number of its members can fluctuate with changes in the Issuer's organisational structure.

SELECTED FINANCIAL INFORMATION

The following tables set forth, for the periods indicated, selected consolidated financial information of the Issuer and its subsidiaries derived from the Annual Financial Statements included elsewhere in this Base Prospectus.

Prospective investors should read the following information in conjunction with "*Presentation of Financial and Other Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Annual Financial Statements.

	As of 31 December 2022			As of 31 December 2021		
ASSETS	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
FINANCIAL ASSETS (Net)	54,128,080	177,525,552	231,653,632	15,271,789	128,959,576	144,231,365
Cash and Cash Equivalents	9,896,881	135,144,718	145,041,599	4,732,225	101,441,196	106,173,421
Cash and Balances at Central Bank	8,708,259	103,447,563	112,155,822	3,947,901	76,940,474	80,888,375
Banks	1,172,266	31,734,915	32,907,181	546,733	24,516,258	25,062,991
Due from Money Markets	16,415	–	16,415	237,803	–	237,803
Expected Credit Losses (-)	59	37,760	37,819	212	15,536	15,748
Financial Assets at Fair Value through Profit or Loss	1,486,387	1,335,065	2,821,452	118,300	1,087,240	1,205,540
Government Debt Securities	452,368	819,141	1,271,509	37,136	99,181	136,317
Equity Instruments	–	456,942	456,942	34,000	391,041	425,041
Other Financial Assets	1,034,019	58,982	1,093,001	47,164	597,018	644,182
Financial Assets at Fair Value through Other Comprehensive Income	41,116,476	36,142,261	77,258,737	8,668,005	20,439,483	29,107,488
Government Debt Securities	41,115,526	35,108,721	76,224,247	8,667,539	19,417,655	28,085,194
Equity Instruments	950	680	1,630	466	515	981
Other Financial Assets	–	1,032,860	1,032,860	–	1,021,313	1,021,313
Derivative Financial Assets	1,628,336	4,903,508	6,531,844	1,753,259	5,991,657	7,744,916
Derivative Financial Assets at Fair Value Through Profit or Loss	1,628,336	4,903,508	6,531,844	1,753,259	5,991,657	7,744,916
Derivative Financial Assets at Fair Value through Other Comprehensive Income	–	–	–	–	–	–
OTHER FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)	203,991,845	157,102,840	361,094,685	107,373,238	125,476,967	232,850,205
Loans	200,398,906	157,156,109	357,555,015	120,404,889	122,807,633	243,212,522
Lease Receivables	2,536,262	6,036,736	8,572,998	1,318,698	3,908,960	5,227,658
Factoring Receivables	6,471,628	1,590,178	8,061,806	1,820,376	1,258,395	3,078,771
Financial Assets Measured at Amortised Cost	11,146,415	7,170,493	18,316,908	1,531,183	5,593,638	7,124,821
Government Debt Securities	11,146,415	7,170,493	18,316,908	1,531,183	5,593,638	7,124,821
Other Financial Assets	–	–	–	–	–	–
Expected Credit Losses (-)	16,561,366	14,850,676	31,412,042	17,701,908	8,091,659	25,793,567
NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)"	–	–	–	–	–	–
Held for Sale	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–
EQUITY INVESTMENTS	2,693,629	698	2,694,327	1,397,350	528	1,397,878
Investments in Associates (Net)	21,855	–	21,855	13,596	–	13,596
Associated Valued based on Equity Method	–	–	–	–	–	–
Unconsolidated Associates	21,855	–	21,855	13,596	–	13,596
Subsidiaries (Net)	2,668,974	698	2,669,672	1,380,954	528	1,381,482
Unconsolidated Financial Subsidiaries	–	–	–	–	–	–
Unconsolidated Non-Financial	2,668,974	698	2,669,672	1,380,954	528	1,381,482

ASSETS	As of 31 December 2022			As of 31 December 2021		
	TL	FC	Total	TL	FC	Total
Subsidiaries						
Joint Ventures (Net)	2,800	–	2,800	2,800	–	2,800
Joint Ventures valued based on Equity Method	–	–	–	–	–	–
Unconsolidated Joint Ventures	2,800	–	2,800	2,800	–	2,800
Joint Ventures valued based on Equity Method	–	–	–	–	–	–
Unconsolidated Joint Ventures	2,800	–	2,800	2,800	–	2,800
PROPERTY AND EQUIPMENT (Net)	3,681,548	676,144	4,357,692	2,212,669	528,329	2,740,998
INTANGIBLE ASSETS (Net)	1,337,505	185,281	1,522,786	524,059	99,641	623,700
Goodwill				–	–	–
Other	1,337,505	185,281	1,522,786	524,059	99,641	623,700
INVESTMENT PROPERTY (Net)	709,270	–	709,270	369,625	–	369,625
CURRENT TAX ASSETS	18,886	12,301	31,187	435,513	110,391	545,904
DEFERRED TAX ASSETS	4,359,442	(1,813)	4,357,629	3,083,118	1,451	3,084,569
OTHER ASSETS (Net)	15,302,415	3,277,491	18,579,906	6,758,095	3,281,545	10,039,640
TOTAL ASSETS	286,222,620	338,778,494	625,001,114	137,425,456	258,458,428	395,883,884

Balance Sheet Data

ASSETS	As of 31 December 2020		
	TL	FC	Total
FINANCIAL ASSETS (Net)	11,896,425	65,825,347	77,721,772
Cash and Cash Equivalents	4,522,486	48,982,926	53,505,412
Cash and Balances at Central Bank	2,252,708	37,777,210	40,029,918
Banks	506,687	11,208,727	11,715,414
Due from Money Markets	1,763,207	–	1,763,207
Expected Credit Losses (-)	116	3,011	3,127
Financial Assets at Fair Value through Profit or Loss	21,432	735,684	757,116
Government Debt Securities	14,094	63,953	78,047
Equity Instruments	1,731	219,080	220,811
Other Financial Assets	5,607	452,651	458,258
Financial Assets at Fair Value through Other Comprehensive Income	6,156,688	14,141,546	20,298,234
Government Debt Securities	6,156,222	13,383,870	19,540,092
Equity Instruments	466	311	777
Other Financial Assets	–	757,365	757,365
Derivative Financial Assets	1,195,819	1,965,191	3,161,010
Derivative Financial Assets at Fair Value Through Profit or Loss	1,195,819	1,965,191	3,161,010
Derivative Financial Assets at Fair Value through Other Comprehensive Income	–	–	–
OTHER FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)	88,002,862	86,541,061	174,543,923
Loans	91,488,281	86,152,949	177,641,230
Lease Receivables	703,664	2,537,161	3,240,825
Factoring Receivables	2,128,967	575,347	2,704,314
Financial Assets Measured at Amortised Cost	4,109,356	3,152,687	7,262,043
Government Debt Securities	4,109,356	3,152,687	7,262,043
Other Financial Assets	–	–	–
Expected Credit Losses (-)	10,427,406	5,877,083	16,304,489
NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)"	–	–	–
Held for Sale	–	–	–
Discontinued Operations	–	–	–
EQUITY INVESTMENTS	830,694	319	831,013
Investments in Associates (Net)	13,596	–	13,596
Associated Valued based on Equity Method	–	–	–

ASSETS	As of 31 December 2020		
	TL	FC	Total
UnConsolidated Associates	13,596	–	13,596
Subsidiaries (Net)	814,298	319	814,617
Unconsolidated Financial Subsidiaries	–	–	–
Unconsolidated Non-Financial Subsidiaries	814,298	319	814,617
Jointly Ventures) (Net)	2,800	–	2,800
Joint Ventures Valued based on Equity Method	–	–	–
UnConsolidated Associates	2,800	–	2,800
PROPERTY AND EQUIPMENT (Net)	1,527,636	3,53,957	1,881,593
INTANGIBLE ASSETS (Net)	365,002	58,407	423,409
Goodwill	–	–	–
Other	365,002	58,407	423,409
INVESTMENT PROPERTY (Net)	355,990	–	355,990
CURRENT TAX ASSETS	313,744	–	313,744
DEFERRED TAX ASSETS	1,481,954	6,457	1,488,411
OTHER ASSETS (Net)	4,597,284	1,803,509	6,400,793
TOTAL ASSETS	109,371,591	154,589,057	263,960,648

LIABILITIES	As of 31 December 2022			As of 31 December 2021		
	TL	FC	Total	TL	FC	Total
DEPOSITS	167,353,570	272,053,441	439,407,011	57,084,400	209,581,903	266,666,303
FUNDS BORROWED	5,692,037	44,889,467	50,581,504	2,909,771	45,946,536	48,856,307
DUE TO MONEY MARKETS	1,152,556	12,329,241	13,481,797	1,045,007	7,003,000	8,048,007
SECURITIES ISSUED (Net)	3,616,862	5,181,864	8,798,726	5,294,546	5,099,084	10,393,630
Bills	3,616,862	494,857	4,111,719	4,725,194	2,609,796	7,334,990
Assets Backed Securities	–	–	–	–	–	–
Bonds	–	4,687,007	4,687,007	569,352	2,489,288	3,058,640
FUNDS	-	-	-	–	–	–
Borrower Funds	-	-	-	–	–	–
Other	-	-	-	–	–	–
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	–	–	–
DERIVATIVE FINANCIAL LIABILITIES	191,400	3,230,133	3,421,533	1,367,463	3,092,383	4,459,846
Derivative Financial Liabilities at Fair Value Through Profit or Loss	191,400	3,230,133	3,421,533	1,367,463	3,092,383	4,459,846
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	-	-	-	–	–	–
FACTORING LIABILITIES	-	-	-	–	–	–
LEASE LIABILITIES	582,746	73,17	655,923	544,420	63,393	607,813
PROVISIONS	7,930,557	2,359,220	10,289,777	3,078,921	308,735	3,387,656
Restructuring Provisions	-	-	-	-	-	-
Reserve for Employee Benefits	1,545,044	132,230	1,677,274	713,087	52,511	765,598
Insurance for Technical Provision (Net)	-	-	-	-	-	-
Other Provisions	6,385,513	2,226,990	8,612,503	2,365,834	256,224	2,622,058
CURRENT TAX LIABILITY	3,133,140	44,465	3,177,605	390,612	30,103	420,715
DEFERRED TAX LIABILITIES	305,780	348,652	654,432	7,213	154,580	161,793
NON CURRENT LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	-	-	-	–	–	–
Held for Sale	-	-	-	–	–	–
Discontinued Operations	-	-	-	–	–	–
SUBORDINATED DEBT INSTRUMENTS	-	14,561,492	14,561,492	–	10,484,778	10,484,778
Loans	-	14,561,492	14,561,492	–	10,484,778	10,484,778
Other Debt Instruments	-	-	-	–	–	–
OTHER LIABILITIES	17,056,022	8,052,316	25,108,338	8,268,567	5,080,435	13,349,002
SHAREHOLDERS' EQUITY	27,779,798	27,083,178	54,862,976	7,142,511	21,905,523	29,048,034

LIABILITIES	As of 31 December 2022			As of 31 December 2021		
	TL	FC	Total	TL	FC	Total
Paid-in Capital	5,696,100	-	5,696,100	5,696,100	–	5,696,100
Capital Reserves	(8,485)	-	(8,485)	67,576	–	67,576
Share Premium	15	-	15	15	–	15
Share Cancellation Profits		-	-	–	–	–
Other Capital Reserves	(8,500)	-	(8,500)	67,561	–	67,561
Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss	2,045,730	181,661	2,227,391	983,351	128,363	1,111,714
Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss	(10,412,753)	21,837,631	11,424,878	-14,670,865	18,722,863	4,051,998
Profit Reserves	13,695,768	1,562,572	15,258,340	10,072,575	1,562,572	11,635,147
Legal Reserves	789,750	5,019	794,769	612,404	5,019	617,423
Status Reserves	-	-	-	–	–	–
Extraordinary Reserves	12,906,018	1,557,553	14,463,571	9,460,171	1,557,553	11,017,724
Other Profit Reserves	-	-	-	–	–	–
Income or (Loss)	16,460,205	3,500,780	19,960,985	4,842,479	1,491,399	6,333,878
Prior Periods' Income or (Loss)	1,289,842	1,497,118	2,786,960	1,697,059	1,129,942	2,827,001
Current Period Income or (Loss)	15,170,363	2,003,662	17,174,025	3,145,420	361,457	3,506,877
Minority Shares	303,233	534	303,767	151,295	326	151,621
TOTAL LIABILITIES	**234,794,468**	**390,206,646**	**625,001,114**	**87,133,431**	**308,750,453**	**395,883,884**

LIABILITIES AND SHAREHOLDERS' EQUITY	As of 31 December 2020		
	TL	FC	Total
DEPOSITS	50,016,442	134,702,871	184,719,313
FUNDS BORROWED	2,399,832	23,585,722	25,985,554
DUE TO MONEY MARKETS	1,207,341	3,305,635	4,512,976
SECURITIES ISSUED (Net)	2,541,688	626,919	3,168,607
Bills	1,921,607	451,604	2,373,211
Asset Backed Securities	-	-	-
Bonds	620,081	175,315	795,396
FUNDS	-	-	-
Borrower Funds	-	-	-
Other	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
DERIVATIVE FINANCIAL LIABILITIES	292,714	1,862,130	2,154,844
Derivative Financial Liabilities at Fair Value Through Profit or Loss	292,714	1,862,130	2,154,844
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	-	-	-
FACTORING LIABILITIES	-	-	-
LEASE LIABILITIES	540,733	70,093	610,826
PROVISIONS	2,070,724	238,443	2,309,167
Restructuring Provisions	-	-	-
Reserves for Employee Benefits	535,248	27,108	562,356
Insurance Technical Reserves (Net)	-	-	-
Other Provisions	1,535,476	211,335	1,746,811
CURRENT TAX LIABILITY	285,800	106,782	392,582
DEFERRED TAX LIABILITIES	3,823	60,891	64,714
NON-CURRENT LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	-	-	-
Held for Sale	-	-	-
Discontinued Operations	-	-	-
SUBORDINATED DEBT	-	5,917,421	5,917,421

LIABILITIES AND SHAREHOLDERS' EQUITY	As of 31 December 2020		
	TL	FC	Total
INSTRUMENTS			
Loans	-	5,917,421	5,917,421
Other Debt Instruments	-	-	-
OTHER LIABILITIES	5,253,104	5,844,105	11,097,209
SHAREHOLDERS` EQUITY	9,940,534	13,086,901	23,027,435
Paid-in Capital	5,696,100	-	5,696,100
Capital Reserves	67,576	-	67,576
Share Premium	15	-	15
Share Cancellation Profits	-	-	-
Other Capital Reserves	67,561	-	67,561
Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss	364,227	69,986	434,213
Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss	-7,675,597	9,989,501	2,313,904
Profit Reserves	8,279,350	1,562,572	9,841,922
Legal Reserves	522,743	5,019	527,762
Status Reserves	-	-	-
Extraordinary Reserves	7,756,607	1,557,553	9,314,160
Other Profit Reserves	-	-	-
Income or (Loss)	3,155,384	1,464,842	4,620,226
Prior Periods' Income or (Loss)	1,708,633	1,053,250	2,761,883
Current Period Income or (Loss)	1,446,751	411,592	1,858,343
Minority Shares	53,494	-	53,494
TOTAL LIABILITIES	**74,552,735**	**189,407,913**	**263,960,648**

The format of the Group's balance sheets changed starting in 2019 in accordance with the "Communiqué amending the Communiqué on the Financial Statements and Related Explanations and Footnotes to be Announced to Public by Banks" published in the Official Gazette dated 1 February 2019 with No. 30673. In addition, the financials above reflect the application of TFRS 16.

Income Statement Data

	For the year ended 31 December	
	2022	2021
INCOME AND EXPENSES		
INTEREST INCOME	**55,226,848**	**25,225,057**
Interest on loans	40,398,742	21,933,822
Interest received from reserve deposits	175,518	333,512
Interest received from banks	385,278	121,986
Interest received from money market transactions	257,185	67,313
Interest received from marketable securities portfolio	12,949,341	2,109,020
Financial assets at fair value through profit or loss	184,461	28,267
Financial assets at fair value through other comprehensive income	10,170,816	1,663,298
Financial assets measured at amortised cost	2,594,064	417,455
Financial lease income	736,199	362,495
Other interest income	324,585	296,909
INTEREST EXPENSES (-)	**23,575,517**	**12,238,564**
Interest on deposits	17,365,710	8,605,669
Interest on funds borrowed	4,040,038	1,985,578
Interest on money market transactions	786,342	474,625
Interest on securities issued	1,137,832	941,553
Lease expenses	145,695	131,313
Other interest expenses	99,900	99,826
NET INTEREST INCOME/EXPENSE	**31,651,331**	**12,986,493**
NET FEES AND COMMISSIONS INCOME/EXPENSES	**6,619,745**	**4,162,925**
Fees and commissions received	9,934,566	6,096,094
Non-cash loans	731,620	503,288

	For the year ended 31 December	
	2022	**2021**
Other	9,202,946	5,592,806
Fees and commissions paid (-)	3,314,821	1,933,169
Non-cash loans	16,548	10,709
Other	3,298,273	1,922,460
DIVIDEND INCOME	**39,808**	**4,215**
TRADING PROFIT/LOSS (Net)	**5,736,536**	**597,451**
Profit/losses from capital market transactions	198,819	350,751
Profit/losses from derivative financial transactions	11,904,368	12,440,714
Foreign exchange profit/losses	(6,366,651)	(12,194,014)
OTHER OPERATING INCOME	**2,201,836**	**859,119**
GROSS OPERATING INCOME	**46,249,256**	**18,610,203**
EXPECTED CREDIT LOSSES (-)	**6,976,280**	**7,572,296**
OTHER PROVISION EXPENSES (-)	**4,447,027**	**297,001**
PERSONNEL EXPENSES (-)	**4,984,073**	**2,616,198**
OTHER OPERATING EXPENSES (-)	**6,146,024**	**3,468,103**
NET OPERATING PROFIT/LOSS	**23,695,852**	**4,656,605**
INCOME AFTER MERGER	**-**	**-**
PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES	**-**	**-**
NET MONETARY POSITION GAIN/LOSS	**-**	**-**
PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS	**23,695,852**	**4,656,605**
PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	**(6,369,681)**	**(1,116,834)**
Current tax provision	(6,854,909)	(328,684)
Expense effect of deferred tax (+)	(9,415,777)	(6,997,837)
Income effect of deferred tax (-)	9,901,005	6,209,687
NET PROFIT/LOSS FROM CONTINUING OPERATIONS	**17,326,171**	**3,539,771**
INCOME FROM DISCONTINUED OPERATIONS	**-**	**-**
Income from assets held for sale	-	-
Profit from sale of associates, subsidiaries and joint ventures	-	-
Other income from discontinued operations	-	-
EXPENSES FROM DISCONTINUED OPERATIONS (-)	**-**	**-**
Expenses on assets held for sale	-	-
Losses from sale of associates, subsidiaries and joint ventures	-	-
Other expenses from discontinued operations	-	-
PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±)	**-**	**-**
TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	**-**	**-**
Current tax provision	-	-
Expense effect of deferred tax (+)	-	-
Income effect of deferred tax (-)	-	-
NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS	**-**	**-**
NET PROFIT/LOSSES	**17,326,171**	**3,539,771**
Profit / (Loss) of Group	17,174,025	3,506,877
Profit / (Loss) of Minority Shares (-)	152,146	32,894
Profit / (Loss) Per Share (full TRY)	3.04	0.62

	For the year ended 31 December 2020
STATEMENT OF PROFIT OR LOSS	
INTEREST INCOME	**18,711,843**
Interest on loans	16,091,531
Interest received from reserve deposits	29,693
Interest received from banks	204,678
Interest received from money market transactions	148,228
Interest received from marketable securities portfolio	1,762,997
Financial assets at fair value through profit or loss	21,908
Financial assets at fair value through other comprehensive income	1,098,681
Financial assets measured at amortised cost	642,408
Financial lease income	252,599
Other interest income	222,117
INTEREST EXPENSES (-)	**7,739,184**
Interest on deposits	5,290,433

	For the year ended 31 December 2020
Interest on funds borrowed	1,576,839
Interest on money market transactions	231,675
Interest on securities issued	417,875
Lease expenses	140,590
Other interest expenses	81,772
NET INTEREST INCOME/EXPENSE	**10,972,659**
NET FEES AND COMMISSIONS INCOME/EXPENSES	**3,053,031**
Fees and commissions received	3,895,026
Non-cash loans	479,667
Other	3,415,359
Fees and commissions paid (-)	841,995
Non-cash loans	7,417
Other	834,578
DIVIDEND INCOME	**2,537**
TRADING PROFIT/LOSS (Net)	**571,422**
Profit/losses from capital market transactions	161,288
Profit/losses from derivative financial transactions	(787,206)
Foreign exchange profit/losses	1,197,340
OTHER OPERATING INCOME	**470,422**
GROSS OPERATING INCOME	**15,070,071**
EXPECTED CREDIT LOSSES (-)	**7,184,737**
OTHER PROVISION EXPENSES (-)	**451,414**
PERSONNEL EXPENSES (-)	**2,176,596**
OTHER OPERATING EXPENSES (-)	**2,894,546**
NET OPERATING PROFIT/LOSS	**2,362,778**
INCOME AFTER MERGER..	**-**
PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES	**-**
NET MONETARY POSITION GAIN/LOSS	**-**
PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS	**2,362,778**
PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	**(496,986)**
Current tax provision	(340,305)
Expense effect of deferred tax (+)	(3,383,565)
Income effect of deferred tax (-)	3,226,884
NET PROFIT/LOSS FROM CONTINUING OPERATIONS	**1,865,792**
INCOME FROM DISCONTINUED OPERATIONS	**–**
Income from assets held for sale	–
Profit from sale of associates, subsidiaries and joint ventures	–
Other income from discontinued operations	–
EXPENSES FROM DISCONTINUED OPERATIONS (-)	**–**
Expenses on assets held for sale	–
Losses from sale of associates, subsidiaries and joint ventures	–
Other expenses from discontinued operations	–
PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±)	**–**
TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	**–**
Current tax provision	–
Expense effect of deferred tax (+)	–
Income effect of deferred tax (-)	–
NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS	–
NET PROFIT/LOSSES	**1,865,792**
Group`s profit/loss	1,858,343
Minority shares profit / loss (-)	7,449
Earnings / Losses per share (Per thousand share)	0.33

	For the year ended 31 December	
	2022	**2021**
CURRENT PERIOD INCOME/LOSS	**17,326,171**	**3,539,771**
OTHER COMPREHENSIVE INCOME	**8,488,557**	**2,415,595**
Not Reclassified through Profit or Loss	**1,115,677**	**677,501**
Property and Equipment Revaluation Increase/Decrease	166,639	131,809
Intangible Assets Revaluation Increase/Decrease	–	**-**

	For the year ended 31 December	
	2022	**2021**
Defined Benefit Pension Plan Remeasurement Gain/Loss	(420,567)	3,751
Other Comprehensive Income Items Not Reclassified through Profit or Loss	1,288,020	566,618
Tax on other Comprehensive Income Items not reclassified through Profit or Loss	81,585	-24,677
Reclassified through Profit or Loss	**7,372,880**	**1,738,094**
Foreign Currency Translation Differences	4,208,066	11,097,794
Valuation and/or reclassification Income/Expense of the Financial Assets at Fair Value through other Comprehensive Income	5,966,897	(1,768,927)
Cash Flow Hedge Income/Loss	9,033	24,303
Foreign Net Investment Hedge Income/Loss	(3,042,832)	(10,029,249)
Other Comprehensive Income items reclassified through Profit or Loss	–	-
Tax on other Comprehensive Income Items reclassified through Profit or Loss	231,716	2,414,173
TOTAL COMPREHENSIVE INCOME	**25,814,728**	**5,955,366**

	For the year ended 31 December 2020
CURRENT PERIOD INCOME/LOSS	**1,865,792**
OTHER COMPREHENSIVE INCOME	**1,009,458**
Not Reclassified through Profit or Loss	**(292,700)**
Property and Equipment Revaluation Increase/Decrease	32,586
Intangible Assets Revaluation Increase/Decrease	-
Defined Benefit Pension Plan Remeasurement Gain/Loss	(51,979)
Other Comprehensive Income Items Not Reclassified through Profit or Loss	(274,029)
Tax on other Comprehensive Income Items not reclassified through Profit or Loss	722
Reclassified through Profit or Loss	**1,302,158**
Foreign Currency Translation Differences	4,350,899
Valuation and/or reclassification Income/Expense of the Financial Assets at Fair Value through other Comprehensive Income	362,829
Cash Flow Hedge Income/Loss	(7,386)
Foreign Net Investment Hedge Income/Loss	(4,033,678)
Other Comprehensive Income items reclassified through Profit or Loss	-
Tax on other Comprehensive Income Items reclassified through Profit or Loss	629,494
TOTAL COMPREHENSIVE INCOME	**2,875,250**

Key Ratios

The following table sets out certain key ratios calculated with results, except for the matters indicated below, derived from Annual Financial Statements of the Group for the for the years ended 31 December 2022, 2021 and 2020:

	As at and for the years ended 31 December		
	2022	**2021**	**2020**
		(%)	
Return on average equity[1]	42.4	13.9	8.9
Return on average assets[2]	3.4	1.2	0.8
Net interest margin[3]	6.6	4.6	4.7
Total capital adequacy ratio[4]	17.6	16.8	16.2
Cost to income ratio[5]	24.1	32.7	33.7
Free capital ratio[6]	11.0	8.4	9.1
Non-performing loan ratio[7]	4.7	6.6	7.0
Cost of risk[8]	2.2	3.7	4.1

(1) Net profit for the period divided by average shareholders' equity.

(2) Net profit for the period divided by average total assets.

(3) Net interest income divided by average interest earning assets.

(4) Calculated in accordance with BRSA regulations, represents total capital (Tier 1 & Tier 2) divided by total risk weighted assets.

(5) Represents operating expenses ("expenses" in BRSA financial statements) divided by total operating income before provisions and operating expenses ("income" in BRSA financial statements).

(6) Total shareholders' equity excluding non-performing loans, expected credit losses, intangible assets, tangible assets, investment property, investments in associates, subsidiaries and joint ventures and deferred and current tax assets and liabilities divided by total assets.

(7) Non-performing loans divided by gross loans and advances to customers.

(8) Represents impairment on loans and provisions for credit commitments divided by average gross loans and advances to customers.

FINANCIAL REVIEW

The following discussion contains an analysis of the consolidated results of operations of the Group as at and for the years ended 31 December 2022 and 2021 and should be read in conjunction with the Annual Financial Statements. Unless otherwise specified, the financial data discussed below has been extracted without material adjustment from the Annual Financial Statements.

References in this financial review to 2022 and 2021 are to the 12 months ended 31 December 2022 and 31 December 2021, respectively. The percentages or percentage changes in this financial review are based on the amounts reported in the Issuer's 2022 Annual Financial Statements. As a result, percentages or percentage changes stated in this financial review may not be an exact arithmetical change of the numbers stated in this financial review. As a result of rounding, the totals stated in the tables and text below may not be an exact arithmetical sum of the numbers in respect of which they are expressed to be a total.

Overview

DenizBank is a full-service, private commercial bank operating principally in Turkey. The Issuer has grown steadily since its establishment in 1997 to become the fifth largest private bank (among all private banks in Turkey) and the eighth largest bank (among all banks including state banks in Turkey) according to consolidated total assets as of 31 December 2022, having been the 45th largest bank when it started its operations in 1997. Since 31 July 2019, following the completion of the transfer of shares from the Sberbank to Emirates NBD, the Issuer has been a subsidiary of Emirates NBD. Emirates NBD, together with its subsidiaries and associate companies, is one of the leading full-service banks in the UAE with branches or representative offices throughout the Middle East and around the world. As of 31 December 2022, ENBD owned 99.99999993% and certain executives within the Emirates NBD group owned 0.00000007 of the outstanding share capital of DenizBank. See "*Share Capital and Ownership – Ownership*."

In line with its strategy of enhancing its services to its customers, particularly in the Wholesale segment (comprising Commercial, Corporate and Project Finance segments) and Retail segment (comprising Consumer, Agricultural and SME segments), the Issuer has significantly expanded its service network, growing from 400 branches as of 31 December 2008, to 691 branches as of 31 December 2022, which include 570 retail branches and small and medium-sized enterprise (**SME**) branches, 3 corporate centres, 21 commercial centres, 70 "Green Drop" agricultural centres, 1 private banking service points and 6 other branches (2 mobile, 1 free zone, 1 internet, 1 custody and 1 in Bahrain), as well as 12 regional offices. As of 31 December 2022, the Issuer's branch network covered 81 cities in Turkey. The Issuer had over 17.3 million customers as of 31 December 2022. The Issuer also provides international banking services to its customers through its subsidiary in Austria (with 20 branches in Austria and Germany), its subsidiary in the Russian Federation and its branch in Bahrain. In addition to its traditional delivery channels, the Issuer offers customer services through ATMs, internet banking, mobile banking, fastPay, API, Contact Centre, SMS Banking, 24-hour telephone banking, point of sale (**POS**) machines and kiosks. As of 31 December 2022, the Issuer had 3,080 ATMs and 371,999 POS machines. Its alternative distribution, non-cash transactions executed through digital banking handled 94% of the Issuer's non-cash transactions during the year ended 31 December 2022.

As of 31 December 2022, the Issuer had total assets of TL 625,001 million, total customer deposits of TL 416,969 million and total shareholders' equity of TL 54,863 million, reflecting a growth rate of 58%, 68% and 89%, respectively, since 31 December 2021. For the year ended 31 December 2022, the Issuer's net profit was TL 17,326 million compared to TL 3,540 million for the year ended 31 December 2021, an increase of 389.5%.

Significant Factors Affecting Results of Operations

The Issuer believes that the following factors have had an impact on its results of operations and revenues during the periods under review:

Turkish economy

As of 31 December 2022, the majority of the Issuer's total assets and operations were in Turkey. As a result, the Issuer's business, results of operations and financial condition have been and will continue to be significantly affected by Turkish political and economic factors, including the Turkish economic growth rate, the rate of inflation and fluctuations in exchange and interest rates. In addition, because the Issuer is reliant on deposits from retail customers for a significant portion of its funding (retail deposits represented 52% of total deposits as of 31 December 2022 and agricultural and SME deposits represented a further 21%) and because the Issuer generates a significant amount of its net income from retail customers, the Issuer's performance is affected by changes in wages, consumer spending and GDP growth generally. Turkey's GDP grew by 5.6% as a whole for 2022.

Interest rates

One of the primary factors affecting the Issuer's profitability is the level of fluctuations in interest rates in Turkey, which in turn influences the Issuer's net interest income due to the maturity mismatch on its loans and deposits. Since the Group's interest-bearing liabilities (principally borrowings and customer deposits) generally reprice faster than its interest-earning assets (primarily loans and advances to customers), any change in the interest rates in the Turkish economy is reflected in the interest rates of its liabilities before it is reflected in the interest rates of its assets. Therefore, when interest rates fall, the Group is positively affected in total, (despite a negative impact potential in case of a significant decrease, which will trigger prepayment of fixed rate loans with higher interest margin).

Conversely, when interest rates increase, the Group's interest margin is negatively affected, as higher interest rates on its interest-bearing liabilities will start to be paid faster than the interest rates of earning assets will be repriced.

In 2020, 2021 and 2022 there have been many changes in Turkey's interest rate environment. On 6 July 2019, the Governor of the Central Bank was replaced and shortly thereafter, on 25 July 2019, the Central Bank cut interest rates by 425 bps. Subsequently, the Central Bank continued its rate-cutting cycle and cut the one-week repo rate by 325 bps to 16.50% in September 2019, by 250 bps to 14.00% in October 2019, by 200 bps to 12.00% in December 2019, by 75 bps to 11.25% in January 2020, by 50 bps to 10.75% in February 2020, by 100 bps to 9.75% in March 2020, and finally by 100 bps to 8.75% in April 2020. However, by March 2021 interest rates had risen again and the one-week repo rate was increased 200bps to 19.0%. Following this interest rate increase, the Governor of the Central Bank was dismissed and replaced and starting in September 2021, the Central Bank reversed its course again and began to loosen monetary policy. From September to December 2021, the Central Bank reduced the interest rate by 500 basis points to 14%. Subsequently, between August and November 2022, the Central Bank cut interest rates by a further 500 basis points followed by another 50 basis point reduction in February 2023 bringing the interest rate to 8.5%.

See also "*Risk Factors—Risks Related to Turkey—The value of the Turkish Lira fluctuates against other currencies*."

Exchange rates

A significant portion of the Issuer's assets and liabilities are denominated in foreign currencies, particularly in U.S. Dollars and Euros. As of 31 December 2022, 54.2% of total assets and 62.4% of total liabilities were denominated in foreign currencies. While the Issuer is likely to close the gaps between the balances of its foreign currency assets and liabilities, it manages the risk within the open position limits set internally and by the BRSA and may have minimal gaps between the balances of its foreign currency assets and liabilities. As the Issuer translates such assets and liabilities and interest earned from and paid on those assets and liabilities into local currency (Turkish Lira), the effect of the change in the exchange rates on the Issuer's income statement is minimal. During the year ended 31 December 2022, the Turkish Lira depreciated against both the U.S. Dollar and the Euro as compared to 31 December 2021. With respect to the U.S. dollar, the Turkish

Lira depreciated to TL 18.69 per U.S. dollar as of 31 December 2022 compared to TL 13.33 per U.S. dollar as of 31 December 2021. In 2022, the Turkish Lira steadily depreciated against the U.S. dollar from TL 13.42 per U.S. dollar as of 3 January 2022 to TL 17.97 per U.S. dollar as of 18 August 2022 and to TL 18.86 per U.S. dollar as of 24 February 2023. With respect to the Euro, the Turkish Lira depreciated to TL 19.93 per Euro as of 31 December 2022 as compared to TL 15.09 per Euro as of 31 December 2021.

Changes to Significant Accounting Policies

There have been changes to certain accounting policies of the Issuer which have had an impact on the way it values its assets and liabilities and, as a result, impacted its results of operations.

Adoption of TFRS 16 'Leases'

The Group has adopted TFRS 16 with effect from 1 January 2019, which sets out the principles for the recognition, presentation and disclosure of leases. The standard requires lessees to account for all leases under a single, on-balance sheet model. As of 31 December 2022, the net right of use assets in the consolidated financial statements is TL 544,131 thousand and the net lease liability is TL 655,923 thousand.

Results of Operations

Business Segments

The Group operates in four main areas: wholesale banking, SME and agricultural banking, retail banking and treasury. A breakdown of the financial performance of each business segment for the years ended 31 December 2022 and 31 December 2021 is provided below.

Year ended 31 December 2022	**Wholesale Banking**	**SME & Agricultural Banking**	**Retail Banking**	**Treasury & Other**	**Total**
			(TL, thousands)		
Net interest income	7,893,337	5,451,266	7,600,002	10,706,726	**31,651,331**
Net fees and commission income	922,628	2,178,379	3,378,036	140,702	**6,619,745**
Other income/loss, net	2,871,326	1,361,497	1,286,916	2,458,441	**7,978,180**
Total segment income	**11,687,291**	**8,991,142**	**12,264,954**	**13,305,869**	**46,249,256**
Other operational expenses(*)	(1,913,681)	(3,470,136)	(4,724,424)	(1,021,856)	**(11,130,097)**
Provisions for expected loss and other provisions	(3,536,726)	(166,341)	(3,248,673)	(4,471,567)	**(11,423,307)**
Taxation					**(6,369,681)**
Net profit from continuing operations	**6,236,884**	**5,354,665**	**4,291,857**	**7,812,446**	**17,326,171**
Net profit from discontinued operations					**-**
Net profit for the period	**6,236,884**	**5,354,665**	**4,291,857**	**7,812,446**	**17,326,171**
Year ended 31 December 2022					
Segment assets	170,545,219	96,667,895	75,536,168	249,999,035	**592,748,317**
Subsidiaries and associates					**2,694,327**
Undistributed assets					**29,558,470**
Total assets					**625,001,114**
Segment liabilities	112,307,288	89,528,100	159,173,757	180,188,618	**541,197,763**
Undistributed liabilities					**28,940,375**
Equity					**54,862,976**
Total liabilities and shareholders' equity					**625,001,114**

Year ended 31 December 2021	Wholesale Banking	SME & Agricultural Banking	Retail Banking	Treasury & Other	Total
			(TL, thousands)		
Net interest income	2,449,843	1,756,596	2,189,068	6,590,986	**12,986,493**
Net fees and commission income	552,768	1,332,801	1,847,538	429,818	**4,162,925**
Other income/loss, net	985,074	935,652	865,365	(1,325,306)	**1,460,785**
Total segment income	**3,987,685**	**4,025,049**	**4,901,971**	**5,695,498**	**18,610,203**
Other operational expenses(*)	(1,137,746)	(1,878,150)	(2,504,176)	(564,229)	**(6,084,301)**
Provisions for expected loss and other provisions	(4,656,608)	(2,027,017)	(911,930)	(273,742)	**(7,869,297)**
Taxation					**(1,116,834)**
Net profit from continuing operations	**(1,806,669)**	**119,882**	**1,485,865**	**4,857,527**	**3,539,771**
Net profit from discontinued operations	-	-	-	-	-
Net profit for the period	**(1,806,669)**	**119,882**	**1,485,865**	**4,857,527**	**3,539,771**
Year ended 31 December 2021					
Segment assets	125,668,049	55,434,947	44,525,105	151,453,469	**377,081,570**
Subsidiaries and associates					**1,397,878**
Undistributed assets					**17,404,436**
Total assets					**395,883,884**
Segment liabilities	53,682,820	49,043,367	88,066,303	162,111,850	**352,904,340**
Undistributed liabilities					**13,931,510**
Equity					**29,048,034**
Total liabilities and shareholders' equity					**395,883,884**

(*) It also includes personnel expenses

For the year ended 31 December 2022, Wholesale Banking recorded a net profit of 6,236,884 thousand as compared to a net loss of TL 1,806,669 thousand for the year ended 31 December 2021.

Wholesale Banking's gross operating income increased by 193% as compared to the year ended 31 December 2021, primarily due to net interest income growth. As of 31 December 2022, Wholesale Banking had assets of TL 170,545 million as compared to TL 125,668 million as of 31 December 2021, an increase of 36%, which was primarily due to the increase in the FX rate equivalent of FX loans and the growth in TL loans. As of 31 December 2022, Wholesale Banking had liabilities of TL 112,307 million as compared to TL 53,683 million as of 31 December 2021, an increase of 109%.

For the year ended 31 December 2022, SME & Agricultural Banking recorded a net profit of TL 5,354,665 thousand as compared to a net profit of 119,882 thousand for the year ended 31 December 2021.

SME & Agricultural Banking's gross operating income increased by 123% in the year ended 31 December 2022, as compared to the prior year, primarily due to higher net interest income generation. As of 31 December 2022, SME & Agricultural Banking had assets of TL 96,667,895 thousand as compared to TL 55,434,947 thousand as of 31 December 2021, an increase of 74%, which was primarily due to loan growth driven by SME loans. As of 31 December 2022, SME & Agricultural Banking had liabilities of TL 89,528,100 thousand as compared to TL 49,043,367 thousand as of 31 December 2021, which was primarily due to rise in FX deposits.

For the year ended 31 December 2022, Retail Banking recorded net profit of TL 4,291,857 thousand as compared to a net profit of TL 1,485,865 thousand for the year ended 31 December 2021, an increase of 189%.

Retail Banking's gross operating income increased by 150% for the year ended 31 December 2022, as compared to the prior year, primarily due to a more than double rise in net fees and commissions income. As of 31 December 2022, Retail Banking had assets of TL 75,536,168 thousand as compared to TL 44,525,105 thousand as of 31 December 2021, primarily due to the increase in general purpose and credit card loans. As of 31 December 2022, Retail Banking had liabilities of TL 159,173,757 thousand as compared to TL 88,066,303 thousand as of 31 December 2021, primarily due to significant increase in demand deposits and effect of FX rates increase.

For the year ended 31 December 2022, Treasury & Other recorded net profit of TL 7,812,446 thousand as compared to a net profit of TL 4,857,527 thousand for the year ended 31 December 2021, an increase of 61%. This increase was primarily due to increased net interest income. As of 31 December 2022, Treasury & Other had assets of TL 249,999,035 thousand as compared to TL 151,453,469 thousand as of 31 December 2021, primarily due to the increase in the securities portfolio and also the rise in balances in central bank & other banks. As of 31 December 2022, Treasury & Other had liabilities of TL 180,188,618 thousand as compared to TL 162,111,850 thousand as of 31 December 2021, primarily due to the increase in funds borrowed and bank deposits.

Income Statement Data

The following table sets out selected data from the Issuer's consolidated statement of profit or loss for the years ended 31 December 2022 and 31 December 2021.

	For the year ended 31 December		**Change**
	2022	**2021**	**2021-22**
	(TL, thousands)		*(%)*
Consolidated statement of profit or loss data			
Net interest income	31,651,331	12,986,493	143.7
Net fees and commissions income/expenses	6,619,745	4,162,925	59.0
Gross profit from operating activities	46,249,256	18,610,203	148.5
Expected credit losses	6,976,280	7,572,296	(7.9)
Other operating expenses (inc. personnel expenses)	11,130,097	6,084,301	82.9
Net operating profit	23,695,852	4,656,605	408.9
Net profit	17,326,171	3,539,771	389.5
Total comprehensive income/(loss)	25,814,728	5,955,366	333.5

For the year ended 31 December 2022, the Issuer's net interest income increased by 143.7% to TL 31,651,331 thousand as compared to TL 12,986,493 thousand for the year ended 31 December 2021. This increase was primarily due to enhanced income generation from TL business loans and retail loans. During 2022, the Issuer's net fees and commissions income increased by 59.0%, reaching TL 6,619,745 thousand for the year ended 31 December 2022, as compared to TL 4,162,925 thousand for the year ended 31 December 2021. Net fees and commissions income comprises 30.7 % of the total revenues of the Issuer (sector average is 18.1%) and it covers 88.1% of the operating expenses (sector average is 50.3%) for the year ended 31 December 2022. However, the Issuer's expected credit losses increased as well to TL 6,976,280 thousand for the year ended 31 December 2022 as compared to TL 7,572,296 thousand for the year ended 31 December 2021, a decrease of 7.9%. This was primarily due to better performances in collections and NPL recoveries. The Issuer registered an increase in its net profit for the year ended 31 December 2022 of 389.5%, as net

profit increased to TL 17,326,171 thousand from TL 3,539,771 thousand for the year ended 31 December 2021. This was primarily due to strong performances of both net interest income and non-funded income.

Net Interest Income

The following table sets out the composition of the Issuer's net interest income for the years ended 31 December 2022 and 31 December 2021.

	For the year ended 31 December		Change
	2022	**2021**	**2021-22**
	(TL, thousands)		*(%)*
Interest income	55,226,848	25,225,057	118.9
Interest expenses	23,575,517	12,238,564	92.6
Net interest income	31,651,331	12,986,493	143.7

The Issuer's interest income increased to TL 55,226,848 thousand for the year ended 31 December 2022 as compared to TL 25,225,057 as of 31 December 2021, an increase of 118.9%. This was primarily due to 84.2% increase in interest income from loans and fivefold rise in interest income from securities. The Issuer's interest expenses increased as well for the year ended 31 December 2022, to TL 23,575,517 thousand from TL 12,238,564 thousand as of 31 December 2021, an increase of 92.6%. This was primarily due to higher funding costs driven by deposits. For the year ended 31 December 2022, the Issuer's net interest income increased by 143.7% to TL 31,651,331thousand as compared to TL 12,986,493 thousand for the year ended 31 December 2021.

Gross Profit from Operating Activities

The following table sets out the composition of the Issuer's gross profit from operating activities for the years ended 31 December 2022 and 31 December 2021.

	For the year ended 31 December		Change
	2022	**2021**	**2021-22**
	(TL, thousands)		*(%)*
Net interest income	31,651,331	12,986,493	143.7
Net fees and commissions income/expenses	6,619,745	4,162,925	59.0
Dividend income	39,808	4,215	844.4
Trading profit/loss (net)	5,736,536	597,451	860.2
Other operating income	2,201,836	859,119	156.3
Gross profit from operating activities	46,249,256	18,610,203	148.5

The Issuer's net fees and commissions income increased by 59.0%, reaching TL 6,619,745 thousand for the year ended 31 December 2022, as compared to TL 4,162,925 thousand for the year ended 31 December 2021. This was primarily due to improved payment systems performance supported by revived activity and higher interchange rates, banking service fees and brokerage commissions. Overall, the Issuer's gross profit from operating activities grew to TL 46,249,256 thousand as of 31 December 2022, as compared to TL 18,610,203 thousand as of 31 December 2021, an increase of 148.5%. This was primarily due to boosted net derivative income together with TMU performance and FX income.

Net Operating Profit/Loss

The following table sets out the composition of the Issuer's net operating profit/loss for the years ended 31 December 2021 and 31 December 2020.

	For the year ended 31 December		Change
	2022	**2021**	**2021-22**
	(TL, thousands)		*(%)*
Gross profit from operating activities	46,249,256	18,610,203	148.5
Expected credit losses (-)	6,976,280	7,572,296	(7.9)
Other provision expenses (-)	4,447,027	297,001	1,397.3
Personnel expenses (-)	4,984,073	2,616,198	90.5
Other operating expenses (-)	6,146,024	3,468,103	77.2
Net operating profit/loss	23,695,852	4,656,605	408.9

The Issuer's expected credit losses decreased to TL 6,976,280 thousand for the year ended 31 December 2022 as compared to TL 7,572,296 thousand for the year ended 31 December 2021, a decrease of 7.9%. This was primarily due to the improvement of provisions on stage 1 and stage 2 portfolios. The Issuer's personnel expenses increased for the year ended 31 December 2022 to TL 4,984,073 thousand as compared to TL 2,616,198 thousand as of 31 December 2021. The Issuer's other operating expenses also increased for the year ended 31 December 2022 to TL 6,146,024 thousand as compared to TL 3,468,103 thousand as of 31 December 2021, an increase of 77.2%, higher than the headline inflation, mainly due to depreciation of the Turkish Lira. Overall, the Issuer's net operating profit increased to TL 23,695,852 thousand as of 31 December 2022 as compared to TL 4,656,605 thousand as of 31 December 2021, an increase of 408.9%. This was primarily due to higher net interest income, strong net fees and commissions income and non-funded income.

Consolidated Statement of Financial Position Data

The following table sets out selected data from the Issuer's consolidated statement of financial position as of 31 December 2022 and 31 December 2021.

	For the year ended 31 December		Change
	2022	**2021**	**2021-22**
Consolidated statement of financial position (balance sheet)	*(TL, thousands)*		*(%)*
Total assets	625,001,114	395,883,884	57.9
Total liabilities (excluding equity)	570,138,138	366,835,850	55.4
Shareholders' equity	54,862,976	29,048,034	88.9

As of 31 December 2022, the Issuer had total assets of TL 625,001,114 thousand as compared to TL 395,883,884 thousand as of 31 December 2021, an increase of 57.9%. This was primarily due to loan growth mainly driven by Turkish Lira-denominated loans and CPI linked and fixed rate securities. The Issuer's total liabilities (excluding equity) as of 31 December 2022 were TL 570,138,138 thousand as compared to TL 366,835,850 thousand as of 31 December 2021, an increase of 55.4%, which was primarily due to the rise in deposits.

Total Assets

The following table sets out the composition of the Issuer's total assets as of 31 December 2022 and 31 December 2021.

	As of 31 December		Change
	2022	**2021**	**2021-22**
	(TL, thousands)		*(%)*
Financial assets (net)	231,653,632	144,231,365	60.6
Financial assets measured at amortised cost (net)	18,316,908	7,124,821	157.1
Investments in associates	21,855	13,596	60.7
Tangible assets (net)	4,357,692	2,740,998	59.0
Intangible assets (net)	1,522,786	623,700	144.2
Investment property (net)	709,270	369,625	91.9
Current tax assets	31,187	545,904	(94.3)
Deferred tax assets	4,357,629	3,084,569	41.3
Other assets (net)	18,579,906	10,039,640	85.1
Total assets	625,001,114	395,883,884	57.9

As of 31 December 2022, the Issuer's financial assets were TL 231,653,632 thousand as compared to TL 144,231,365 thousand as of 31 December 2021, an increase of 60.6%. This was primarily due to loan growth mainly driven by TL loans and securities growth led by the CPI linked portfolio. As of 31 December 2022, the Issuer's financial assets measured at amortised cost were TL 18,316,908 thousand as compared to 7,124,821 thousand as of 31 December 2021, an increase of 157.1%. As of 31 December 2022, the Issuer's tangible assets were TL 4,357,692 thousand as compared to TL 2,740,998 thousand as of 31 December 2021, an increase of 59.0%, which is primarily due to property investments. As of 31 December 2022, the Issuer had total assets of TL 625,001,114 thousand as compared to TL 395,883,884 thousand as of 31 December 2021, an increase of 57.9%. This was primarily due to growth in financial assets, particularly cash and cash balances, TL government securities and TL loans. TL gross loans grew by 70%, mainly due to a rise in TL-based business loans and retail lending especially with SME loans and credit card loans. TL securities increased by 421%, primarily due to an approximately 800% growth of CPI linked securities, which have increased in value due to the inflationary environment. Another significant contributor to the growth of TL assets is the compliance of banks with the Liraization Strategy introduced by the Central Bank in 2022 with the aim of increasing the weight of the Turkish Lira in the financial system through non-Lira lending, reserve requirements and security maintenance requirements.

Total Liabilities

The following table sets out the composition of the Issuer's total liabilities as of 31 December 2022 and 31 December 2021.

	As of 31 December		Change
	2022	**2021**	**2021-22**
	(TL, thousands)		*(%)*
Deposits	439,407,011	266,666,303	64.8
Funds borrowed	50,581,504	48,856,307	3.5
Due to money markets	13,481,797	8,048,007	67.5
Securities issued (net)	8,798,726	10,393,630	(15.3)
Derivative financial liabilities	3,421,533	4,459,846	(23.3)

	As of 31 December		Change
	2022	2021	2021-22
	(TL, thousands)		(%)
Lease liabilities	655,923	607,813	7.9
Provisions	10,289,777	3,387,656	203.7
Current tax liabilities	3,177,605	420,715	655.3
Deferred tax liabilities	654,432	161,793	304.5
Subordinated debt	14,561,492	10,484,778	38.9
Other liabilities	25,108,338	13,349,002	88.1
Total liabilities	570,138,138	366,835,850	55.4

As of 31 December 2022, the Issuer's total deposits were TL 439,407,011 thousand as compared to TL 266,666,303 thousand as of 31 December 2021, an increase of 64.8%. This was primarily due to a rise in TL deposits. As of 31 December 2022, the Issuer's funds borrowed were TL 50,581,504 thousand as compared to TL 48,856,307 thousand as of 31 December 2021, an increase of 3.5%. This was primarily due to funding from international loan markets. As of 31 December 2022, the Issuer's liability, "Due to money markets", which consists of borrowings from the interbank money market and repurchase transactions, both of which are short-term in nature, was TL 13,481,797 thousand as compared to TL 8,048,007 thousand as of 31 December 2021, an increase of 67.5%, which was primarily due to funding preferences. As of 31 December 2022, the Issuer's provisions were TL 10,289,777 thousand as compared to TL 3,387,656 thousand as of 31 December 2021, an increase of 203.7%. This was primarily due to the increase in other provisions. The Issuer's total liabilities as of 31 December 2022 were TL 570,138,138 thousand as compared to TL 366,835,850 thousand as of 31 December 2021, an increase of 55.4%. This was primarily due to a 68% growth in deposits. In line with the Central Bank's Liraization Strategy, the Issuer’s TL deposits grew by 194%, mainly driven by a more than double increase in TL time deposits.

Cash Flows Data

The following table sets out selected data from the Issuer's consolidated statement of cash flows for the years ended 31 December 2022 and 31 December 2021.

	For the year ended 31 December	
	2022	2021
	(TL, thousands)	
Consolidated statement of cash flows		
Net cash provided from banking operations	42,790,502	29,108,072
Net cash provided from investing activities	(38,119,714)	(7,521,581)
Net cash flows from financing activities	(7,925,457)	(7,665,317)
Effect of change in foreign exchange rate on cash and cash equivalents	25,648,403	23,536,614
Net increase in cash and cash equivalents	22,393,734	37,457,788
Cash and cash equivalents at beginning of the period	78,357,335	40,899,547
Cash and cash equivalents at the end of the period	100,751,069	78,357,335

Net cash provided from banking operations increased to a cash inflow of TL 42,790,502 thousand for the year ended 31 December 2022 as compared to a cash inflow of TL 29,108,072 thousand for the year ended 31 December 2021. This was primarily due to an increase in deposits. Net cash provided from investing activities increased to a cash outflow of TL 38,119,714 thousand for the year ended 31 December 2021 as compared to a cash outflow of TL 7,521,581 thousand for the year ended 31 December 2021. This was primarily due to purchases of financial assets at fair value through other comprehensive income. Net cash

flows from financing activities increased to a cash outflow of TL 7,925,457 thousand for the year ended 31 December 2022 as compared to a cash outflow of TL 7,665,317 thousand for the year ended 31 December 2021. This was primarily due to loans and various funds from international markets.

TURKISH BANKING SYSTEM

The following information relating to the Turkish banking market has been provided for background purposes only. The information has been extracted from third party sources that the Issuer believes to be reliable but the Issuer has not independently verified such information.

Structural Changes in the Turkish Banking System

The Turkish financial sector has gone through major structural changes as a result of the financial liberalisation programme that started in the early 1980s. The abolition of directed credit policies, liberalisation of deposit and credit interest rates and liberal exchange rate policies as well as the adoption of international best standard banking regulations have accelerated the structural transformation of the Turkish banking sector. Since the 1980s, the Turkish banking sector has experienced a significant expansion and development in the number of banks, employment in the sector, diversification of services and technological infrastructure. The significant volatility in the Turkish currency and foreign exchange markets experienced in 1994, 1998 and 2001, combined with the short foreign exchange positions held by many Turkish banks at those times, affected the profitability and liquidity of certain Turkish banks. In 2001, this resulted in the collapse of several institutions. The banking sector also experienced a sharp reduction in shareholders' equity in 2001, with the capital for 22 private sector banks declining to U.S.$4,916 million at the end of 2001 from U.S.$8,056 million for 28 banks at the end of 2000, according to the Banks Association of Turkey (**BAT**).

The Turkish money markets and foreign exchange markets have stabilised since 2001, in large part due to regulatory reform and other governmental actions (including a three-part audit undertaken in 2001 and 2002, after which all private commercial banks were either found to be in compliance with the 8% minimum capital requirement, transferred to the SDIF or asked to increase their capital level). The transparency of the system has improved along with the establishment of an independent supervisory and regulatory framework and new disclosure requirements. Structural changes undertaken have strengthened the banking sector and resulted in a more level playing field among banks. Certain advantages for state banks were diminished while the efficiency of the system increased in general as a result of consolidation. According to the SDIF's official data, since 1994, a total of 20 private banks have (as at the date of this Base Prospectus) been transferred to the SDIF due to, among other things, weakened financial stability and liquidity.

In August 2004, in an attempt to reduce the regulatory costs inherent in the Turkish banking system, the government reduced the rate of the Resource Utilisation Support Fund (**RUSF**) applicable on short-term foreign currency commercial loans lent by banks domiciled in Turkey to zero; however, the 3% RUSF charge for some types of loans provided by banks outside of Turkey with an average repayment term of less than one year remains valid. In addition, effective from 2 January 2013, RUSF rates for cross-border foreign exchange borrowings extended by financial institutions outside of Turkey with an average maturity of between one to two years changed from 0% to 1% and those with an average maturity of between two to three years changed from 0% to 0.5%, while those with an average maturity of three years or more remained at 0% The government also increased the RUSF charged on interest of foreign currency-denominated retail loans from 10% to 15% in order to curb domestic demand fuelled by credit, which was in turn perceived to be adversely affecting Turkey's current account balance. The Council of Ministers set the RUSF charged on consumer credits to be utilised by real persons (for non-commercial utilisation) at 15% with its decision numbered 2010/974, which was published in the Official Gazette dated 28 October 2010 and numbered 27743 and determined as 6% for imports in terms of acceptance credit, forward letter of credit and cash against goods payment methods with its decision No. 2011/2304, which was published in the Official Gazette dated 13 October 2011 and numbered 28083.

The Turkish Banking Sector

As of December 2022, 58 banks (including domestic and foreign banks, including participation banks, but excluding the Central Bank) were operating in Turkey. Of these banks, 35 (including the Issuer) were deposit banks, 16 were development and investment banks, and 6 were participation banks, which conduct their business under separate legislation in accordance with Islamic banking principles. Among the deposit banks, 3 were state-controlled banks, 8 were private domestic banks, 3 were under the administration of the SDIF and 21 were private foreign banks. On 3 February 2015, the SDIF took over management of Asya Katılım Bankası A.Ş. (**Bank Asya**), a private participation bank. The BRSA announced that this action was taken due to Bank Asya's violation of a provision of the Banking Law that requires banks to have a transparent and open shareholding and organisational structure that does not obstruct the efficient auditing of the bank by the BRSA. On 29 May 2015, the BRSA announced that shareholding rights (except dividends), management and audit of Bank Asya were to be transferred to the SDIF for partial or full transfer, sale or merger of the bank pursuant to Article 71 of the Banking Law, provided that any loss shall be deducted from the shares of the existing shareholders. Following the abolishment of Bank Asya's banking licence by the BRSA, the number of participation banks operating in Turkey decreased to five, and upon BRSA providing license to operate as a participation bank to Türkiye Emlak Katılım Bankası A.Ş. in 2019, the number of participation banks have increased to six.

The Turkish banking sector has seen the establishment of various banks since 2015, along with the removal of banks through mergers or liquidations. The BRSA announced its approval of the establishment and operation of Ziraat Katılım Bankası A.Ş. on 10 October 2014 and 12 May 2015, respectively. In February 2016, the BRSA granted permission to Vakıf Katılım Bankası A.Ş. to start operations as a participation bank. Bank of China Limited acquired the approval of the banking regulator to establish a deposit bank in Turkey with a paid-in capital of U.S.$300 million in May 2016 and transferred the required capital to Turkey in December 2016. Bank of China Türkiye A.Ş. was established on 10 January 2017, its major shareholder being Bank of China Limited. The BRSA approved the operation licence of Bank of China Türkiye A.Ş. on 1 December 2017 and the licence was published in the Official Gazette numbered 30263 and dated 7 December 2017. The BRSA has provided license to operate to Emlak Katılım Bankası A.Ş. as of 26 February 2019. The banking licence of participation bank Asya Katılım Bankası A.Ş. was abolished in July 2016 and the banking licence of The Royal Bank of Scotland plc (trading as NatWest Markets) was abolished in May 2017. In May 2019, the BRSA issued the establishment licence for Golden Global Bank, which was officially established in October 2019 and started operations on 1 June 2020. Golden Global Bank is the first investment bank in Turkey committed to being in accordance with interest-free banking principles. Moreover, Destek Yatırım Bankası A.Ş. and D Yatırım Bankası A.Ş. were given permission with the BRSB decision dated 4 February 2022 and numbered 0412 and 21 May 2021 and numbered 9568, respectively, to establish an investment and development bank with TL 300 million and TL 200 million, respectively. Further, Inveo Yatırım Bankası A.Ş. was given permission with the BRSB decision dated 23 September 2021 and numbered 9814 to establish an investment bank with TL 300 million and Tera Yatırım Bankası A.Ş. was given permission with the BRSB decision dated 27 October 2021 and numbered 9890 to establish an investment and development bank with TL 300 million. Additionally, Hedef Yatırım Bankası A.Ş. was given permission to establish an investment bank with the BRSB decision dated 28 April 2022 and numbered 10189 with TL 500 million. Finally, Q Yatırım Bankası A.Ş. was given permission to establish an investment bank with the BSRB decision on 12 October 2022 and numbered 10379 with TL 500 million.

Since 2001, a number of banks were transferred to the SDIF and eventually removed from the banking system through mergers or liquidations. The table below shows the evolution of the number of banks in the Turkish banking system as of the end of each indicated year, which is as of December:

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number of banks[1]	45	45	45	44	45	45	47	47	47	46	47	47	48	51	52

Source: BAT (www.tbb.org.tr)

Note:

(i) Total number of banks includes deposit-taking banks, investment banks and development banks, but excludes participation banks (Islamic banks).

Additionally, Posta ve Telgraf Teşkilatı Anonim Şirketi provides online banking services, including money transfers, bill payment transactions and consumer loan and credit card payments of contracted banks, excluding collecting deposits and issuing loans according to two BRSA decisions revealed in May 2004 and July 2018.

The Banking Law permits deposit banks to engage in all fields of financial activities, including deposit collection, corporate and consumer lending, foreign exchange transactions, capital market activities and securities trading. Typically, major commercial banks have nationwide branch networks and provide a full range of banking services, while smaller commercial banks focus on wholesale banking. The main objectives of development and investment banks are to provide medium-and long-term funding for investment in different sectors.

Turkish deposit banks' total balance sheets have grown at a CAGR of 26.9% from 31 December 2017 to 31 December 2022, driven by loan book expansion and customer deposits growth, which increased by a CAGR of 23.1% and 30.6%, respectively, between 31 December 2017 and 31 December 2022, in each case according to the BRSA. Despite strong growth of net loans and customer deposits since 2017, the Turkish banking sector remains significantly under-penetrated compared with banking penetration in the Eurozone. Loans/GDP and deposits/GDP ratios of the Turkish banking sector were 74% and 73%, respectively, as of 30 September 2022 according to BRSA data, whereas the EU's banking sector had loan and deposit penetration ratios of 180% and 171%, respectively, as of the same date according to a report published by BAT and based upon the European Central Bank's data.

The following table shows key indicators for the banking sector (deposit banks only) in Turkey as of (or for the period ended on) the indicated dates.

	As of 31 December						
	2017	2018	2019	2020	2021	2022	CAGR
	(TL millions, except CAGR)						
Balance sheet							
Loans	1,869,476	2,088,599	2,308,603	3,091,047	4,152,545	6,517,987	23.1%
Total assets	2,922,704	3,403,305	3,904,022	5,281,462	7,882,809	12,337,664	27.1%
Deposits	1,605,926	1,899,352	2,351,444	3,133,909	4,746,930	7,970,792	30.6%
Shareholders' equity	314,519	367,745	425,808	519,021	613,561	1,227,326	25.5%
Income statement							
Net Interest Income	103,385	133,019	146,242	192,159	236,431	682,763	37.0%
Net Fees and Commission Income	27,167	34,810	46,614	42,124	59,154	118,542	27.8%
Total income	144,955	191,567	219,887	264,988	357,103	1,023,616	38.5%
Net Profit	44,158	47,711	40,986	48,688	77,608	381,896	43.3%
Key ratios							

	As of 31 December						
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**CAGR**
	(TL millions, except CAGR)						
Loans/deposits	120.1%	114.7%	104.2%	103.1%	87.7%	80.8%	—
Net interest margin.....	3.8%	4.0%	4.0%	4.0%	3.9%	8.3%	—
Return on average equity	16.5%	14.9%	11.1%	% 10.9	14.2%	42.3%	—
Capital adequacy ratio...	16.4%	16.9%	18.0%	18.3%	18.0%	19.2%	—

(1) Source: BRSA monthly bulletin (www.bddk.org.tr)

Note:

(ii) CAGR is calculated by dividing the ending value by the initial value, raising the result to the power of one divided by the period length and subtracting one from the subsequent result.

TURKISH REGULATORY ENVIRONMENT

Regulatory Institutions

Turkish banks and branches of foreign banks in Turkey are primarily governed by two regulatory authorities in Turkey, the BRSA and the Central Bank.

The Role of the BRSA

In June 1999, the Banks Act No. 4389 (which has been replaced by the Banking Law) established the BRSA, which is responsible for ensuring that banks observe banking legislation, supervising the application of banking legislation and monitoring the banking system. The BRSA has administrative and financial autonomy.

Articles 82 and 93 of the Banking Law state that the BRSA, having the status of a public legal entity with administrative and financial autonomy, is established in order to ensure application of the Banking Law and other relevant acts, to ensure that savings are protected and to carry out other activities as necessary by issuing regulations within the limits of the authority granted to it by the Banking Law. The BRSA is obliged and authorised to take and implement any decisions and measures in order to prevent any transaction or action that could jeopardise the rights of depositors and the regular and secure operation of banks and/or could lead to substantial damages to the national economy, as well as to ensure efficient functioning of the credit system.

The BRSA has responsibility for all banks operating in Turkey, including development and investment banks, deposit banks, foreign banks and participation banks. The BRSA sets various mandatory ratios such as reserve levels, capital adequacy and liquidity ratios. In addition, all banks must provide the BRSA, on a regular and timely basis, information adequate to permit off-site analysis by the BRSA of such bank's financial performance, including balance sheets, profit and loss accounts, board of directors' reports and auditors' reports. Under current practice, such reporting is required on a daily, weekly, monthly, quarterly and semi-annual basis, depending upon the nature of the information to be reported.

The BRSA conducts both on-site and off-site audits and supervises implementation of the provisions of the Banking Law and other legislation, examination of all banking operations and analysis of the relationship and balance between assets, receivables, equity capital, liabilities, profit and loss accounts and all other factors affecting a bank's financial structure. The BRSA's on-site supervision is conducted through a team of sworn bank auditors and other experts who are employed by the BRSA. In addition, the chairman of the BRSA has the authority to commission independent audit teams to examine specific matters within any bank that the chairman deems appropriate.

Pursuant to the Regulation regarding the Internal Systems and Internal Capital Adequacy Assessment Process of Banks, as issued by the BRSA and published in the Official Gazette dated 11 July 2014 and numbered 29057 (the **ICAAP Regulation**) banks are obligated to establish, manage and develop (for themselves and all affiliates that they consolidate) internal audit, internal control and risk management systems commensurate with the scope and structure of their organisations, in compliance with the provisions of such regulation. Pursuant to such regulation, the internal audit and risk management systems are required to be vested in a department of the bank that has the necessary independence to accomplish its purpose and such department must report to the bank's board of directors. To achieve this, according to the regulation, the internal control personnel cannot also be appointed to work in a role conflicting with their internal control duties. The ICAAP Regulation also requires banks to internally calculate the amount of capital required to cover the risks to which they are or may be exposed on a consolidated basis and with a forward-looking perspective, taking into account the bank's near- and medium-term business and strategic plans. This process, referred to as the "Internal Capital Adequacy Assessment Process," should be designed according to the bank's needs and risk attitude and should constitute an integral part of the decision-making process and

corporate culture of the bank. In this context, each bank is required to prepare an internal capital adequacy assessment process report (the **ICAAP Report**) representing the bank's own assessment of its capital requirements. An ICAAP Report is required to be submitted annually to the BRSA, together with the stress test analysis, the internal audit report on the internal capital adequacy assessment process and the model validation report by the end of March of the following year. The Board of a bank is responsible for maintenance of adequate equity to ensure establishment and implementation of the ICAAP Report.

The Role of the Central Bank

The Central Bank was founded in 1930 and performs the traditional functions of a central bank, including the issuance of bank notes, determining the exchange rate regime in Turkey jointly with the government and to design and implement this regime, maintenance of price stability and continuity, regulation of the money supply, management of official gold and foreign exchange reserves, monitoring of the financial system and advising the government on financial matters. The Central Bank exercises its powers independently of the government. The Central Bank is empowered to determine the inflation target together with the government, and to adopt a monetary policy in compliance with such target. The Central Bank is the only authorised and responsible institution for the implementation of such monetary policy.

The Central Bank has responsibility for all banks operating in Turkey, including deposit banks (and foreign banks. The Central Bank sets mandatory reserve levels. In addition, each bank must provide the Central Bank, on a current basis, information adequate to permit off-site evaluation of its financial performance, including balance sheets, profit and loss accounts, board of directors' reports and auditors' reports. Under current practice, such reporting is required on a daily, weekly, monthly, quarterly and semi-annual basis depending upon the nature of the information to be reported.

Pursuant to amendments introduced to the Banking Law in 2020, the Central Bank has been empowered to determine maximum interest rates for lending and deposit-taking activities of banks, as well as caps on fees, expenses and commissions charged by banks to their clients for any sort of activity. Furthermore, effective from 1 January 2020, the Central Bank has been designated as the new payment and e-money services watchdog of Turkey, replacing the BRSA in accordance with the Law on the Payment Systems and Securities Settlement Systems, Payment Services and Electronic Money Institutions No. 6493.

Banks Association of Turkey

The Banks Association of Turkey is an organisation that provides limited supervision of and coordination among banks (excluding the participation banks) operating in Turkey. All banks (excluding the participation banks) in Turkey are obligated to become members of this association. As the representative body of the banking sector, the association aims to examine, protect and promote its members' professional interests; however, despite its supervisory and disciplinary functions, it does not possess any powers to regulate banking.

Shareholdings

The direct or indirect acquisition by a person of shares that represent 10% or more of the share capital of any bank or the direct or indirect acquisition or disposition of such shares by a person if the total number of shares held by such person increases above or falls below 10%, 20%, 33% or 50% of the share capital of a bank, requires the permission of the Banking Regulation and Supervision Board (the **BRSB**) in order to preserve full voting and other shareholders' rights associated with such shares. In addition, irrespective of the thresholds above, an assignment and transfer of privileged shares with the right to nominate a member to the board of directors or audit committee (or the issuance of new shares with such privileges) is also subject to the authorisation of the BRSB. In the absence of such authorisation, a holder of such thresholds of shares cannot be registered in the share register, which effectively deprives such shareholder of the ability to participate in shareholder meetings or to exercise voting or other shareholders' rights with respect to the shares but not of the right to collect dividends declared on such shares. Additionally, the acquisition or transfer of an amount of shares exceeding the above thresholds of legal persons who, directly or indirectly,

own 10% or more of the capital of a bank are (under the terms and conditions mentioned above) subject to the permission of the BRSA. The BRSA's permission may be given on the condition that the person who acquires the shares possesses the qualifications required for a founder of a bank. In a case in which such shares of a bank are transferred without the permission of the BRSA, the shareholder rights of the legal person stemming from these shares, other than the right to receive dividends, shall be exercised by the SDIF.

The board of directors of a bank is responsible for taking necessary measures to ascertain that shareholders attending general assemblies have obtained the applicable authorisations from the BRSB. If the BRSA determines that a shareholder has exercised voting or other shareholders' rights (other than the right to collect dividends) without due authorisation as described in the preceding paragraph, then it is authorised to direct the Board of a bank to start the procedure to cancel such applicable general assembly resolutions (including by way of taking any necessary precautions concerning such banks within its authority under the Banking Law if such procedure has not been started yet). If the shares are obtained on the stock exchange, then the BRSA may also impose administrative fines on shareholders who exercise their rights or acquire or transfer shares as described in the preceding paragraph without authorisation by the BRSB. In the case that the procedure to cancel such general assembly resolutions is not yet started, or such transfer of shares is not deemed appropriate by the BRSA even though the procedure to cancel such general assembly resolutions is started, then, upon the notification of the BRSA, the SDIF has the authority to exercise such voting and other shareholders' rights (other than the right to collect dividends and priority rights) attributable to such shareholder.

Lending Limits

The Banking Law sets out certain lending limits for banks and other financial institutions designed to protect those institutions from excessive exposure to any one counterparty (or group of related counterparties), in particular:

- Credits extended to a natural person, a legal entity or a risk group (as defined under Article 49 of the Banking Law) in the amounts of 10% or more of a bank's shareholders' equity are classified as large credits and the total of such credits cannot be more than eight times the bank's shareholders' equity. In this context, credits include cash credits and non-cash credits such as letters of guarantee, counter guarantees, sureties, avals, endorsements and acceptances extended by a bank, bonds and similar capital market instruments purchased by it, loans (whether deposits or other), receivables arising from the future sales of assets, overdue cash credits, accrued but not collected interest, amounts of non-cash credits converted into cash and futures and options and other similar contracts, partnership interests and shareholding interests.
- The Banking Law restricts the total financial exposure (including extension of credits, issuance of guarantees, etc.) that a bank may have to any one customer or a risk group directly or indirectly to 25% of its equity capital. In calculating such limit, a credit extended to a partnership is deemed to be extended to the partners in proportion to their liabilities. A risk group is defined as an individual, his or her spouse and children and partnerships in which any one of such persons is a member of a Board or general manager as well as partnerships that are directly or indirectly controlled by any one of such persons, either individually or jointly with third parties, or in which any one of such persons participate with unlimited liability. Furthermore, in the case of a bank, its shareholders holding 10% or more of the bank's voting rights or the right to nominate board members, its board members, general manager and partnerships directly or indirectly, individually or jointly, controlled by any of these persons or a partnership in which these persons participate with unlimited liability or in which these persons act as members of the Board or general managers constitute a risk group, for which the lending limits are reduced to 20% of a bank's equity capital, subject to the BRSB's discretion to increase such lending limits up to 25% or to lower it to the legal limit. Real and legal persons having surety, guarantee or similar relationships where the financial difficulty of one is likely to lead to the financial difficulty of the other are included in the applicable risk groups.

- Loans made available to a bank's controlling shareholders or registered shareholders holding more than 1% of the share capital of the bank and their risk groups may not exceed 50% of the bank's capital equity.

Non-cash loans, futures and option contracts and other similar contracts, avals, guarantees and suretyships, transactions carried out with credit institutions and other financial institutions, transactions carried out with the central governments, central banks and banks of the countries accredited with the BRSA, as well as bills, bonds and similar capital market instruments issued or guaranteed to be paid by them, and transactions carried out pursuant to such guarantees are all taken into account for the purpose of calculation of loan limits within the framework of principles and ratios set by the BRSA.

The BRSA determines the permissible ratio of non-cash loans, futures and options, other similar transactions, avals, acceptances, guarantees and sureties, bills of exchange, bonds and other similar capital markets instruments issued or guaranteed by, and credit and other financial instruments and other contracts entered into with, governments, central banks and banks of the countries accredited with the BRSA for the purpose of calculation of loan limits.

Pursuant to Article 55 of the Banking Law, the following transactions are exempt from the above-mentioned lending limits:

- transactions against cash, cash like assets and accounts and precious metals;
- transactions carried out with the Turkish Treasury, Central Bank, Privatisation Administration and the Mass Housing Administration of Türkiye, Turkey's sovereign wealth fund (Türkiye Varlık Fonu) and its management company (Türkiye Varlık Fonu Yönetimi A.Ş.) as well as the transactions carried out against bills, bonds and similar securities issued or guaranteed by these institutions;
- transactions carried out with the Central Bank and in legally organised money markets;
- in case of new credit allocations, valuations prompted by the changes in currency rates in credits denominated or indexed to foreign currencies, and interests, profit shares and other such issues accrued on overdue credits;
- bonus shares (scrip issues) received as a result of capital increases, and any increase in the value of shares not requiring any fund outflow;
- interbank operations within the framework of the principles set out by the BRSA;
- shares acquired within the framework of underwriting services for public offering activities provided that such shares are disposed of in the time and manner determined by the BRSA;
- transactions considered as "deductibles" in the shareholders' equity account; and
- other transactions to be determined by the BRSB.

In addition, on 21 February 2020, BRSA introduced a requirement to obtain and maintain credit rating notes from authorised credit rating agencies for Turkish companies with an annual gross revenue equal to or above TRY 500,000,000; by no later than 30 June 2021 in order to be able to borrow loans from local banks. BRSA changed this requirement on 10 September 2020 as applicable to Turkish borrowers whose aggregate exposure to the Turkish banking sector (based on the data maintained at the risk centre of the BAT) is equal to or above TRY 500,000,000. BRSA requires these ratings to be updated on an annual basis (and upon occurrence of certain material events) and a summary report in respect of the borrower to be prepared by authorised credit rating agencies. On 27 May 2021, the BRSA further amended the implementation of this application due to the effects of the COVID-19 pandemic, and announced that Turkish borrowers who are required to obtain a credit rating note may continue to utilise loans until 31 December 2021 provided that they have executed an agreement with a licensed credit rating agency until 31 August 2021 and submit their rating note on the date of the first disbursement. Once again on 16 September 2021, the BRSA further amended the implementation of this application due to the effects of the COVID-19 pandemic, and announced that the date for executing an agreement with a licensed credit rating agency determined as 31 August 2021 will be extended to 31 December 2021; however, the companies which will become subject to

this credit rating note obligation after 31 December 2021, will be obliged to submit a document indicating that the rating process by a licenced rating agency is initiated at the date of the loan application. In addition, for utilisation of loans by foreign residents, the credit rating note obligation will not be applied provided that they submit a credit note rated by any eligible external credit assessment institutions (namely Fitch, S&P, Moody's, Japan Credit Rating Agency, Ltd., DBRS Ratings Ltd. and, as of 12 January 2017, International Islamic Rating Agency). On 6 January 2022, the BRSA announced that the companies which will become subject to the credit rating note obligation for borrowing loans (regardless of the date under which they become subject to the credit rating note obligation) are obligated to submit a valid rating note or a document indicating that the rating process by a licenced rating agency is initiated at the date of the loan application. However, due to the two earthquakes with a magnitude of 7.7 and 7.6 (respectively) on the Richter scale that occurred in Kahramanmaraş on 6 February 2023 and affected 10 different cities, on 10 February 2023 the BRSA announced that the banks may not request credit rating notes from obliged companies which are affected by the earthquakes, subject to the banks' own discretion. In addition, on 23 February 2023, the BRSA announced that such provisional measure shall also be applied to the disaster areas effective in general life which shall be determined pursuant to the criteria regulated under the Regulation on the Basic Rules Regarding the Effectiveness of Disasters to General Life.

Loan Loss Reserves

Pursuant to Article 53 of the Banking Law, banks must formulate, implement and regularly review policies regarding compensation for losses that have arisen or are likely to arise in connection with loans and other receivables and to reserve an adequate level of provisions against impairment in the value of other loans, for qualification and classification of loans, receipt of guarantees and securities and measurement of their value and reliability. In addition, such policies must address issues such as monitoring loans, writing down loans according to TFRS and repaying loans (including repayments through restructuring). Banks must also establish and operate systems to perform these functions. All special provisions set aside for loans in accordance with this article are considered expenditures deductible from the corporate tax base in the year they are set aside.

Loans that are written down due to becoming uncollectable after reserving private provisions are considered as uncollectible receivables within the scope of Tax Procedure Law. Procedures relating to loan loss reserves for non-performing loans are set out in Article 53 of the Banking Law and in regulations issued by the BRSA. The Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside published in the Official Gazette No. 26333 on 1 November 2006 was replaced by the Regulation on Provisions and Classification of Loans published in the Official Gazette No. 29750 on 22 June 2016 (the **Provisioning Regulation**). The Provisioning Regulation was issued by the BRSA to ensure compliance with the requirements of IFRS and the Financial Sector Assessment Program (a joint programme of the International Monetary Fund and the World Bank). The Provisioning Regulation requires banks to have adopted Turkish Financial Reporting Standards 9, which is the IFRS 9 compliant financial reporting standards of Turkey, by the end of 2017 unless an exemption is granted by the BRSA. Under the Provisioning Regulation, from 1 January 2018 banks are still required to classify their loans and receivables into groups, but there are certain changes in the criteria of the groups. Group classification and provision levels for periods before and after 1 January 2018 are not directly comparable. Pursuant to the Provisioning Regulation, from 1 January 2018 banks are required to classify their loans and receivables into one of the following groups:

Group I: Loans of a Standard Nature and Other Receivables: This group involves loans (which, for purposes of the Provisioning Regulation, includes other receivables, and shall be understood as such elsewhere in this section):

- that has been disbursed to financially creditworthy natural persons and legal entities with financial creditworthiness;
- the principal and interest payments of which have been structured according to the solvency and cash flow of the debtor;

- repayments of which have been made within due dates or have not been overdue for more than 30 days, for which no repayment problems are expected in the future, and that have the ability to be collected in full without recourse to any security;
- for which no weakening of the creditworthiness of the applicable debtor has been found; and
- to which 12 months expected credit loss reserve applies under TFRS 9.

The terms of a bank's loans and receivables monitored in this group may be modified if such loans and receivables continue to have the conditions envisioned for this group.

On 27 March 2020 (with retroactive effect from 17 March 2020), the BRSA (as part of the measures taken against the impacts of the COVID 19 pandemic) announced a temporary rule (effective until 31 December 2020) replacing "0 days" as referred above with "90 days", resulting in loans remaining categorised as Group I loans longer and then moving into Group into Group II loans at 90 days. On 8 December 2020, the BRSA extended this temporary rule until 30 June 2021, which (on 17 June 2021) was then further extended through 30 September 2021. On 16 September 2021, the BRSA announced that, notwithstanding the expiration of this temporary rule on 30 September 2021: (a) it would still apply to loans that were overdue for more than 31 days but less than 91 days on 1 October 2021, such that these loans will continue to be classified as Group I loans for a period equal in length to the difference between 91 days and the number of days overdue on 1 October 2021; however, if such a loan continues to be overdue following the end date of such period, then it would cease to benefit from this temporary rule and would be classified subject to the Provisioning Regulation, and (b) loans that were overdue for 31 days or less on 1 October 2021 will not benefit from this temporary rule and were to be classified subject to the Provisioning Regulation on 1 October 2021.

Group II: Closely Monitored Loans. This group involves loans:

- that have been disbursed to natural persons and legal entities with financial creditworthiness and where negative changes in the debtor's solvency or cash flow were observed or predicted due to adverse events in macroeconomic conditions or in the sector in which the debtor operates, or other adverse events solely related to the respective debtor;
- that need to be closely monitored due to reasons such as significant financial risk carried by the debtor at the time of the utilisation of the loan;
- in connection with which problems are likely to occur as to principal and/or interest payments in accordance with the conditions of the loan agreement, and where the failure to resolve such problems may result in risk of non-collection in full without recourse to any security;
- where although the credit standing of the debtor has not weakened in comparison with its credit standing on the day the loan is granted, there is likelihood of a weakening due to the debtor's irregular and unmanageable cash flow;
- the collection of principal and/or interest payments of which are overdue for more than 30 but less than 90 days following its payment due date (including the maturity date) for reasons that cannot be interpreted as a weakening in credit standing;
- in connection with which the credit risk of the debtor has notably increased pursuant to TFRS 9;
- the repayments of which are fully dependent upon security and the net realisable value of such security falls under the receivable amount;
- that has been subject to restructuring when monitored under Group I or Group II without being able to be classified as an NPL; or
- that have been subject to restructuring while being monitored as an NPL and classified as a performing loan upon satisfaction of the relevant conditions stated in the regulation

On 27 March 2020 (with retroactive effect from 17 March 2020), the BRSA (as part of the measures taken against the impacts of the COVID 19 pandemic) announced a temporary rule (effective until 31 December

2020) replacing "30 days" as referred above with "90 days", resulting in loans remaining categorised as Group I loans longer and then moving into Group II loans at 90 days. On 8 December 2020, the BRSA extended this temporary rule until 30 June 2021, which (on 17 June 2021) was then further extended through 30 September 2021. On 16 September 2021, the BRSA announced that, notwithstanding the expiration of this temporary rule on 30 September 2021, however, the rule would continue to apply to loans that were overdue for more than 31 days but less than 91 days on1 October 2021, such that these loans will continue to be classified as Group I loans for a period equal in length to the difference between 91 days and the number of days overdue on 1 October 2021; however, if such a loan continues to be overdue following the end date of such period, then it would cease to benefit from this temporary rule and would be classified subject to the 2016 Provisioning Regulation, and (b) loans that were overdue for 31 days or less on 1 October 2021 will not benefit from this temporary rule and were to be classified subject to the Provisioning Regulation on 1 October 2021.

Group III: Loans with Limited Collection Possibility. This group involves loans and other receivables:

- in connection with which the debtor's creditworthiness has weakened;
- that demonstrate limited possibility for the collection of the full amount without recourse to any security due to the insufficiency of net realisable value of the security or the debtor's equity to meet the repayment of the full amount on the due date, and that would likely result in losses in case such problems are not resolved;
- for which the collection of the principal and interest (or both) of which has/have been delayed for more than 90 days but not more than 180 days from payment the due date;
- where the bank is of the opinion that collection of the principal or interest of the loan or both will be delayed for more than 90 days from the payment due date owing to reasons such as the debtor's difficulties in financing working capital or in creating additional liquidity as a result of adverse events in macroeconomic conditions or in the sector in which the debtor operates or other adverse events solely related to the debtor; or
- that have been classified as a performing loan after restructuring but principal and/or interest payments of which have been overdue for more than 30 days within one year of a restructuring or have been subject to another restructuring within such one year of the previous restructuring.

On 17 March 2020, the BRSA (as part of the measures taken against the impacts of the COVID 19 pandemic) implemented a temporary rule (effective until 31 December 2020) replacing "90 days" as referred above with "180 days", resulting in loans remaining categorised as Group II loans longer. As of the date of this Base Prospectus, the temporary rule does not provide any guidance as to classification of loans with payment delays of more than 180 days; *however*, it might be the case that such loans would bypass Group III and become Group IV loans. This temporary rule also suspended the application of the fifth bullet point above through 31 December 2020. On 8 December 2020, the BRSA extended this temporary rule until 30 June 2021, which (on 17 June 2021) was then further extended through 30 September 2021. On 16 September 2021, the BRSA announced that, notwithstanding the expiration of this temporary rule on 30 September 2021: (a) it would still apply to loans that were overdue for more than 91 days but less than 181 days as of 1 October 2021, such that these loans will not become NPLs but be classified as Group II loans for a period equal in length to the difference between 181 days and the number of overdue days on 1 October 2021; however, if such a loan continues to be overdue following the end date of such period, then it would cease to benefit from this temporary rule and would be classified subject to the Provisioning Regulation, and (b) loans that were overdue for less than 181 days but more than 91 days on 1 October 2021 would also benefit from this temporary rule such that these loans will continue to be classified as Group II loans for a period equal in length to the difference between 91 days and the number of days overdue on 1 October 2021; *however*, if such a loan continues to be overdue following the end date of such period, then it would cease to benefit from this temporary rule and would be classified subject to the Provisioning Regulation.

Group IV: Loans with Suspicious Recovery. This group involves loans:

- the principal and/or interest payments of which will probably not be collected in full under the terms of the loan agreement without recourse to any security
- where the debtor's creditworthiness has significantly deteriorated, but which loan is not yet considered as an actual loss by virtue of contribution expected from factors such as merger, the possibility of finding new financing or a capital increase to the debtor's creditworthiness and the collection possibility of the credit;
- the collection of principal and/or interest payments of which has been overdue for more than 180 days but less than one year following any payment due date (including the maturity date); or
- the collection of principal and/or interest payments of which is expected to be overdue for more than 180 days following any payment due date (including the maturity date) as a result of adverse events in macroeconomic conditions or in the sector in which the debtor operates or adverse events solely related to the debtor.

Group V: Loans Having the Nature of Loss. This group involves loans:

- for which, as a result of the complete loss of the debtor's creditworthiness, no collection is expected or only a negligible part of the total receivable amount is expected to be collected;
- although having the characteristics stated in Groups III and IV, the collection of the total receivable amount of which, albeit due and payable, is unlikely within a period exceeding one year; or
- the collection of principal and/or interest payments of which has been overdue for more than one year following its payment due date.

On 6 July 2021, the BRSA amended the Provisioning Regulation such that the portion of the loans classified in Group V, for which loans allowance for credit losses expected throughout their life or special provisions have been set out, and, in respect of which portion there is no reasonable expectation of recovery, is to be written-off under TFRS 9 after the first reporting period (interim period or year-end reporting period) following their classification in Group V, within a period deemed appropriate by the bank specific to the circumstances of the relevant debtor. Accordingly, such bank must set out such period with justifications and have it available for inspection.

Pursuant to Provisioning Regulation, loans: (a) that are classified under Groups III, IV and V, (b) the debtors of which are deemed to have defaulted pursuant to the Communiqué on the Calculation of Principal Subject to Credit Risk by Internal-Ratings Based Approaches (published in the Official Gazette dated 23 October 2015 and numbered 29511) or (c) to which, as a result of debtor's default, the lifetime expected credit loss reserve applies under TFRS 9, are classified as NPLs. Financial guarantees are also classified as NPLs on the basis of their nominal amounts in case where: (i) a risk of a compensation claim by the creditor has occurred or (ii) the debt assumed under the relevant financial guarantee falls within the scope of any of the circumstances stated in limbs (a), (b) or (c) above. If several loans have been extended to a debtor by the same bank and any of these loans is classified as an NPL, then all other loans extended to such debtor by such bank shall also be classified as NPLs; however, for consumer loans, even if any of these loans are classified as an NPL, other consumer loans granted to the same debtor may be classified in the respective applicable group other than Group I. If loans extended to a debtor are classified as an NPL, the creditworthiness of other debtors within the same risk group with that debtor should be evaluated at the date of classification as NPL of that debtor's loans. Accordingly, the loans extended to such other debtors should also be classified as an NPL if such loans fall within the scope of any of the circumstances stated in limbs (a), (b) or (c) above.

On 8 July 2021, the BRSA published amendments to the Regulation on Loan Transactions of Banks, pursuant to which a resolution mechanism and operational plans regarding restructured loans and NPLs are required to be implemented by banks whose gross NPLs are equal to or exceed 0.5% of the total gross NPLs in the Turkish banking sector and send such to the BRSA and establish resolution units until 31 December 2021 (which is extended to 30 June 2022 by the BRSA's decision dated 10 December 2021). On 27 November 2019, the BRSA published an amendment to the Provisioning Regulation which entered into force on the same date. The amendment is effective from 19 July 2019. According to the amendment, if the portion

of loans for which a lifelong expected loan loss provision or a special provision has been set aside due to the debtor's default, and which are classified under Group V, are not reasonably expected to be recovered; such portion of loans may be written down within the scope of TFRS 9 as of the first reporting period (i.e. interim period or year-end reporting period) following their classification under Group V. On 6 July 2021, the BRSA further amended the Provisioning Regulation, pursuant to which banks are allowed to write-down such portion/loan within a period that is deemed appropriate by the bank, provided that the banks justify and record the relevant time period and have the relevant documents available for audit.

The Provisioning Regulation includes detailed rules and criteria in relation to concepts of the "reclassification" and "restructuring" of loans. As for the reclassification of loans, banks are required to evaluate whether such loans should be reclassified under different groups. This evaluation must be made at least once during each three-month financial statement term or (irrespective of this period) upon developments in macroeconomic circumstances or the sector which pose risk on the debtor's performance of its obligations. Such evaluation shall be conducted independently from the credit and risk analysis made at the time of the extension of the loan.

The reclassification of NPLs as performing loans is subject to the following conditions: (a) all overdue repayments that have caused the relevant loan to be classified as NPL have been collected in full without any recourse to any security, (b) as at the date of the reclassification, there has not been any overdue repayment and the last two repayments preceding such date (except the repayments mentioned in clause (a)) have been realised in full by their due date, and (c) conditions for such loans to be classified under Group I or II have been fulfilled. Furthermore, loans that have been fully or partially excluded from the assets of the banks, security for which has been enforced to satisfy the debt or repayment of which has been made in kind, cannot be classified as a performing loan.

The restructuring of a loan is defined as a privilege to a debtor who faces or would probably face financial difficulties in relation to the repayment of the loan. These privileges consist of: (a) amendments to the conditions of the loan agreement or (b) partial or full refinancing of the loan. In this respect, an NPL may be reclassified as a restructured loan under Group II subject to the following conditions: (i) upon evaluation of the financial standing of the debtor, it has been determined that the conditions for the applicable loan to be classified as an NPL have disappeared, (ii) the loan has been monitored as an NPL at least for one year following restructuring, (iii) as at the date of reclassification as a Group II loan, there has not been any delay in principal and/or interest payments nor is there any expectation of any such delay in the future, and (iv) overdue payments and/or principal payments excluded from assets in relation to the restructured loan have been collected. Furthermore, such restructured NPL being reclassified as a performing Group II loan may be excluded from the scope of the restructuring if all the following conditions are met: (A) such loan has been monitored as a restructured loan under Group II at least for one year, (B) at least 10% of the outstanding debt amount has been repaid during such one-year monitoring period, (C) there has not been any delay of more than 30 days in principal and/or interest payments of any loan extended to the applicable debtor during such monitoring period and (D) the financial difficulty that led to the restructuring of the loan no longer exists.

On 6 July 2021, the BRSA introduced amendments to the Provisioning Regulation, pursuant to which banks are required to evaluate the repayment capacity of the debtor before restructuring the loan and restructure the loan to the extent that it is determined by this evaluation that the debtor has appropriate capacity to repay the loan.

Pursuant to the Provisioning Regulation, the general rule is that banks shall apply provisions for their loans pursuant to TFRS 9; however, the BRSA may, on an exceptional basis, authorise a bank to apply the applicable provisions set forth in the Provisioning Regulation instead of those required by TFRS 9, subject to the presence of detailed and acceptable grounds. With respect to the requirements under TFRS 9, "twelve-months expected credit loss reserve" and "lifetime expected credit loss reserve set aside due to significant increase in credit risk profile of the debtor" are considered as general provisions while "lifetime expected credit loss reserve set aside due to debtor's default" is considered a special provision. A Group II Loan which has been subject to restructuring can be reclassified as a Group I Loan by banks who adopted TFRS 9 provided that (i) such loan has been monitored for at least three months, (ii) there has not been a delay more

than thirty days in repayment of the loan and (iii) the financial difficulties causing the restructuring of the loan have been solved.

For non-cash loans, undertakings and derivatives, general provisions to be set aside shall be calculated by applying the foregoing percentages to the risk-weighted amounts determined pursuant to the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks published on 23 October 2015 (the **2015 Capital Adequacy Regulation**). Subject to the presence of a written pledge or assignment agreement, loans secured with cash, deposit, participation funds and gold deposit accounts, bonds that are issued by the Turkish government and the Central Bank and guarantees and sureties provided by such are not subject to the general set aside calculation. Loans extended to the Turkish government and the Central Bank are not to be considered in such calculation.

For both general provisions and special provisions, banks are required to consider country risks and transfer risks. In addition, the BRSA may increase such provision requirements for certain banks or loans taking into account the concentration, from time to time, of matters such as the size, type, due date, currency, interest structure, sector to which loans are extended, geographic circumstances, security and the credit risk level and management.

Pursuant to the Provisioning Regulation, the main principles, among others, with regard to collateral that the banks must consider are as follows:

- The banks can benefit from collateral to minimise the risk that they are exposed to. However, the transactions must be made by primarily taking into account the repayment capacity of the debtor. The collateral provided to the bank must not cause an inaccuracy in the effective evaluation of a client;
- The banks must set forth its collateral management principles and procedures in writing;
- Legal validity and form of the collateral must be examined prior to the establishment of the collateral. In addition, the following criteria regarding the underlying asset must also be taken into consideration:
- Easy determinability or measurability and a reasonable justification of market value;
- Marketability and whether there is a spot market for the disposal of the asset;
- Whether there is a right attached to the asset preventing or restricting its liquidation; and
- Systems required for the management of the asset must be in place;
- Banks must ensure that the collateral is legally valid and the collateral agreement is fully binding;
- Collateralisation of the asset other than those within the scope of the loan conditions must be included in the loan files together with the information on the reason for such collateralisation;
- The collateral must be assessed by persons having sufficient information and expertise. Further, adequate measures to keep the information of market conditions up-to-date must be taken;
- Collateral which is easy to liquidate must be preferred for collateralisation. Also, conformity of currency between the loan and the collateral and price volatility of the asset must be taken into consideration;
- The banks must ensure that relevant units will be able to monitor collateral through a system;
- Collateral must be limited and monitored to avoid any concentration risk; and
- Collateral must be periodically reported to relevant management units.

Regarding the monitoring of security by the banks that have been authorised not to apply provisions under TFRS 9, the Provisioning Regulation increased the number of categories on collaterals (from four to five), amended the content of such categories, and amended the proportions to be deducted, in order to determine the net realisable values of the collaterals, from the borrower's NPLs as follows:

Category	iscount Rate
	(%)
Category I collateral	100
Category II collateral	80
Category III collateral	60
Category IV collateral	40
Category V collateral	20

In case the value of the collateral exceeds the amount of the NPL, the above-mentioned rates of consideration are applied only to the portion of the collateral that is equal to the amount of the NPL. Furthermore, according to the amendments to the Equity Regulation (as defined below) and the 2015 Capital Adequacy Regulation, general provisions are no longer be allowed to be included in the supplementary capital (i.e., Tier 2 capital) of Turkish banks and are deducted from their risk-weighted assets. However, on 24 December 2021, the BRSA revoked these amendments from 1 January 2022. As such, these general provisions are currently included in supplementary capital and are not deducted from a bank's risk-weighted assets.

Capital Adequacy

Article 45 of the Banking Law defines "Capital Adequacy" as having adequate equity against losses that could arise from the risks encountered. Pursuant to the same article, banks must calculate, achieve, perpetuate and report their capital adequacy ratio, which, within the framework of the BRSA's regulations, cannot be less than 8%

The BRSA is authorised to increase the minimum capital adequacy ratio and the minimum consolidated capital adequacy ratio, to set different ratios for each bank and to revise the calculation and notification periods, but must consider each bank's internal systems as well as its asset and financial structures. Both the minimum total capital adequacy ratio and the minimum consolidated capital adequacy ratio for the Group as required by the BRSA is 8 per cent (as at the date of the Base Prospectus). In addition, as a prudential requirement, the BRSA requires a target capital adequacy ratio that is 4% higher than the legal capital ratio of 8 per cent (i.e., 12%).

In order to implement the rules of the report titled "A Global Regulatory Framework for More Resilient Banks and Banking Systems" published by the Basel Committee in December 2010 and revised in June 2011 (i.e., Basel III) into the applicable law in Turkey, the Regulation on Equities of Banks (the "**Equity Regulation**") and amendments to the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks, which entered into force on 1 July 2012 (the "**2012 Capital Adequacy Regulation**") were published in the Official Gazette dated 5 September 2013, numbered 28756 and entered into force on 1 January 2014 and the 2015 Capital Adequacy Regulation entered into force on 31 March 2016. The Equity Regulation defines the capital of a bank as the sum of: (a) principal capital (i.e., Tier 1 capital), which is composed of core capital (i.e., Common Equity Tier 1 capital) and additional principal capital (i.e., additional Tier 1 capital) and (b) supplementary capital (i.e., Tier 2 capital) minus capital deductions. Pursuant to the 2015 Capital Adequacy Regulation (as so amended): (i) both the minimum core capital adequacy ratio and the minimum consolidated core capital adequacy ratio are 4.5% and (ii) both the minimum Tier 1 capital adequacy ratio and the minimum consolidated Tier 1 capital ratio are 6.0%

The BRSA published several new regulations and communiqués or amendments to its existing regulations and communiqués (as published in the Official Gazette No. 29511 dated 23 October 2015 and No. 29599 dated 20 January 2016) in accordance with the Basel Committee's RCAP, which is conducted by the BIS with a view to ensure Turkey's compliance with Basel regulations. These amendments, which entered into force on 31 March 2016, included revisions to the Equity Regulation and the 2015 Capital Adequacy

Regulation. The 2015 Capital Adequacy Regulation maintained the capital adequacy ratios introduced by the former regulation but changes the risk weights of certain items. According to such regulation, only Turkish Lira-denominated claims against the Central Bank continue to be subject to a preferential treatment of 0% risk weight, whereas the risk weights of foreign currency-denominated claims against the Central Bank in the form of required reserves were increased from 0% to 50%. On 16 April 2020, the BRSA published a decision that enables banks to use a 0% risk weight for foreign currency required reserves in the Central Bank.

On the other hand, the 2015 Capital Adequacy Regulation lowered the risk weights of certain assets and credit conversion factors, including reducing: (a) the risk weights of residential mortgage loans from 50% to 35% and (b) the risk weights of consumer loans qualifying as retail loans (*perakende alacaklar*) (excluding residential mortgage loans and credit cards) and instalment payments of credit cards from a range of 100% to 250% (depending upon their outstanding tenor) to 75% (irrespective of their tenor) (on 1 July 2021, the BRSA increased the risk weighting for consumer credit card instalment payments and consumer cash loans (excluding overdraft accounts) issued after 1 July 2021 to a range of 100% to 150% depending upon their tenor); provided that such receivables are not reclassified as NPLs (donuk alacaklar), and (c) the credit conversion factors of commitments for credit cards and overdrafts from 20% to 0%. As at 7 February 2017, the BRSA published a decision that enables banks to use 0% risk weightings for Turkish Lira-denominated exposures guaranteed by the CGF and supported by the Turkish Treasury. On 12 June 2018, the BRSA announced its decision (dated 7 June 2018 and numbered 7841) to amend the per customer total risk limit for loans described in clause (b), which is the upper limit for such loans subjected to the 75% risk weight, from TL 4,200,000 to TL 5,500,000, which was then increased to TL 7,000,000 on 18 January 2019, TL 10,000,000 on 21 December 2021 and TL 20,000,000 on 31 January 2023. In response to the COVID-19 outbreak, the BRSA took the following measures: (i) use 31 December 2019 exchange rates in certain capital and other calculations, which was then revised by the BRSA on 8 December 2020 (and further extended on 17 June 2021 and 16 September 2021) to allow banks to use the Central Bank's buying exchange rate based on the last 252 days before the calculation to calculate the amount subject to credit risk under the 2015 Capital Adequacy Regulation until the BRSA revokes its decision. On 21 December 2021, the BRSA announced that banks shall (if using this approach) use the average of the Central Bank's foreign exchange buying rates during the 252 business days ending on 31 December 2021 and on 28 April 2022, the BRSA amended this rule so that, until such date as determined by the BRSA, banks may use the Central Bank's foreign exchange buying rates as at 31 December 2021 in certain capital and other calculations and on 31 January 2023 the BRSA further amended this rule so that, until such date as determined by the BRSA, banks may use the Central Bank's foreign exchange buying rates as at 30 December 2022 in such calculations); (ii) until 30 June 2021, banks may calculate the equity amount for the capital adequacy ratio calculation under the Equity Regulation by disregarding the negative net valuation differences related to the securities held in their 'Securities whose fair value difference is reflected on other comprehensive income portfolio' as at 23 March 2020 (as per its decision dated 21 December 2021 which ended the suspension other than for the "securities whose fair value difference is reflected in other comprehensive income" were negative as of 21 December 2021 (for "securities after 21 December 2021 whose fair value difference is reflected in other comprehensive income," the relevant provisions of the Equity Regulation will continue to be implemented)); (iii) banks may calculate their net foreign currency position by disregarding the value decrease in the securities they held in their portfolio as at 23 March 2020 until 30 June 2021. The BRSA lifted the measures stated as (ii) and (iii) above on 30 June 2021.

On 1 July 2021, the BRSA increased the risk-weights applicable for personal credit cards and consumer loans provided after such date from 75% to 100% or 150% depending upon the remaining maturity of the relevant receivables. On 28 April 2022, the BRSA increased the risk-weights applicable to commercial cash loans provided after 1 May 2022 from a range of 20 to 150% to 200% provided that the following are excluded: (a) loans provided to SMEs, financial institutions and/or certain governmental authorities and their subsidiaries and (b) export and investment loans, agricultural loans and corporate credit cards. However, on 14 February 2023, as a result of two large earthquakes in Kahramanmaraş on 6 February 2023 that affected 10 different cities, the BRSA announced that such risk-weights shall (until 1 January 2024) not be applied to the personal credit cards and consumer loans and relevant commercial cash loans provided after 6 February 2023 to customers located in the cities affected by the earthquakes. In addition, on 23 February 2023, the BRSA announced that such provisional measure shall also be applied to the disaster areas effective in general

life which shall be determined pursuant to the criteria regulated under the Regulation on the Basic Rules Regarding the Effectiveness of Disasters to General Life.

On 23 June 2022, the BRSA increased the risk weighting for Turkish Lira and foreign exchange-denominated commercial loans to be utilised by Turkish legal or real residents who have performed derivative transactions with non-residents after 23 June 2022 to 500%, regardless of their credit risk reduction technique, mortgage, or credit rating notes. On 7 July 2022, the BRSA announced the Turkish Lira-denominated commercial cash loan utilisation restrictions and obliged relevant companies to submit declarations which shall be approved by certified sworn-in accountants, and determined that if the companies which have been already provided with Turkish Lira-denominated commercial cash loans fail to submit necessary information and documentation on time, or if it is determined that they are subject to the borrowing restrictions within the scope of the decision regarding utilisation of Turkish Lira -denominated commercial cash loans, (i) no new commercial cash loans will be extended to such companies, and (ii) a 500% risk weighting shall apply to Turkish Lira cash loans extended as of 30 June 2022 to such companies, regardless of the method used to calculate the amount subject to credit risk.

On 11 July 2017, subclause (b) of the 9th clause of the Equity Regulation was repealed. In this context, the excess amount mentioned in Article 57 of the Banking Law (i.e., "the total book value of the real property owned by a bank cannot exceed 50% of its capital base"), and the commodity goods and properties that banks acquire due to their receivables (e.g., foreclosed-upon collateral) but have not disposed within three years, are no longer deducted from a bank's capital base.

Amendments to the Equity Regulation introduced certain limitations to the items that are included in the capital calculations of banks that have issued additional Tier 1 and Tier 2 instruments prior to 1 January 2014. According to these amendments, Tier 2 instruments that were issued (among others): (a) between 12 September 2010 and 1 January 2013 (so long as they satisfied the New Tier 2 Conditions other than the condition stated in sub-clause (i) of the New Tier 2 Conditions (i.e., the condition regarding the loss absorption due to the cancellation of a bank's licence or transfer of Management to the SDIF pursuant to Article 71 of the Banking Law)) will be included in Tier 2 calculations after being reduced by 20% for the period between 1 January 2014 and 31 December 2014 and by 10% for each subsequent year (the calculations being made based upon the total amount of the debt instruments as at 1 January 2013) and (b) after 1 January 2013 will be included in Tier 2 calculations only if they satisfy all of the New Tier 2 Conditions.

In 2013, the BRSA published the Regulation on the Capital Conservation and Countercyclical Capital Buffer, which entered into force on 1 January 2014 and provides additional core capital requirements both on a consolidated and unconsolidated basis. Pursuant to this regulation, the additional core capital requirements are to be calculated by the multiplication of the amount of risk-weighted assets by the sum of a capital conservation buffer ratio and bank-specific countercyclical buffer ratio. According to this regulation, the capital conservation buffer for banks was set at 1.250% for 2017, 1.875% for 2018 and 2.500% for 2019. Pursuant to decisions of the BRSA, the countercyclical capital buffer required for Turkish banks' exposures in Turkey was initially set at 0% of a bank's risk-weighted assets in Turkey; however, such ratio might fluctuate between 0% and 2.5% as announced from time to time by the BRSA. Any increase to the countercyclical capital buffer ratio is to be effective one year after the relevant public announcement, whereas any reduction is to be effective as at the date of the relevant public announcement.

In 2013, the BRSA also published the Regulation on the Measurement and Evaluation of Leverage Levels of Banks (which entered into force on 1 January 2014 with the exception of certain provisions that entered into effect on 1 January 2015), seeking to constrain leverage in the banking system and ensure maintenance of adequate equity on a consolidated and unconsolidated basis against leverage risks (including measurement error in the risk-based capital measurement approach).

Under the Equity Regulation, debt instruments and their issuance premia could be included either in additional Tier 1 capital or in Tier 2 capital subject to certain conditions; however, as at 31 March 2016, such amount is required to be reduced (for purposes of calculating capital) by any investment by a Turkish bank in additional Tier 1 or Tier 2 capital of another bank or financial institution holding such Turkish bank's additional Tier 1 or Tier 2 capital, as applicable.

In accordance with Basel III rules, each bank is required to prepare an ICAAP Report representing its own assessment of its capital requirements (see "*Regulatory Institutions*"). See also a discussion of the implementation of Basel III in Turkey under "*Basel Committee – Basel III*".

According to the Equity Regulation, which came into force on 1 January 2014, Tier 2 capital shall be calculated by subtracting capital deductions from general provisions that are set aside for receivables and/or the surplus of provisions and capital deductions with respect to expected loss amounts for receivables (as the case may be, depending upon the method used by the bank to calculate the credit risk amounts of the applicable receivables) and the debt instruments that have been approved by the BRSA upon the application of the Board of Directors of the applicable bank along with a written statement confirming compliance of the debt instruments with the conditions set forth under the Equity Regulation and their issuance premia

On 7 June 2018, the BRSA published the Communiqué on Debt Instruments to be included in the Calculation of Banks' Equity, which sets forth procedures and principles for the write-up and write-down of the debt instruments or loans that are included in the calculation of banks' equity (i.e., additional Tier 1 and Tier 2 capital) as well as procedures and principles related to conversion of such debt instruments into shares. Loans (as opposed to securities) that have been approved by the BRSA upon the application of the Board of Directors of the applicable bank accompanied by a written statement confirming that all of the New Tier 2 Conditions (except for the condition with respect to the CMB approval as indicated in clause (a) of the New Tier 2 Conditions) are met also can be included in Tier 2 capital calculations.

In addition to the conditions that need to be met before including debt instruments and loans in the calculation of Tier 2 capital, the Equity Regulation also provides a limit for inclusion of general provisions to be set aside for receivables and/or the surplus of provisions and capital deductions with respect to expected loss amounts of receivables (as the case may be, depending upon the method used by the Bank to calculate the credit risk amount of such receivables) in Tier 2 capital such that: (a) the portion of general provisions that exceeds 1.25% of the risk-weighted sum of the receivables and/or (b) the portion of surplus of provisions and capital deductions that exceeds six parts per 1,000 of the receivables to which they relate is not taken into consideration.

Furthermore, in addition to the New Tier 2 Conditions stated under the respective legislation, the BRSA may require new conditions for each debt instrument and the procedure and principles regarding the removal of the debt instrument from the bank's records or the debt instrument's conversion to share certificates are determined by the BRSA.

Debt instruments and loans that are approved by the BRSA are included in accounts of Tier 2 capital as at the date of transfer to the relevant accounts in the applicable bank's records. Loan agreements and debt instruments that have been included in Tier 2 capital calculations, and that have less than five years to maturity, shall be included in Tier 2 capital calculations after being reduced by 20% each year.

Basel Committee

Basel II

The most significant difference between the capital adequacy regulations in place before 1 July 2012 and the Basel II regulations is the calculation of risk-weighted assets related to credit risk. The current regulations seek to align more closely the minimum capital requirement of a bank with its borrowers' credit risk profile. The impact of the new regulations on capital adequacy levels of Turkish banks largely stems from exposures to the Turkish government, principally through the holding of Turkish government bonds. While the previous rules provided a 0% risk weight for exposures to the Turkish sovereign and the Central Bank, the rules of Basel II require that claims on sovereign entities and their central banks be risk-weighted according to their credit assessment, which (as at the date of this Base Prospectus) results in a 50% risk weighting for Turkey; however, the Turkish rules implementing the Basel principles in Turkey revised this general rule by providing that all Turkish Lira-denominated claims on sovereign entities in Turkey and the Central Bank shall have a 0% risk weight. According to the 2015 Capital Adequacy Regulation, which entered into force on 31 March 2016, the risk weights of foreign currency-denominated reserves on the Central Bank in the

form of required reserves were increased from 0% to 50%; however, on 24 February 2017, the BRSA published guidance to allow foreign exchange-required reserves held with the Central Bank to be subject to a 0% risk weight. As a result of these implementation rules, the impact of the new regulations has been fairly limited when compared to the previous regime.

Basel III

Turkish banks' capital adequacy requirements have been and might continue to be further affected by Basel III, as implemented by the Equity Regulation, which includes requirements regarding regulatory capital, liquidity, leverage ratio and counterparty credit risk measurements, which are expected to be implemented in phases until 2019. In 2013, the BRSA announced its intention to adopt the Basel III requirements and, as published in the Official Gazette dated 5 September 2013 and numbered 28756, adopted the Equity Regulation and amendments to 2012 Capital Adequacy Regulation, which entered into effect on 1 January 2014. The Equity Regulation introduced core Tier 1 capital and additional Tier 1 capital as components of Tier 1 capital, whereas the amendments to the 2012 Capital Adequacy Regulation: (a) introduced a minimum core capital adequacy standard ratio (4.5%) and a minimum Tier 1 capital adequacy standard ratio (6.0%) to be calculated on a consolidated and non-consolidated basis (which are in addition to the previously existing requirement for a minimum total capital adequacy ratio of 8.0%) and (b) changed the risk weights of certain items that are categorised under "other assets". The Equity Regulation has also introduced new Tier 2 rules and determined new criteria for debt instruments to be included in the Tier 2 capital. In order to further align Turkish banking legislation with Basel principles, the BRSA also amended some of its other regulations and communiqués as published in the Official Gazette dated 23 October 2015, No. 29511 and 20 January 2016, No. 29599, which amendments also entered into force on 31 March 2016. For the amendments related to the leverage ratios and capital adequacy ratio of banks, see "*Capital Adequacy*".

The BIS reviewed Turkey's compliance with Basel regulations within the scope of the Basel Committee's RCAP and published its RCAP assessment report in March 2016, in which Turkey was assessed as compliant with Basel standards.

If the Issuer is unable to maintain its capital adequacy or leverage ratios above the minimum levels required by the BRSA or other regulators (whether due to the inability to obtain additional capital on acceptable economic terms, if at all, sell assets (including subsidiaries) at commercially reasonable prices, or at all, or for any other reason), then this could have a material adverse effect on the Issuer's business, financial condition and/or results of operations.

In February 2016, the BRSA published the a regulation (the **D-SIBs Regulation**) regarding systemically important banks (**D-SIBs**), and introduced additional capital requirements for D-SIBs in line with the requirements of Basel III. The BRSA defines D-SIBs according to their size, complexity and impact on the financial system and economic activity. The banks are classified under four categories based upon a score set by the BRSA and are required to keep additional core Tier 1 capital buffers up to a further 3% buffer for Group IV banks, 2% for Group III, 1.5% for Group II and I% for Group I. In 2017, capital buffer requirements for D-SIBs have been (and are to be) applied as 1.5% for Group IV; 1% for Group III, 0.75% for Group II and 0.5% for Group I and in 2018, these ratios are to be applied as 2.25% for Group IV; 1.5% for Group III, 1.125% for Group II and 0.75% for Group I. According to the D-SIBs Regulation, banks that are identified as D-SIBs are required to keep additional core capital buffers up to a further 3.0% buffer for Group IV banks, 2.0% for Group III, 1.5% for Group II and 1.0% for Group I as at 1 January 2019. The BRSA does not categorise the Issuer as a Domestic Systemically Important Bank. Therefore, the Issuer applies a 0% buffer.

Liquidity and Reserve Requirements

Article 46 of the Banking Law requires banks to calculate, attain, maintain and report the minimum liquidity level in accordance with principles and procedures set out by the BRSA. Within this framework, a comprehensive liquidity arrangement has been put into force by the BRSA, following the consent of the Central Bank.

Pursuant to the Communiqué Regarding Reserve Requirements, the Central Bank imposes different reserve requirements for different currencies and different tenors and adjusts these rates from time to time in order to encourage or discourage certain types of lending.

The reserve requirements also apply to gold deposit accounts. Furthermore, banks are permitted to maintain: (a) a portion of the Turkish Lira reserve requirements in standard gold (however, on 31 December 2022, the Central Bank announced that the facility for holding standard and scrap gold for Turkish Lira reserve requirements will be terminated on 23 June 2023) and (b) a portion or all of the reserve requirements applicable to precious metal deposit accounts in standard gold, which portions are revised from time to time by the Central Bank. In addition, banks are required to maintain their required reserves against their U.S. Dollar-denominated liabilities in U.S. Dollars only.

Furthermore, pursuant to the Communiqué Regarding Reserve Requirements, a bank must establish additional mandatory reserves if its financial leverage ratio falls within certain intervals. The financial leverage ratio is calculated according to the division of a bank's capital into the sum of the following items:

- its total liabilities;
- its total non-cash loans and obligations;
- its revocable commitments multiplied by 0.1;
- the total sum of each of its derivatives commitments multiplied by its respective loan conversion rate; and
- its irrevocable commitments.

This additional mandatory reserve amount is calculated quarterly according to the arithmetic mean of the monthly leverage ratio.

A bank must also maintain reserves for six mandatory reserve periods beginning with the fourth calendar month following an accounting period and additional mandatory reserves for liabilities in Turkish Lira and foreign currency, as set forth below:

Leverage Ratio	**dditional Reserve Requirement**
Below 3.0%	2.0
From 3.0% (inclusive) to 4.0%	1.5
From 4.0% (inclusive) to 5.0%	1.0

Reserve accounts kept in Turkish Lira may be interest-bearing pursuant to guidelines adopted by the Central Bank from time to time according to the reserve requirement manual issued by the Central Bank on 11 April 2014.

Following the amendments to the Communiqué Regarding Reserve Requirements on 9 November 2021, starting from 28 November 2021 and onwards, the reserve requirements for foreign currency liabilities, are as set forth below:

Category of Foreign Currency Liabilities	Required Reserve Ratio
	(%)
Demand deposits, notice deposits, private current accounts, deposit/participation accounts up to one-month, three-month, six-month and one-year maturities	25
Deposit/participation accounts with maturities of one-year and longer	19
Borrowers' deposit accounts held at development and investment banks[(1)]	25
Other liabilities up to one-year maturity (including one-year)	21
Other liabilities up to two-year maturity (including two-year)	16
Other liabilities up to three-year maturity (including three-year).....	11
Other liabilities up to five-year maturity (including five-year)	7
Other liabilities longer than five-year maturity	5

(A) Note:

(1) Due to laws applicable to development and investment banks, the amount deposited in such accounts cannot exceed the total outstanding loan amount extended by the relevant development and investment bank to such borrower.

The reserve requirements starting from 15 January 2023 regarding Turkish Lira liabilities vary by category, as set forth below:

Category of Turkish Lira Liabilities	equired Reserve Ratio
	(%)
Deposits/participation accounts up to three-month maturity (including three-month)	8
Deposits/participation accounts up to six-month maturity (including six-month)	0
Deposits/participation accounts up to one-year maturity	0
Deposits/participation accounts with maturities of one-year and longer.....	0
Borrowers' deposit accounts held at development and investment banks	0
Other liabilities up to one-year maturity (including one-year)	8
Other liabilities up to three-years maturity (including three-years)	5.5
Other liabilities longer than three-year maturity	3
Securities issued by the investment and development banks with more than one year maturity	0

The reserve ratios listed in the table above are subject to change by the Central Bank. From September 2010, reserve accounts held in Turkish Lira are non-interest bearing (reserve accounts in foreign currencies have not been interest bearing since 2008). Pursuant to the Communiqué Regarding Reserve Requirements, interest may accrue on the reserve accounts in accordance with rules and procedures determined by the Central Bank.

On 19 August 2019, with the intention of using reserve requirements more flexibly and effectively as a macroeconomic prudential tool to support financial stability, the Central Bank decided to change the ratio of, and the remuneration applied to, required reserves. Accordingly, the reserve requirement ratios for Turkish Lira liabilities and the remuneration rates for Turkish Lira-denominated required reserves were linked to the annual growth rates of the total of banks' Turkish Lira-denominated standardised cash loans and cash loans under close monitoring, excluding foreign currency-indexed loans and loans extended to banks. For banks whose loan growth is between 10% and 20% (reference values), the reserve requirement ratios for Turkish Lira liabilities in all maturity brackets excluding deposits and participation funds with a maturity of one year or more (excluding deposits/participation funds obtained from banks abroad) and other liabilities with longer than three-year maturity (including deposits/participation funds obtained from banks abroad), were set at 2% The reserve requirement ratios for other banks were left unchanged. Additionally, the then-current remuneration rate of 13% previously applied to Turkish Lira-denominated required reserves were increased to 15% for banks with a loan growth between the reference values and at 5% for others. Under this arrangement, loan growth rates were calculated in each reserve requirement period and the banks whose loan growth was between the reference values were to be subject to the related reserve requirement ratios and remuneration rates in the next three-months (six reserve requirement periods).

On 27 November 2020, the Central Bank (a) revised to 12% per annum the remuneration rate for Turkish Lira-denominated required reserves and (b) reduced the commission rate applied to the reserves maintained against U.S. dollar-denominated deposits and participation fund liabilities from 1.25% to 0%. As a result, from December 2020, the reserve requirement ratios for: (i) deposits and participation funds (excluding those obtained from banks abroad) on demand and with a maturity up to (and including) three months and Turkish Lira-denominated other liabilities (including deposits and participation funds received from banks abroad) with a maturity up to (and including) one year were reduced to 6% per annum from 7% per annum, (ii) foreign currency-denominated deposits and participation funds (excluding deposits and participation funds obtained from banks abroad and precious metal deposit accounts) on demand and with a maturity less than one year were reduced to 19% per annum from 22% per annum, (iii) foreign currency-denominated deposits and participation funds (excluding deposits and participation funds obtained from banks abroad and precious metal deposit accounts) with a maturity of one year or more were reduced to 13% per annum from 18% per annum and (iv) other foreign currency-denominated liabilities (regardless of maturity) were reduced by 3% per annum (to a range of 5 per cent, per annum to 21% per annum).

On 24 February 2021, the Central Bank: (a) increased Turkish Lira reserve requirement ratios by 2.00% for all liability types and maturity brackets, (b) revised portions of the Turkish Lira reserve requirements that Turkish banks are permitted to maintain in U.S. dollars and standard gold and (c) revised to 13.50% the remuneration rate for Turkish Lira-denominated required reserves. These changes became effective from the calculation date of 19 February 2021, with the maintenance period starting on 5 March 2021. On 1 July 2021, the Central Bank: (a) reduced the maximum percentage of Turkish Lira reserves it allows to be held in U.S. dollars from 20% to 10% and terminated the option of Turkish banks to maintain a portion of the Turkish Lira reserve requirements in U.S. dollars as of 1 October 2021, (b) increased the reserve requirement ratios for foreign currency-denominated deposits and participation funds by 200 basis points for all maturity brackets and (c) started to apply remuneration rates from 13.5% to 19.0% per annum for Turkish Lira-denominated reserves of banks depending upon certain conditions, each of which changes became effective from the calculation date of 6 August 2021 (with the maintenance period starting on 19 July 2021). On 15 September 2021, the Central Bank increased reserve requirement ratios for foreign currency-denominated deposits and participation funds and precious metals deposit accounts by 200 basis points for all maturity brackets effective as of 17 September 2021. On 9 November 2021, the Central Bank: (i) further reduced the maximum percentage of Turkish Lira reserves it would allow to be held in standard gold from 15% to 10%. On 31 December 2022, the Central Bank announced that the facility for holding standard and scrap gold for Turkish Lira reserve requirements will be terminated on 23 June 2023) and (ii) increased the reserve requirement ratios for foreign currency deposits/participation funds by a further 200 basis points for all maturity brackets effective from the calculation date of 12 November 2021 (with the maintenance period starting on 28 October 2021). On 31 December 2021, the Central Bank amended the Communiqué Regarding Reserve Requirements to exclude in the calculation of reserve requirements the amounts

converted from foreign exchange deposit/participation funds into Turkish Lira term deposit/participation funds.

On 23 April 2022, the Central Bank amended the Communiqué Regarding Reserve Requirements (effective as of 29 April 2022) to require Turkish banks to establish mandatory reserves for their Turkish Lira-denominated commercial cash loans; provided that the following are excluded: (a) loans provided to SMEs, tradesmen, financial institutions and/or certain governmental authorities and their subsidiaries and (b) export and investment loans, agricultural loans and corporate credit cards. Banks are required to reserve 20% (10% through 23 June 2022) of the relevant commercial loans (as calculated on the last Friday of every four-week period) for a maintenance period of four weeks. However, on 20 August 2022 the Central Bank revoked this application and announced that banks shall establish Turkish Lira-denominated securities at the rate of 30% instead of establishing mandatory reserves at the rate of 20%. In addition, as a provisional application, banks with a growth rate in loans subject to reserve requirements above 20% as of 31 May 2022 compared to 31 December 2021 are required to maintain mandatory reserves between 10 June 2022 and 24 November 2022 at a rate of 20% of the difference between their existing such loan balances on 31 March 2022 and 31 December 2021 (the **Commercial Cash Loan Reserve Requirement**).

Subject to any adjustment based on the regulatory guidance, from 23 December 2022, if a bank's Turkish Lira share of either its total consumer or company deposits is: (a) from 50% to below 60%, then such bank must pay a fee to the Central Bank equal to 3% of the reserves required to be held by it with respect to all of its foreign exchange deposits, or (b) below 50% then such fee rate is increased to 8%. No fees are payable if the relevant share is above 60%.

On 15 January 2023, the Central Bank amended the Communiqué Regarding Reserve Requirements so that (starting with the maintenance period starting on 3 February 2023), the reserve requirement rate for Turkish Lira deposit accounts and participation accounts held by certain customers with maturities longer than three months is 0%, and the securities issued by the investment and development banks with maturities more than 1 year is 0% Additionally, should there be an increase (compared to 6 January 2023, based upon a calculation to be made on the last Friday of every two-week period) in a bank's foreign currency-denominated liabilities with maturities longer than six months provided directly from abroad, the reserve requirement rate for such increased amount is 0% until 22 December 2023.

Macroprudential Measures requiring Maintenance of Securities.

The Central Bank issued the Communiqué on the Maintenance of Turkish Lira Securities for Foreign Currency Liabilities (the name of which was later changed to Communiqué on the Maintenance of Securities) (the **Communiqué on the Maintenance of Securities**) on 10 June 2022. Pursuant to this regulation (as amended on 7 April 2023), effective from 24 June 2022, each Turkish bank is required to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government (including lease certificates issued by Undersecretariat of Treasury Asset Leasing Company) for the foreign currency deposits, participation funds and precious metals accounts held with such bank (excluding those of certain depositors, including the Central Bank itself, the Turkish Treasury, certain other governmental entities, other Turkish banks and non-citizens, and such other deposits/funds/accounts funded by foreign direct investments as determined by the Central Bank) as well as the funds from foreign exchange-denominated repo transactions. Pursuant to amendments to the Communiqué on the Maintenance of Securities made on 7 April 2023, each Turkish bank is required to hold an amount of such securities equal to 10% of the amount of the foreign currency deposits, participation funds and precious metals accounts held by the relevant customers with such bank as well as the funds from foreign exchange-denominated repo transactions; however, if the relevant bank's ratio of Turkish Lira deposits to total deposits is: (a) less than 60%, then such rate is to be increased to 17%, (b) greater than or equal to 60% but less than 70%, then such rate is to be decreased to 5%, and (c) greater than or equal to 70%, then such rate is to be decreased to 3%.

On 20 August 2022 and 31 December 2022, the Central Bank amended the Communiqué on the Maintenance of Securities and the Communiqué Regarding Reserve Requirements to: (a) require Turkish banks to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to 30% of the amount of the securities issued by entities (other than financial

institutions) held by such banks, (b) replace the Commercial Cash Loan Reserve Requirement with a requirement to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to 30% of the amount of such Turkish Lira-denominated commercial cash loans (excluding the loans previously excluded from the Commercial Cash Loan Reserve Requirement as noted above only if such loans are disbursed against expenditures) and (c) provide that if:

(i) a bank's Turkish Lira-denominated commercial cash loan growth (excluding such excluded loans) during each calculation period from 26 August 2022 to 25 November 2022 compared to the previous calculation period was higher than 3%, then such bank is required to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to the amount over such 3%,

(ii) a bank's Turkish Lira-denominated commercial cash loan (excluding such excluded loans) growth as of 30 December 2022 compared to 29 July 2022 is higher than 10%, then such bank is required to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to the amount over such 10% minus the amount already held as required by clause (i), and

(iii) a bank's Turkish Lira-denominated commercial cash loan growth (excluding such excluded loans) during each calculation period from 27 January 2023 to 29 December 2023 compared to the previous calculation period was higher than 3%, then such bank is required to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to the amount over such 3%

Additionally, the 20 August 2022 amendment provides that, for commercial loans extended from 20 August 2022 until 31 December 2022, a Turkish bank is required to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to:

- 20% of the amount of Turkish Lira-denominated commercial cash loans (excluding such excluded loans) extended during such period at an annual compound interest rate from and including 1.4 times to but excluding 1.8 times higher than the Central Bank-released annual compound reference rate (which reference rate is 10.31% for the period between 1 December 2022 and 31 December 2022), and
- 90% of the amount of Turkish Lira-denominated commercial cash loans (excluding such excluded loans) extended during such period at an annual compound interest rate of 1.8 times or more higher than such Central Bank-released annual compound reference rate.

With respect to commercial loans extended from 31 December 2022, banks are required (based upon a calculation to be made on the last Friday of every month) until 29 December 2023 to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to 20% or 90% of the amount of Turkish Lira-denominated commercial cash loans (excluding such excluded loans) extended during such month depending upon their annual compound interest rate.

Also in August 2022, the Central Bank introduced new regulations to increase the share of Turkish Lira-denominated assets in the collateral system and to ensure the maintenance of additional required reserves for foreign currency deposits. Effective as of 2 September 2022, the collateral discount rate for CPI-indexed securities and assets subject to collateral in foreign currency and gold was increased from 50% to 60% and the remuneration rate for Turkish Lira-denominated required reserves was reduced to 0% from 8.5%

On 31 December 2022, as a provisional application to be applied from 31 December 2022 through 29 December 2023 (based upon a calculation to be made on the last Friday of every month), the Central Bank required banks to hold the following additional reserves with the Central Bank: should there be an increase in the positive difference in the sum of a bank's foreign currency deposits, participation funds and funds from foreign exchange-denominated repo transactions minus the amount of loans provided and the related required reserves, reserves in the amount of such increase must be held using long-term Turkish Lira-denominated securities issued by the Turkish government.

Calculation of Liquidity Coverage Ratio

The Regulation on the Calculation of Banks' Liquidity Coverage Ratios (the **Regulation on Liquidity Coverage Ratios**) was published in the Official Gazette No. 28948 and dated 21 March 2014. It aims to ensure that banks maintain an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for a 30 calendar day period. Under the regulation, the liquidity coverage ratios of banks may not fall below 100% on an aggregate basis and 80% on a foreign currency-only basis. Unconsolidated total and foreign currency liquidity coverage ratios cannot be non-compliant more than six times within a calendar year, which includes noncompliance that have already been remedied.

The BRSA decision dated 26 December 2014 provides that a 0% liquidity adequacy ratio limit applies to deposit banks. On 15 August 2017, the BRSA revised from 50% to 100% the ratio of required reserves held with the Central Bank that can be included in liquidity calculations. Unconsolidated total and foreign currency liquidity coverage ratios cannot be non-compliant more than six times within a calendar year, which includes non-compliances that have already been remedied. On 4 February 2022, an amendment to the Regulation on Liquidity Coverage Ratios reduced this ratio back to 50%.

Foreign Exchange Position Requirements

According to the Regulation on Foreign Exchange Net Position/Capital Base issued by the BRSA and published in the Official Gazette dated 1 November 2006 and numbered 26333, for both the unconsolidated and consolidated financial statements, the ratio of a bank's foreign exchange net position to its capital base should not exceed (+/-) 5%, which calculation is required to be made on a weekly basis for unconsolidated and monthly basis for consolidated financial statements. The net foreign exchange position is the difference between the sum of a bank's foreign exchange assets and its foreign exchange liabilities and the Turkish Lira equivalent of such. For the purpose of computing the net foreign exchange position, foreign exchange assets include all active foreign exchange accounts held by a bank (including its foreign branches), its foreign exchange-indexed assets and its subscribed forward foreign exchange purchases; for purposes of computing the net foreign exchange position, foreign exchange liabilities include all passive foreign exchange accounts held by a bank (including its foreign branches), its subscribed foreign exchange-indexed liabilities and its subscribed forward foreign exchange sales. If the weekly arithmetic mean of the ratio of a bank's net foreign exchange position to its capital base exceeds (+/-) 5%, then the bank is required to take steps to move back into compliance within two weeks following the bank's calculation period. Banks are permitted to exceed the legal net foreign exchange position to capital base ratio up to six times per calendar year. With the recent amendments to the Regulation on Foreign Exchange Net Position/Capital Base effective as of 9 March 2023, the weekly arithmetic mean of the ratio of a bank's foreign exchange net position to its capital base increased from (+/-) 5% to (+/-) 10%. In addition, the recent amendments determined that banks should include the general and special provisions set aside pursuant to the Provisioning Regulation for the calculation of the standard ratio of their foreign exchange net position to their capital base.

Further to the amendments to Decree 32, the Central Bank published the Foreign Exchange Positions Regulation in February 2018. Pursuant to the Foreign Exchange Positions Regulation, all companies with foreign currency loans and foreign currency indexed loans of more than U.S.$15 million (or its equivalent in other foreign currencies) utilised from Turkey or from abroad are required to notify the Central Bank. Companies subject to this notification requirement must engage an auditor to conduct an audit and deliver an opinion to the relevant tracking system to be established by the Central Bank.

Audit of Banks

According to Article 24 of the Banking Law, a bank's board of directors is required to establish audit committees for the execution of the audit and monitoring functions of the board of directors. Audit committees shall consist of a minimum of two members and be appointed from among the members of the board of directors who do not have executive duties. The duties and responsibilities of the audit committee include the supervision of the efficiency and adequacy of the bank's internal control, risk management and internal audit systems, functioning of these systems and accounting and reporting systems within the

framework of the Banking Law and other relevant legislation, and integrity of the information produced; conducting the necessary preliminary evaluations for the selection of independent audit firms by the board of directors; regularly monitoring the activities of independent audit firms selected by the board of directors; and, in the case of holding companies covered by the Banking Law, ensuring that the internal audit functions of the institutions that are subject to consolidation operate in a coordinated manner, on behalf of the board of directors.

The BRSA, as the principal regulatory authority in the Turkish banking sector, has the right to monitor compliance by banks with the requirements relating to audit committees. As part of exercising this right, the BRSA reviews audit reports prepared for banks by their independent auditing firms. Banks are required to select an independent audit firm in accordance with the Regulation on Independent Audit of Banks, published in the Official Gazette dated 2 April 2015 and numbered 29314. Independent auditors are held liable for damages and losses to third parties and are subject to stricter reporting obligations. Professional liability insurance is required for: (a) independent auditors and (b) evaluators, rating agencies and certain other support services (if requested by the service-acquiring bank or required by the BRSA). Furthermore, banks are required to consolidate their financial statements on a quarterly basis in accordance with certain consolidation principles established by the BRSA. The year-end consolidated financial statements are required to be audited whereas interim consolidated financial statements are subject to only a limited review by independent audit firms. The ICAAP Regulation established standards as to principles of internal control, internal audit and risk management systems and an internal capital adequacy assessment process in order to bring such regulations into compliance with Basel II requirements.

On 23 October 2015 and 20 January 2016, the BRSA issued certain amendments to the ICAAP Regulation to align the Turkish regulatory capital regime with Basel III requirements imposing new regulatory requirements to enhance the effectiveness of internal risk management and internal capital adequacy assessments by introducing, among other things, new stress test requirements. Accordingly, the board of directors and senior management of a bank are required to ensure that a bank has established appropriate risk management systems and applies an internal capital adequacy assessment process adequate to have capital for the risks incurred by such bank. The ICAAP Report is required to be audited by either the internal audit department or an independent audit firm in accordance with the internal audit procedures of a bank.

All banks (public and private) also undergo annual audits and interim audits by certified bank auditors who have the authority to audit banks on behalf of the BRSA. Audits by certified bank auditors encompass all aspects of a bank's operations, its financial statements and other matters affecting the bank's financial position, including its domestic banking activities and foreign exchange transactions. Additionally, such audits seek to ensure compliance with applicable laws and the constitutional documents of the bank. The Central Bank has the right to monitor compliance by banks with the Central Bank's regulations through on-site and off-site examinations.

The BRSA amended the Regulation on Principles and Procedures of Audits on 23 October 2015 to expand the scope of the audit of banks in compliance with the RCAP Regulation. According to this regulation, the BRSA monitors banks' compliance with the regulations relating to the maintenance of capital and liquidity adequacy for risks incurred or to be incurred by banks and the adequacy and efficiency of banks' internal audit systems.

Cancellation of Banking Licence

If the results of an audit show that a bank's financial structure has seriously weakened, then the BRSA may require the bank's board of directors to take measures to strengthen its financial position. Pursuant to the Banking Law, in the event that the BRSA in its sole discretion determines that:

(a) the assets of a bank are insufficient or are likely to become insufficient to cover its obligations as they become due;

(b) the bank is not complying with liquidity requirements;

(c) the bank's profitability is not sufficient to conduct its business in a secure manner due to disturbances in the relation and balance between expenses and profit;

(d) the regulatory equity capital of such bank is not sufficient or is likely to become insufficient;

(e) the quality of the assets of such bank have been impaired in a manner potentially weakening its financial structure;

(f) the decisions, transactions or applications of such bank are in breach of the Banking Law, relevant regulations or the decisions of the BRSB;

(g) such bank fails to establish internal audit, supervision and risk management systems or to effectively and sufficiently conduct such systems or any factor impedes the audit of such systems;

(h) imprudent acts of such bank's management materially increase the risks stipulated under the Banking Law and relevant legislation or potentially weaken the bank's financial structure; or

(i) for D-SIBs, the precaution plan determined by the BRSA is not implemented promptly, such precautions are unable to cure the applicable weakness or it is determined that such weakness cannot be cured even if such precautions were implemented,

then the BRSA may require the board of directors of such bank:

(i) to increase its equity capital;

(ii) not to distribute dividends for a temporary period to be determined by the BRSA and to transfer its distributable dividend to the reserve fund;

(iii) to increase its loan provisions;

(iv) to stop extension of loans to its shareholders;

(v) to dispose of its assets in order to strengthen its liquidity;

(vi) to limit or stop its new investments;

(vii) to limit its salary and other payments;

(viii) to cease its long-term investments;

(ix) to comply with the relevant banking legislation;

(x) to cease its risky transactions by re-evaluating its credit policy;

(xi) to take all actions to decrease any maturity, foreign exchange and interest rate risks for a period determined by the BRSA and in accordance with a plan approved by the BRSA; and/or

(xii) to take any other action that the BRSA may deem necessary.

In the event that the aforementioned actions are not taken (in whole or in part) by the applicable bank, its financial structure cannot be strengthened despite the fact that such actions have been taken or the BRSA determines that taking such actions will not lead to getting a favourable result, then the BRSB may require such bank to:

(a) strengthen its financial structure, increase its liquidity and/or increase its capital adequacy;

(b) dispose of its fixed assets and long-term assets within a reasonable time determined by the BRSB;

(c) decrease its operational and management costs;

(d) postpone its payments under any name whatsoever, excluding the regular payments to be made to its employees;

(e) limit or prohibit extension of any cash or non-cash loans to certain third persons, legal entities, risk groups or sectors;

(f) convene an extraordinary general assembly in order to change some or all of the members of the board of directors or assign new member(s) to the board of directors, in the event any board member is responsible for a failure to comply with relevant legislation, a failure to establish efficient and sufficient operation of internal audit, internal control and risk management systems or non-operation of these systems efficiently or there is a factor that impedes supervision or such member(s) of the board of directors cause(s) to increase risks significantly as stipulated above;

(g) implement short-, medium- or long-term plans and projections that are approved by the BRSB to decrease the risks incurred by the bank and the members of the board of directors and the shareholders with qualified shares must undertake the implementation of such plan in writing; and/or

(h) to take any other action that the BRSB may deem necessary.

In the event that the aforementioned actions are not taken (in whole or in part) by the applicable bank, the problem cannot be solved despite the fact that the actions have been taken or the BRSA determines that taking such actions will not lead to getting a favourable result, then the BRSB may require such bank to:

(a) limit or cease its business or the business of the whole organisation, including its relations with its local or foreign branches and correspondents, for a temporary period;

(b) apply various restrictions, including restrictions on the interest rate and maturity with respect to resource collection and utilisation;

(c) remove from office (in whole or in part) some or all of its members of the board of directors, general manager and deputy general managers and department and branch managers and obtain approval from the BRSA as to the persons to be appointed to replace them;

(d) make available long-term loans; provided that these will not exceed the amount of deposit or participation accounts subject to insurance, and be secured by the shares or other assets of the controlling shareholders;

(e) limit or cease its non-performing operations and to dispose of its non-performing assets;

(f) merge with one or more other interested bank(s);

(g) provide new shareholders in order to increase its equity capital;

(h) deduct any resulting losses from its own funds; and/or

(i) take any other action that the BRSB may deem necessary.

In the event that: (a) the aforementioned actions are not (in whole or in part) taken by the applicable bank within a period of time set forth by the BRSB or in any case within 12 months, (b) the financial structure of such bank cannot be strengthened despite its having taken such actions, (c) it is determined that taking these actions will not lead to the strengthening of the bank's financial structure, (d) the continuation of the activities of such bank would jeopardise the rights of the depositors and the participation account owners and the security and stability of the financial system, (e) such bank cannot cover its liabilities as they become due, (f) the total amount of the liabilities of such bank exceeds the total amount of its assets or (g) the controlling shareholders or directors of such bank are found to have utilised such bank's resources for their own interests, directly or indirectly or fraudulently, in a manner that jeopardised the secure functioning of the bank or caused such bank to sustain a loss as a result of such misuse, then the BRSA, with the affirmative vote of at least five of its board members, may cancel the operating licence of such bank or, if such bank is not a development and investment bank, transfer the management, supervision and control of the shareholding rights (excluding dividends) of such bank to the SDIF for the purpose of whole or partial transfer or sale of such bank to third persons or the merger thereof; provided that any loss is deducted from the share capital of current shareholders.

Annual Reporting

Pursuant to the Banking Law, Turkish banks are required to follow the BRSA's principles and procedures (which are established in consultation with the Turkish Accounting Standards Board and international accounting standards) when preparing their annual reports, Turkish listed companies must also comply with the Communiqué on Principles of Financial Reporting in Capital Markets issued by the CMB. In addition, they must ensure uniformity in their accounting systems, correctly record all their transactions and prepare timely and accurate financial reports in a format that is clear, reliable and comparable as well as suitable for auditing, analysis and interpretation.

Furthermore, Turkish companies (including banks) are required to comply with the Regulation regarding Determination of the Minimum Content of the Companies' Annual Reports published by the Ministry of Customs and Trade in the Official Gazette numbered 28395 and dated 28 August 2012, as well as the Corporate Governance Communiqué published in the Official Gazette dated 3 January 2014 and numbered 28871, when preparing their annual reports. These reports are required to include the following information: management and organisation structures, human resources, evaluation of the year, information on the bank's corporate governance practices, corporate governance compliance report, assessment of financial standing, profitability and solvency, assessment of management and expectations and a summary of the directors' report and independent auditor's report.

A bank cannot settle its balance sheets without ensuring reconciliation with the legal and auxiliary books and records of its branches and domestic and foreign correspondents.

The BRSA is authorised to take necessary measures where it is determined that a bank's financial statements have been misrepresented.

According to the Communiqué on Financial Reporting Standards in Capital Markets published in the Official Gazette dated 13 June 2013 and numbered 28676 and the BRSA regulations, the chairman of the board, audit committee, general manager, deputy general manager responsible for financial reporting and the relevant unit manager (or equivalent authorities) must sign the reports indicating their full names and titles and declare that the financial report complies with relevant legislation and accounting records.

Independent auditors must approve the annual reports prepared by the banks.

Banks are required to submit their financial reports to related authorities and publish them in accordance with the BRSA's principles and procedures.

According to CMB regulations, the annual report is subject to the approval of the board of directors and must be submitted to shareholders on the Public Disclosure Platform and published on the Bank's website at least three weeks before the annual general assembly of the bank. Pursuant to BRSA regulations, the annual report is subject to the approval of the board of directors and must be submitted to the shareholders at least 15 days before the annual general assembly of the bank. Banks must also submit an electronic copy of their annual reports to the BRSA within seven days following the publication of the reports. Banks must also keep a copy of such reports in their headquarters and an electronic copy of the annual report should be available at a bank's branches in order to be printed and submitted to the shareholders upon request. In addition, they must publish them on their websites by the end of May following the end of the relevant fiscal year.

Amendments to the Regulation on the Principles and Procedures Regarding the Preparation of Annual Reports by Banks, which entered into force on 31 March 2016, require annual and interim financial statements of banks to include explanations regarding their risk management in line with the Regulation on Risk Management to be Disclosed to the Public.

Disclosure of Financial Statements

The BRSA published amendments, which entered into force on 31 March 2016, to the Communiqué on Financial Statements to be Disclosed to the Public setting forth principles of disclosure of annotated financial statements of banks in accordance with the Communiqué on Public Disclosure regarding Risk Management of Banks and the Equity Regulation. The amendments reflect the updated requirements relating to

information to be disclosed to the public in line with the amendments to the calculation of risk-weighted assets and their implications for capital adequacy ratios, liquidity coverage ratios and leverage ratios. Rules relating to equity items presented in the financial statements were also amended in line with the amendments to the Equity Regulation. Furthermore, the changes require publication of a loan agreement of the bank or a prospectus relating to a loan or debt instrument, which will be taken into account in the calculation of the capital of a (parent company) bank as an element for additional principal capital (i.e., additional Tier 1 capital) and supplementary capital (i.e., Tier 2 capital), on the bank's website. In addition, banks are required to make necessary disclosures on their websites immediately upon repayment of a debt instrument, depreciation or conversion of a share certificate or occurrence of any other material change.

In addition, the BRSA published the Communiqué on Public Disclosure regarding Risk Management of Banks, which expands the scope of public disclosure to be made in relation to risk management (entering into force on 31 March 2016) in line with the disclosure requirements of the Basel Committee. According to this regulation, each bank is required to announce information regarding their consolidated and/or unconsolidated risk management related to risks arising from or in connection with securitisation, counterparty, credit, market and its operations in line with the standards and procedures specified in this regulation. In this respect, banks are required to adopt a written policy in relation to its internal audit and internal control processes.

On 15 September 2018, the Ministry of Commerce issued a communiqué that sets forth the procedures and principles relating to the application of Article 376 of the Turkish Commercial Code, which article regulates the measures that Turkish companies (i.e., joint stock companies, limited liability companies and limited partnerships, in which the capital is divided into shares, including financial institutions) are required to adopt in case of loss of capital or insolvency. This new communiqué aims to clarify and complement the remedial actions that can be taken in relation to the treatment of foreign exchange losses in the calculation of the loss of capital or insolvency. As companies in Turkey prepare their financial statements in Turkish Lira, the value of any foreign currency-denominated asset and liability is converted into Turkish Lira based upon the currency rate applicable as of the date of such financial statements; however, until 1 January 2023 (which has been further delayed to 1 January 2024 on 8 November 2022), the communiqué allows companies to disregard any losses arising from the exchange rate volatility of any outstanding foreign currency-denominated liability while making any capital loss or insolvency calculations. As such, companies will not be required to apply any measures set forth in Article 376 of the Turkish Commercial Code to maintain their capital if the relevant loss of capital or insolvency arises from currency fluctuations.

Financial Services Fee

Pursuant to Heading XI of Tariff No. 8 attached to the Law on Fees (Law No. 492) amended by the Law No. 5951, banks are required to pay to the relevant tax office to which their head office reports an annual financial services fee for each of their branches. The amount of the fee is determined in accordance with the population of the district in which the relevant branch is located.

Corporate Governance Principles

On 3 January 2014, the CMB issued the Corporate Governance Communiqué No. II-17.1 replacing the Communiqué on the Determination and Implementation of Corporate Governance Principles Series IV, No. 56 dated 30 December 2011. The Corporate Governance Communiqué provides certain mandatory and non-mandatory corporate governance principles as well as rules regarding related-party transactions and a company's investor relations department. Some provisions of the Corporate Governance Communiqué are applicable to all companies incorporated in Turkey and listed on the BIST, whereas some others are applicable solely to companies whose shares are traded in certain markets of the BIST. The Corporate Governance Communiqué provides specific exemptions and/or rules applicable to banks that are traded on the BIST.

As of the date of this Base Prospectus, the Issuer is subject to the Corporate Governance Principles stated in the banking regulations and the regulations for capital markets that are applicable to banks. Where the Issuer does not comply with any of the non-mandatory principles applicable to it under the Corporate Governance

Communiqué, it will explain any such non-compliance in its annual Corporate Governance Principles Compliance Report, which is published as part of the Issuer's annual report.

The Corporate Governance Communiqué contains principles relating to: (a) companies' shareholders, (b) public disclosure and transparency, (c) the stakeholders of companies and (d) the board of directors. A number of principles are compulsory, while the remaining principles apply on a "comply or explain" basis. The Corporate Governance Communiqué classifies listed companies into three categories according to their market capitalisation and the market value of their free-float shares, subject to recalculation on an annual basis.

The mandatory principles under the Corporate Governance Communiqué include provisions relating to: (a) the composition of the board of directors, (b) appointment of independent board members, (c) board committees, (d) specific corporate approval requirements for related party transactions, transactions that may result in a conflict of interest and certain other transactions deemed material by the Corporate Governance Communiqué and (e) information rights in connection with general assembly meetings.

Listed companies are required to have independent board members, who should meet the mandatory qualifications required for independent board members as set out in the Corporate Governance Communiqué. Independent board members should constitute one-third of the board of directors and should not be fewer than two; however, publicly traded banks are required to appoint at least three independent board members to their board of directors. The members of a bank's audit committee are qualified as independent board members, in which case the above-mentioned qualifications for independent members are not applicable; provided that when all independent board members are selected from the audit committee, at least one member should meet the mandatory qualification required for independent board members as set out in the Corporate Governance Communiqué. The Corporate Governance Communiqué further initiated a pre-assessment system to determine the "independency" of individuals nominated as independent board members in "1 Group and 2 Group" companies (for banks, to the extent such independent board members are not members of that bank's audit committee). Those nominated for such positions must be evaluated by the "Corporate Governance Committee" or the "Nomination Committee", if any, of the board of directors for fulfilling the applicable criteria stated in the Corporate Governance Communiqué. The Corporate Governance Communiqué also requires listed companies, except banks, to establish certain other board committees. The Issuer is classified as a "1 Group" company.

In addition to the mandatory principles regarding the composition of the board and independent board members, the Corporate Governance Communiqué introduced specific corporate approval requirements for all material related party transactions. All such types of transactions shall be approved by the majority of the independent board members. If not, then they shall be brought to the general assembly meeting where related parties to those transactions are not allowed to vote. A meeting quorum shall not be sought for these resolutions and the resolution quorum shall be the simple majority of the attendees who may vote. For banks and financial institutions, transactions with related parties arising from their ordinary activities are not subject to the requirements of related party transactions.

The Capital Markets Law authorises the CMB to require listed companies to comply with the corporate governance principles in whole or in part and to take certain measures with a view to ensure compliance with the new principles, which include requesting injunctions from the court or filing lawsuits to determine or to revoke any unlawful transactions or actions that contradict with these principles.

In addition to the provisions of the Corporate Governance Communiqué related to the remuneration policy of banks, the BRSA published a guideline on good pricing practices in banks on 26 October 2015 (which entered into force on 31 March 2016). This guideline sets out the general principles for employee remuneration as well as standards for remuneration to be made to the board of directors and senior management of banks.

Anti-Money Laundering

Turkey is a member country of the Financial Action Task Force (**FATF**) and has enacted laws to combat money laundering, terrorist financing and other financial crimes. In Turkey, all banks and their employees

are obligated to implement and fulfil certain requirements regarding the treatment of activities that may be referred to as money laundering set forth in Law No. 5549 on Prevention of Laundering Proceeds of Crime.

Minimum standards and duties under such law and related legislation include customer identification, record keeping, suspicious transaction reporting, employee training, monitoring activities and the designation of a compliance officer. Suspicious transactions must be reported to the Financial Crimes Investigation Board.

In an effort to ensure compliance with FATF, measures to combat the financing of terrorist activities in Turkey were introduced with the entry into force of Law No. 6415 on the Prevention of the Financing of Terrorism (the **CFT Law**) on 16 February 2013. In order to address shortcomings identified by the FATF and with a view to achieving compatibility with international standards as outlined under the International Convention for the Suppression of the Financing of Terrorism and annexes thereto, the CFT Law introduced an expanded scope to the financing of terrorism offense (as defined under Turkish anti-terrorism laws). The CFT Law also presented new principles and mechanisms for identifying and freezing terrorist assets and facilitates the implementation of United Nations Security Council decisions, in particular those relating to entities and/or individuals placed on sanction lists. On 31 May 2013, the Regulation on Procedures and Principles Regarding the Application of the Law on the Prevention of the Financing of Terrorism became effective, which regulation provides the procedures and principles for the decision- making, execution and termination of the freezing of assets as well as the management and supervision of frozen assets. In addition, the Council of Ministers' Decree dated 30 September 2013 implementing United Nations Security Council Resolutions 1267, 1988 and 1989 and recent court decisions have further improved Turkey's compliance with the FATF standard on criminalisation of terrorist financing.

On 21 June 2014, "The Financial Crimes Investigation Board General Communiqué No. 12" (the scope of which consists of rules regarding: (a) the necessary actions to be taken by persons, institutions and organisations that keep assets or records of such assets in accordance with the provisions of applicable law for the enforcement of decisions to freeze assets, and (b) the management of frozen assets in accordance with provisions of applicable law within the scope of the permission granted by Financial Crimes Investigation Board) became effective.

Moreover, the Law on Preventing the Financing of the Proliferation of Weapons of Mass Destruction (Law No. 7262) for regulating the procedures and principles regarding the implementation of the sanctions decisions of the United Nations Security Council and preventing the financing of the proliferation of weapons of mass destruction entered into force as of 31 December 2020 pursuant to the Official Gazette dated 31 December 2020 and numbered 31351/5.

These regulations include requirements to have written policies and procedures on anti-money laundering and "know your customer" principles such as, assigning a compliance officer, an audit and review function to test the robustness of anti-money laundering policies and procedures.

Manipulation and Misleading Transactions in Financial Markets

On 20 February 2020, a new market manipulation concept was introduced into Turkish law by way of amendments made to the Banking Law. According to Article 76/A of the Banking Law, manipulation in financial markets will be deemed to occur where a bank within the remit of the Banking Law, by way of undertaking banking activities as set forth under Article 4 of the Banking Law, (i) engages in activities with a view to making or creating artificial, false or misleading demand, supply or foreign exchange rate, (ii) disseminates false or misleading information through various media, including the internet, or (iii) engages in such other activities that would create misleading information for, or would otherwise mislead, investors.

On 7 May 2020, the Regulation on Manipulative and Misleading Transactions in the Financial Markets (the **Manipulation Regulation**) was published in the Official Gazette. The Manipulation Regulation aims to clarify which activities fall within the ambit of the recently introduced manipulation offence, thereby aiming at curbing manipulative transactions that could worsen the current volatility of the Turkish Lira or, otherwise, harm the Turkish economy at large.

Pursuant to the Manipulation Regulation, certain acts performed by banks are deemed to be manipulative and misleading transactions and practices in financial markets. Turkish banks that engage in manipulative and misleading transactions may have a fine imposed of up to 5% of the sum of interest, profit share income, fees and commissions and other income of banking operations specified in the bank's most recent year-end financial statements, with such fine being no less than twice the benefit that such bank has derived from the concerned transaction.

Credit Guarantee Fund (CGF)

The CGF was established pursuant to Decree No. 93/4496 dated 14 July 1993 in order to provide guarantees for SMEs and other enterprises, in particular, to those that are not able to obtain bank loans due to their insufficient collateral. In order to improve financing possibilities and contribute to the effective operation of the credit system, pursuant to provisional Article 20 of the Law regarding the Regulation of Public Financing and Debt Management (Law No. 4749) dated 28 March 2002, resources of up to TL 2 billion could be transferred by the Minister in charge of the Turkish Treasury to the credit guarantee institutions. This amount was increased to TL 25 billion in accordance with the Law No. 6770 dated 18 January 2017. In addition, pursuant to Decree No. 2016/9538 on Treasury Support to be provided to the Credit Guarantee Institutions (published in the Official Gazette No. 29896 and dated 22 November 2016), the CGF guarantees are supported by the Turkish Treasury. Pursuant to an amendment to such Decree published in the Official Gazette dated 30 March 2020, the Turkish Development and Investment Bank was added among the eligible lenders and natural persons were explicitly added as eligible borrowers. On 30 March 2020, in order to address the economic impact of the COVID-19 coronavirus, the amount available under the CGF programme was increased from TL 25 billion to TL 50 billion and the total amount of guarantees that may be given by the CGF was increased from TL 250 billion to TL 500 billion (along with increases in the guarantee limits with respect to individual borrower groups). On 13 August 2022, the total amount of guarantees that may be given by the CGF was increased from TL 500 billion to TL 1 trillion. Additional increases that are tailored to specific sectors have also been implemented.

Pursuant to Presidential Decree No. 162 published in the Official Gazette dated 11 October 2018, loans guaranteed by the Turkish Treasury under the CGF programme may be restructured up to 96 months for working capital loans and up to 156 months for investment loans. Such Presidential Decree also requires lenders to provide an opportunity to borrowers to restructure their CGF-guaranteed loans prior to any recourse to the CGF guarantee.

Foreign Exchange Legislation

F/X Loan Restriction

Decree 32 and the Capital Movements Circular of the Central Bank (**Capital Movements Circular**) have been amended, effective as of 2 May 2018, in order to introduce new restrictions on Turkish resident legal entities utilising foreign currency loans from Turkey and outside of Turkey. While the new regime continues to maintain the existing prohibition on Turkish individuals utilising foreign exchange loans and foreign exchange indexed loans, it further introduces a strict prohibition on Turkish resident non-bank legal entities (**Corporate Borrower**) utilising foreign currency indexed loans and also brings in new restrictions on Corporate Borrowers utilising foreign currency loans (**F/X Loan Restriction**).

Accordingly, a Corporate Borrower shall only be permitted to utilise foreign currency loans if (i) it generates foreign currency-denominated income (which is defined as "the revenue derived from export, transit trade, sales and deliveries considered as export and foreign currency generating activities" in the new legislation, activities which are accepted as foreign currency income and other activities to be approved by the relevant Ministry) (the **F/X Income Exemption**); (ii) the purpose of the loan is to finance an activity that is exempt from the F/X Loan Restriction (the **Activity Exemption**); or (iii) if, as of 2 May 2018, the unpaid outstanding balance of its total foreign currency loans (**Loan Balance**) is more than U.S.$15 million.

As far as the F/X Income Exemption is concerned, if the Loan Balance of a Corporate Borrower is below U.S.$15 million, the sum of the foreign currency loan to be utilised and the existing Loan Balance must not

be more than the combined value of its foreign currency incomes as stated in its financial statements for the last three financial years. The Turkish-resident financial institution lenders are obliged to control whether such Corporate Borrower complies with this rule. In case of any non-compliance with the F/X Loan Restriction rules, the Turkish-resident financial institution lenders are obliged to either cancel or convert into Turkish Lira, the portion of the foreign currency loan that exceeds this value. In case of a breach of Decree 32 and the relevant legislation, an administrative monetary fine may be imposed.

In respect of the Activity Exemption, a legal entity must qualify as a public institution, bank, factoring, financial leasing or financing company resident in Turkey in order to utilise foreign currency loans. In the case of Corporate Borrowers, the Activity Exemption must relate to an activity in the context of, among others, (i) a domestic tender with an international element awarded to such Corporate Borrower; (ii) defence industry projects approved by the Presidency Defence Industry; (iii) public private partnership projects; or (iv) an export, transit trade, sales and related deliveries subject to the relevant Corporate Borrower certifying the scope of its relevant activity and its potential sources of foreign currency incomes (*muhtemel döviz geliri*). In order for a Corporate Borrower to benefit from the Activity Exemption summarised in item (iv), it must not have any foreign currency revenue within the last three financial years (which otherwise, would be subject to the F/X Income Exemption) and the maximum amount of foreign currency loan such Corporate Borrower can utilise is limited to the amount stated in its certified sources of foreign revenue.

The Turkish Treasury is entitled to extend the scope of the Activity Exemption, and has exercised such authority in respect of, among others, privatisation tenders, public tenders awarded with an F/X consideration, renewable energy generation projects within this scope and the F/X loans to be used by fully owned (directly or indirectly) Turkish subsidiaries of foreign companies from other group companies resident abroad. On 8 December 2020, the Turkish Treasury extended the scope of the Activity Exemption by exercising its authority and included the F/X loans to be used by the Turkish resident legal entities which are shareholders of a Turkish resident operating a project established as a public-private cooperation model in order to be added to the capital of the Turkish company operating the project or to be used in the project. On 8 July 2021, the Turkish Treasury limited the scope of the Activity Exemption for the F/X loans used in renewable energy generation projects and determined that the licenced generating plants which have initiated or will initiate their operations after 1 July 2021 and the unlicenced generating plants entitled to obtain a call letter for execution of a connection agreement after 21 June 2018 cannot benefit from the Activity Exemption.

F/X Transaction Restriction

Furthermore, Presidential Decree No. 85 on Amendments to Decree No. 32 published in the Official Gazette numbered 30534 and dated 13 September 2018 amended Decree No. 32 by adding a new Article 4(g) to restrict the F/X transactions between Turkish residents. Following this amendment, Communiqué no. 2018-32/51 on Amendments to Communiqué numbered 2008-32/34, published in the Official Gazette numbered 30557 and dated 6 October 2018 came into force on 6 October 2018 (the **Communiqué**), and it further specifies the scope of the restriction, introduces a number of exemptions, and provides calculation methods for the conversion of existing foreign currency agreements into Turkish Lira. Under this amendment, contract prices and other payment obligations specified in certain types of agreements executed between persons residing in Turkey must now be denominated in Turkish Lira. Accordingly, monetary obligations stipulated in sales and lease agreements for real estate property and vehicles, agreements to commission a work, service agreements (including consultancy, transportation and brokerage agreements) and employment agreements can no longer be determined in foreign currency or indexed to foreign currency, but need to be set in Turkish Lira. Additionally, contract prices of such agreements cannot be determined based on foreign currency-denominated precious metals or similar commodities. On 16 November 2018, the Communiqué and the scope of the exemptions were amended.

Among other exemptions, capital markets instruments (including the Notes) are exempted from this new set of restrictions. Accordingly, the issuance, purchase and sale of capital market instruments in accordance with the Capital Markets Law No. 6362 and its secondary legislation, as well as the determination of obligations in connection therewith, may be denominated in, or indexed to, foreign currency.

In August 2018, the BRSA capped Turkish banks' exposure under swap, spot and forward transactions with foreign entities under which transactions the Turkish bank initially pays Turkish Lira and receives foreign currency to 25% of a bank's regulatory capital, then reduced this level to 10% on 9 February 2020. On 12 April 2020, as part of the government's efforts to contain the possible adverse effects on the Turkish economy of the global uncertainty resulting from the COVID-19 pandemic, the BRSA issued a press release announcing that this level was reduced to 1% In the case of a bank exceeding this level, new transactions may not be executed or renewed until the 1% level (which is calculated on a daily basis) is attained. However, as announced by the BRSA on 25 September 2020, the threshold of the exposure of Turkish banks under FX swap, option, future, forward and other similar derivative transactions with non-residents, where the Turkish bank receive Turkish Lira at the maturity date, was revised once again to 10% of the relevant bank's regulatory capital. Transactions conducted between local banks and their consolidated affiliates located abroad that qualify as a bank or financial institution are exempt from this restriction. In addition, written approval of the BRSA is required in case there needs to be a cancellation or extension of any of these derivatives transactions.

On 18 December 2019, the BRSA announced that the total notional amount of a Turkish bank's currency swaps, forwards, options and other similar products in transactions with non-residents with a remaining maturity of seven days or fewer where, at the maturity date, such bank pays Turkish Lira and receives foreign exchange shall not exceed 10% of such bank's most recently calculated regulatory capital; provided that this restriction does not apply to transactions with a bank's non-Turkish financial subsidiaries and other affiliates that are subject to consolidation. With its press release on 12 April 2020, the BRSA amended this threshold by announcing that transactions with a remaining maturity of seven days or less shall not exceed 1% of the applicable bank's most recently calculated regulatory capital on any given calendar date. Such threshold was applied as 2% for transactions with a remaining maturity of 30 days and 10% for transactions with a remaining maturity of one year or less. However, upon further assessment of the markets, the BRSA announced on 25 September 2020 that such thresholds were revised once again to 2%, 5% and 20%, respectively, for transactions with a remaining maturity of seven days or less, 30 days or less and one year or less. In addition, the BRSA made another announcement on 11 November 2020 and revised such thresholds once again to 5%, 10% and 30%, respectively, for transactions with a remaining maturity of seven days or less, 30 days or less and one year or less.

Consumer Loan, Provisioning and Credit Card Regulations

On 8 October 2013, the BRSA published regulations that aim to limit the expansion of individual loans and payments (especially credit card instalments). The rules: (a) include overdrafts on deposit accounts and loans on credit cards in the category of consumer loans for purposes of provisioning requirements, (b) set a limit for credit cards issued to consumers who apply for a credit card for the first time if their income cannot be determined by the bank, (c) require credit card issuers to monitor cardholders' income levels before each limit increase of the credit card and (d) increase the minimum monthly payment required to be made by cardholders. The Central Bank also adjusts from time to time the monthly cap on individual and commercial credit card interest rates and the commission rates that can be applied by banks for their "acquisition" of vouchers from merchants, any of which changes might make the related business less profitable (or even unprofitable). In addition, pursuant to the Banking Law, the Central Bank is empowered to determine the maximum interest rates for lending and deposit-taking activities of banks, as well as any fees, expenses and commissions charged by them.

Loan Transactions

On 31 December 2013, the BRSA adopted rules on loan-to-value and instalments of certain types of loans and, on 27 September 2016, the BRSA made certain amendments to such rules. Pursuant to these rules, the minimum loan-to-value requirement for housing loans extended to consumers, financial lease transactions for housing and loans (except auto loans) secured by houses is 80% (which was 75% before such amendments), with exceptions for houses that have an energy identification document within the scope of the Energy Efficiency Law No. 5627, for which a higher loan-to-value percentage is applicable. On 19 March 2020, the BRSA (as part of the measures taken against the impacts of the COVID-19 pandemic) published a resolution that increased such loan-to-value requirement to 90% for houses worth TL 500,000 or less;

provided that such loans are made to consumers and are not used for the purchase of autos. In addition, the Regulation on Loan Transactions of Banks sets maximum loan-to-value ratios for auto loans extended to consumers, loans secured by autos and autos leased under financial lease transactions, the loan-to-value limit for which varies depending upon the sales price of the applicable vehicle. On 16 September 2021, the BRSA reduced the overall maturity limit for general purpose loans from 36 months to 24 months for loans over TL 50,000. The BRSA also provided that general purpose loans granted before such date can be restructured, for a maximum of 36 months, if requested by the borrower even if their debt balances are over TL 50,000. According to the regulations announced by the BRSA, the total amount of general purpose loans that have more than 24 months maturity and that have been granted after such date must be limited TL 50,000 per customer and each bank is required to monitor this limit for its own customers.

Caps on Fees, Commissions and POS Commission Rates

The BRSA and Central Bank have issued various laws in late 2019 and early 2020 that impose limitations on certain fees and commissions that Turkish banks may charge to customers. On 16 October 2019, the Central Bank introduced an amendment to cap the commission rates applied by banks in their "point of sale" (POS) business. The Central Bank then issued the Communiqué on Deposit and Loan Interest Rates and Participation Accounts Profit and Loss Participation Rates (the **Communiqué on Deposit and Loan Interest Rates**) and the Communiqué on Procedures and Principles of Fees to be Collected by Banks from Commercial Customers (the **Communiqué on Commercial Customer Fees**), both of which became effective as of 1 March 2020 (for the Communiqué on Commercial Customer Fees, most of the provisions relating to fees became effective as of 1 April 2020) and impose certain such limitations. Pursuant to these communiqués, the caps on POS commission rates for purchases of goods and service were subjected to revision by reference to a monthly reference rate determined by the Central Bank plus a fixed rate set out under the Communiqué on Commercial Customer Fees, which rates are adjusted by taking into account the number of days between the day of a purchase transaction and the day on which the amount from such purchase is transferred by the applicable bank to the applicable merchant. In August 2021, the Central Bank (though increasing the fees that can be charged for ATM usage and commissions that can be collected from the use of POS systems) introduced further limits. The Communiqué on Commercial Customer Fees further sets out standardised fees and caps that are to be charged to commercial customers depending upon the category of the applicable product and service. Turkish banks are required to apply to the Central Bank to charge any fees or commissions to commercial customers other than those listed under the Communiqué on Commercial Customer Fees. These limits include (inter alia) limits on fees for electronic funds transfers, credit allocation fees, credit underwriting fees and prepayment fees. Banks also are required to accept a commercial customer's request for prepayment of all of such customer's credit debt (for which prepayment the bank may charge a prepayment fee subject to certain limitations under the Communiqué on Commercial Customer Fees)

Recent Amendments to the Turkish Insolvency and Restructuring Regime

The Enforcement and Bankruptcy Law No. 2004 (the **Enforcement and Bankruptcy Law**) prevents a contractual arrangement under which a contractual event of default clause is stipulated to be triggered on any application being made by a Turkish company for debt restructuring upon settlement (*uzlaşma yoluyla yeniden yapılandırma*) within the scope of the Enforcement and Bankruptcy Law. In addition, on 15 March 2018, changes were introduced to the Enforcement and Bankruptcy Law including a provision that the contractual termination, default and acceleration clauses of an agreement cannot be triggered by the debtor making a concordat (*konkordato*) application under the Enforcement and Bankruptcy Law and such application not to constitute a breach of such agreement.

On 15 August 2018, the BRSA published the Regulation on Restructuring of Debts in the Financial Sector (the **Restructuring Regulation**) which was amended on 21 November 2018 and 12 September 2019, with a view to regulate a financial restructuring opportunity for Turkish companies that are in financial distress and have entered into loan transactions with: (i) Turkish banks; (ii) financial lease, factoring and financing companies; (iii) banks and financial institutions established outside Turkey; (iv) multilateral banks and institutions which directly invest in Turkey; (v) special purpose companies established by the foregoing institutions for collection of receivables; and/or (vi) investment funds established as per the Capital Market

Law (**Creditor Institutions**). The Restructuring Regulation sets forth the procedures and principles on financial restructuring framework agreement(s) (the **Framework Agreement**) to be executed amongst the Creditor Institutions; and on the respective financial restructuring agreements to be entered into by and between each respective debtor and the relevant Creditor Institutions within the scope of such Framework Agreement(s).

Accordingly, some Creditor Institutions (including most of the Turkish banks) have initially executed a Framework Agreement dated 11 September 2018 (as amended and restated with two respective amendment protocols) which entered into force upon approval of the BRSA on 19 September 2018. Furthermore, implementation of the restructuring for large-scale companies which are financially indebted against banks and financial institutions for an outstanding principal amount of more than TL 25 million has recently been initiated with a Framework Agreement applicable to the Restructuring for the Large-Scale Companies published on the website of the Banks Association of Turkey on 9 October 2019 and which has been signed by 24 Turkish banks and 33 other Turkish financial institutions as of the date hereof. On 8 November 2019, implementation of the restructuring for small-scale companies, for which the respective outstanding principal amounts are lower than TL 25 million, was published and has been signed by 23 Turkish banks and 30 other Turkish financial institutions as of the date hereof.

Turkish Lira Borrowing Restrictions

On 24 June 2022, the BRSA introduced Turkish Lira borrowing restrictions (and further clarified with the press release dated 26 June 2022, the Board Resolution No. 10265 dated 7 July 2022, and the Board Resolution No. 10389 dated 21 October 2022, the **TL Loan Restriction**) for non-financial institution companies that are subject to independent audit. Pursuant to these restrictions, such companies may only borrow Turkish Lira-denominated commercial cash loans from Turkish banks and financial leasing, factoring and financing companies subject to various restrictions depending upon the amount of their foreign currency assets (including (inter alia) gold, foreign currency cash, foreign exchange deposits and foreign currency-denominated securities but excluding foreign currency-denominated securities issued by Turkey itself).

As such, the TL Loan Restriction is applicable to the companies which satisfy each of the following conditions:

- the company must be subject to independent audit (e.g. companies with assets/employees/revenues exceeding specified thresholds, companies holding an EMRA licence, public companies, etc.);
- the company's FX cash assets (including (inter alia) gold, effective FX and FX deposits, and foreign currency-denominated securities except foreign currency-denominated securities issued by Turkey itself) are above TL 10 million in hard currency at the time of loan application; and
- the company's such FX cash assets must be higher than 5% of (a) its total assets; or (b) its net sales revenues in the last year (whichever is higher).

Accordingly, the companies which do not satisfy all of the foregoing conditions will not be subject to the TL Loan Restriction, and will be eligible to borrow new TL cash commercial loans (including swap transactions).

The BRSA has, however, provided an exception for companies who are not permitted to borrow Turkish Lira-denominated commercial cash loans due to this restriction and foreign currency-denominated loans due to other restrictions imposed by applicable laws at the time of the loan application, whereby companies are permitted to borrow Turkish Lira-denominated commercial cash loans in an amount up to the amount of their three month foreign currency net position deficit as declared by the company at the time of loan application and then confirmed by the company's independent auditors or a certified public accountant at the end of every three month period. Where any such companies have entities that consolidate into them, these calculations are made on a consolidated basis (though disregarding non-Turkish entities).

Such companies with such foreign currency assets of less than the above-noted amount are permitted to borrow Turkish Lira-denominated commercial cash loans; provided that they submit a declaration that: (a) their current foreign exchange assets, total assets and net sales revenue for the most recent financial year do

not exceed the relevant thresholds at the time of the loan application and (b) they undertake that the Turkish Lira equivalent of their foreign exchange assets will not exceed such amount (or, if it exceeds such amount, it will not exceed 5% of the higher of their total assets and net sales revenue for the last financial year ending during the term of such loan). In addition, such companies must (every three months) submit to the lending bank(s) a declaration confirmed by their independent auditor or a certified public accountant reaffirming that the above remain true in order to ensure that such bank(s) is/are able to monitor such declaration and undertaking. However, due to the two earthquakes with a magnitude of 7.7 and 7.6 (respectively) on the Richter scale that occurred in Kahramanmaraş on 6 February 2023 and affected 10 different cities, on 10 February 2023 the BRSA announced that such confirmations of the independent auditors or certified public accountants for the loans provided to the companies incorporated in the affected cities between 1 October 2022 and 31 December 2022, may be submitted to the relevant creditor banks until 31 March 2023, and for the loans provided or to be provided to the companies incorporated in the affected cities between 1 January 2023 and 31 March 2023, may be submitted to the relevant creditor banks until 30 June 2023. In addition, on 23 February 2023, the BRSA announced that such provisional measure shall also be applied to the disaster areas effective in general life which shall be determined pursuant to the criteria regulated under the Regulation on the Basic Rules Regarding the Effectiveness of Disasters to General Life.

In addition, (i) TL spot cash commercial loans: (a) in respect of which a contract was signed (but the disbursement had not yet taken place) as of 24 June 2022; and (b) which were disbursed within the week starting on 27 June 2022 will not be subject to the TL Loan Restriction; and the banks are not required to conduct further checks to ensure compliance with the TL Loan Restriction with respect to these loans; and (ii) the companies which will become subject to the requirement to undertake an independent audit for the first time at the year-end of 2022, will not be subject to the TL Loan Restriction.

Additional Regulatory Measures Related to COVID-19

In addition to the other temporary measures described above relating to the government's response to the COVID-19 pandemic, the BRSA announced on 23 March 2020 that (effective until 31 December 2020) and 16 April 2020 certain measures to support banks' calculation of capital adequacy ratios and net foreign currency positions. Pursuant to these temporary rules, banks are entitled to use the 2019 year-end buying exchange rates in certain cases of calculating the Turkish Lira-equivalent amount of loans and other credits subject to credit risk (particularly when making such calculations with respect to cash and non-cash assets, excluding assets in foreign currency measured in historical cost). In addition, these temporary rules allow a bank to: (a) calculate the level of capital used in its capital adequacy ratio calculations by disregarding the negative net valuation differences related to the securities held in its "securities whose fair value difference is reflected in other comprehensive income" portfolio before 23 March 2020, (b) calculate its net foreign currency position by disregarding any decline in value of the securities they held in their portfolio before 23 March 2020 and (c) if the net valuation differences of the securities classified in the "fair value through other comprehensive income" portfolio as of 23 March 2020 are negative, exclude these differences through 31 December 2020 (as per the decision dated 8 December 2020, extended through 30 June 2021, and as per the decision dated 21 December 2021, further extended only for the "securities whose fair value difference is reflected in other comprehensive income" are negative as of 21 December 2021, and as for the "securities whose fair value difference is reflected in other comprehensive income" acquired after 21 December 2021, the relevant provisions of the Regulation on Banks' Equity will continue to be implemented) when calculating such bank's legal equity in accordance with the 2013 Equity Regulation and its capital adequacy ratio. On 16 September 2021 the BRSA announced that until such date as determined by the BRSA, banks may use the average of the Central Bank's foreign exchange buying rates during the 252 business days before the calculation date when calculating the risk-weighted amounts of credit risk exposures and the relevant special provision amounts as per TFRS for both cash and non-cash assets other than assets in foreign currency measured on a historical cost basis instead of using the relevant foreign exchange buying rate as of the calculation date. In addition, on 21 December 2021 the BRSA made another announcement in this regard and determined that as of 1 January 2022, until such date as determined by the BRSA, that banks may use the average of the Central Bank's foreign exchange buying rates during the 252 business days as of 31 December 2021 when calculating the risk-weighted amounts of credit risk exposures and the relevant special provision amounts as per TFRS for both cash and non-cash assets other than assets in foreign

currency measured on a historical cost basis instead of using the relevant foreign exchange buying rate as of the calculation date. On 31 January 2023 the BRSA further amended this rule so that, until such date as determined by the BRSA, banks may use the Central Bank's foreign exchange buying rates as of 30 December 2022 in such calculations. On 5 May 2020, the BRSA imposed a new requirement that certain Turkish Lira transactions (i.e., Turkish Lira-denominated placements, Central Bank reserves, repurchase transactions and loans) performed by a Turkish bank with foreign financial institutions, including this Turkish bank's foreign branches and consolidated foreign subsidiaries regarded as credit institutions and financial institutions, are limited to 0.5% of such Turkish bank's latest calculated shareholders' equity (as calculated on a bank-only basis) as reported to the BRSA on a monthly basis (the **TRY Outflow Restriction**). This limit is increased to 2.5% from 0.5% on 30 November 2020 by the BRSA. If a Turkish bank exceeds such limit, then such bank is not allowed to enter into any new such transactions (or renew any existing such transactions upon their maturity) until such bank is in compliance with this limit. On 20 May 2020, the BRSA declared that any such transactions that clear through Euroclear or Clearstream, Luxembourg are not to be included in the numerator of such calculation. This new measure aims to increase the efficient use of Turkish Lira resources, primarily to satisfy the financing needs of the public and private sectors, which measure is expected to be effective until the extraordinary conditions that exist due to the COVID-19 pandemic have ceased. On 28 July 2020, the BRSA clarified that the exemption set forth on 20 May 2020 will be limited only to the clearing activities of securities denominated in Turkish Lira carried out at domestically or abroad; and exempted from the restrictions on access to Turkish Lira, the swap transactions with Turkish Lira purchase in maturity (where in the first leg of the swap transaction, receives Turkish Lira in exchange for foreign currency) carried out with the domestic bank reported as the account operator in the over-the-counter or in Borsa İstanbul foreign exchange swap market and short term funding operations of them to be made to the Turkish Lira accounts owned by foreign residents, provided that it is limited to the clearing activities of securities denominated in Turkish Lira issued by domestic and foreign residents. On 6 August 2020, the BRSA announced new exemptions to the TRY Outflow Restriction in favour of all foreign banks (save for international development banks, which continue to be subject to the broader exemption regime set out under the BRSA Resolution dated 28 July 2020). Accordingly, foreign banks may enter into the following transactions without being subject to the TRY Outflow Restriction:

- FX swap trades, under which the foreign bank buys Turkish Lira in exchange of foreign currency at the initial exchange date (i.e. where the foreign bank will sell TL at the maturity date);
- swap trades entered into in the Borsa İstanbul FX swap market, where the foreign bank buys Turkish Lira in exchange of foreign currency at the initial exchange date;
- repo and reverse repo transactions in the Borsa İstanbul Repo market; and
- TL-denominated deposits with Turkish banks,

provided, in each case that (i) the foreign bank may only use any Turkish Lira received from Turkish banks as a result of such transactions towards investing in Turkish Lira-denominated securities, and must park any excess Turkish Lira liquidity into accounts held with Turkish banks, and (ii) the relevant foreign bank must give an undertaking to the Turkish counterparty bank with respect to the intended use of Turkish Lira proceeds and obtain the BRSA's prior approval in this respect. On 30 November 2020, the BRSA further exempted from this calculation overdraft facilities extended to foreign financial institutions. This new measure aims to increase the efficient use of Turkish Lira resources and is expected to be effective until the extraordinary conditions that exist due to the COVID-19 pandemic have ceased.

Additionally, on 30 March 2020, in a bid to support SMEs and other Turkish businesses during the COVID-19 pandemic, the CGF guarantee scheme was expanded with further support from the Turkish Treasury. Accordingly, the amount available under the CGF programme has been increased from TL 25 billion to TL 50 billion and the total value of guarantees that may be given by the CGF was increased from TL 250 billion to TL 500 billion.

Additional Regulatory Measures for Donations Related to Earthquakes Occurred on 6 February 2023

To support the donations to be made in relation to the two earthquakes with a magnitude of 7.7 and 7.6 (respectively) on the Richter scale that occurred in Kahramanmaraş on 6 February 2023 and affected 10 different cities, on 17 February 2023, the Presidency of Turkey has published the Presidential Decree numbered 124 and determined that the donations to be made by the banks throughout the state of emergency shall not be subject to the limitation set under the Article 59 of the Banking Law.

TAXATION

General

Prospective purchasers of Notes are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence or domicile, of a purchase of Notes, including, but not limited to, the consequences of receipt of payments under the Notes and their disposal or redemption.

Certain Turkish Tax Considerations

The following discussion is a summary of certain Turkish tax considerations relating to an investment by a person who is a non-resident of Turkey in notes of a Turkish company issued abroad. The discussion is based upon current law and is for general information only. The discussion below is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership or disposition of the Notes that may be relevant to a decision to make an investment in the Notes. Furthermore, the discussion only relates to the beneficial interest of a person in the Notes where the Notes will not be held in connection with the conduct of a trade or business through a permanent establishment in Turkey. Each investor should consult its own tax advisers concerning the tax considerations applicable to its particular situation. This discussion is based upon laws and relevant interpretations thereof in effect as of the date of this Prospectus, all of which are subject to change, possibly with a retroactive effect. In addition, it does not describe any tax consequences: (a) arising under the laws of any taxing jurisdiction other than Turkey or (b) applicable to a resident of Turkey or a permanent establishment in Turkey resulting either from the existence of a fixed place of business or appointment of a permanent representative.

For Turkish tax purposes, a legal entity is a resident of Turkey if its corporate domicile is in Turkey or its effective place of management is in Turkey. A resident legal entity is subject to Turkish taxes on its worldwide income, whereas a non-resident legal entity is only liable for Turkish taxes on its trading income made through a permanent establishment or on income otherwise sourced in Turkey.

An individual is a resident of Turkey if such individual has established domicile in Turkey or stays in Turkey more than six months in a calendar year. On the other hand, foreign individuals who stay in Turkey for six months or more for a specific job or business or particular purposes that are specified in the Turkish Income Tax Law may not be treated as a resident of Turkey, depending on the characteristics of their stay. A resident individual is liable for Turkish taxes on his or her worldwide income, whereas a non-resident individual is only liable for Turkish taxes on income sourced in Turkey.

Income from capital investment is sourced in Turkey when the principal is invested in Turkey. Capital gain is considered sourced in Turkey when the activity or transaction generating such income is performed or accounted for in Turkey. The term "accounted for" means that a payment is made in Turkey, or if the payment is made abroad, it is recorded in the books in Turkey or apportioned from the profits of the payer or the person on whose behalf the payment is made in Turkey.

Any withholding tax levied on income derived by a non-resident person is the final tax for the non-resident person and no further declaration is required. Any other income of a non-resident person sourced in Turkey that has not been subject to withholding tax will be subject to taxation through declaration where exemptions are reserved.

Interest paid on notes (such as the Notes) issued abroad by Turkish corporates is subject to withholding tax. Through the Tax Decrees, the withholding tax rates are set according to the original maturity of notes issued abroad as follows:

- 7 per cent. withholding tax for notes with an original maturity of less than one year,

- 3 per cent. withholding tax for notes with an original maturity of at least one year and less than three years, and

- 0 per cent. withholding tax for notes with an original maturity of three years and more.

Interest income derived by a resident corporation or individual is subject to further declaration and the withholding tax paid can be offset from the tax calculated on the tax return. For resident individuals, the entire gain is required to be declared if the interest income derived exceeds TL 150,000 for 2023 together with the gains from other marketable securities and income from immovable property that were subjected to withholding. For resident corporations, the total interest income is subject to declaration.

In general, capital gains are not taxed through withholding tax and therefore any capital gain sourced in Turkey with respect to the Notes may be subject to declaration. However, pursuant to Provisional Article 67 of the Turkish Income Tax Law, as amended by the Law numbered 6111, special or separate tax returns will not be submitted for capital gains from the notes of a Turkish corporate issued abroad when the income is derived by a non-resident. Therefore, no tax is levied on non-resident persons in respect of capital gains from the Notes and no declaration is required. The Provisional Article 67 is valid until end of 2025.

A non-resident holder will not be liable for Turkish estate, inheritance or similar tax with respect to its investment in the Notes, nor will it be liable for any Turkish stamp issue, registration or similar tax or duty relating thereto.

Capital gains realised by a resident corporation or individual on the sale or redemption of the Notes (or beneficial interests therein) are subject to income tax or corporate income tax. The corporate tax rate in Turkey for the fiscal period that commences in 2023 is (i) 25% for banks, financial leasing, factoring and financing companies, electronic payment and money institutions, authorised foreign exchange institutions, asset management companies, securities intermediaries and other capital market institutions, insurance and reinsurance companies and pension companies and (ii) 20% for other corporate entities. The current rate for individuals' income tax ranges from 15% to 40% at progressive rates. For resident individuals, the acquisition cost can be increased at the Producer Price Index's rate of increase for each month except for the month of discharge so long as such index increased by at least 10%.

Reduced Withholding Tax Rates

Under current Turkish laws and regulations, interest payments on notes issued abroad by a Turkish corporate to a non-resident holder will be subject to a withholding tax at a rate between 7 per cent. and 0 per cent. in Turkey, as detailed above.

If a double taxation treaty is in effect between Turkey and the country of the holder of the notes (in some cases, for example, pursuant to the treaties with the UK and the United States, the term "beneficial owner" is used), which provides for the application of a lower withholding tax rate than the local rate to be applied by the corporation, then the lower rate may be applicable. For the application of withholding tax at a reduced rate that benefits from the provisions of a double tax treaty concluded between Turkey and the country where the investor is a resident, an original copy of the certificate of residence signed by the competent authority referred to in Article 3 of the Treaty is required, together with a translated copy translated by a translation office, to verify that the investor is subject to taxation over its worldwide gains in the relevant country on the basis of resident taxpayer status, as a resident of such country to the related tax office directly or through the banks and intermediary institutions prior to the application of withholding tax. In the event the certificate of residence is not delivered prior to the application of withholding tax, then upon the subsequent delivery of the certificate of residence, a refund of the excess tax shall be granted pursuant to the provisions of the relevant double taxation treaty and the Turkish tax legislation.

Value Added Tax

Bond issuances and interest payments over the bonds are exempt from the Value Added Tax (**VAT**) pursuant to the Article 17/4(g) of the Value Added Tax Law (Law No. 3065), as amended with the Turkish Tax Bill Regarding Improvement of the Investment Environment (Law No. 6728), published in the Official Gazette dated 9 August 2016 and numbered 29796.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (**FFI**, as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is listed on the FFI list as a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

On 29 July 2015, the governments of Turkey and the United States signed an Agreement to Improve International Tax Compliance Through Enhanced Exchange of Information (the **Turkish IGA**). Under the Turkish IGA, an entity classified as an FFI that is treated as resident in Turkey is expected to provide the Turkish tax authorities with certain information on U.S. holders of its securities. Information on U.S. holders will be automatically exchanged with the IRS. The issuer is an FFI and provided it complies with the requirements of the Turkish IGA and the Turkish legislation implementing the Turkish IGA, it should not be subject to FATCA withholding on any payments it receives and it should not be required to withhold tax on any "foreign passthru payments" that it makes. Although the issuer may not be required to withhold FATCA taxes in respect of any foreign passthru payments it makes under the Turkish IGA, FATCA withholding may apply in respect of any payments made on the Notes by any paying agent.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 25 May 2022, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and Treasury Regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Accordingly, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering

contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the EU Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(A) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of UK MiFIR; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

(A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Notes to the public** means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Turkey

The Issuer has obtained the CMB Approval from the CMB required for the issuance of Notes under the Programme. Pursuant to the CMB Approval, the offer, sale and issue of Notes under the Programme have been authorised and approved in accordance with Decree 32, the Banking Law and related legislation, the Capital Markets Law and related regulations. In addition, Notes (or beneficial interests therein) may only be offered or sold outside of Turkey in accordance with the CMB Approval. Under the CMB Approval, the CMB has authorised the offering, sale and issue of any Notes within the scope of such CMB Approval on the condition that no transaction that qualifies as a sale or offering of Notes (or beneficial interests therein) by way of public offering or private placement in Turkey may be engaged in.

Notwithstanding the foregoing, pursuant to the BRSA decision dated 6 May 2010 No. 3665, the BRSA decision dated 30 September 2010 No. 3875 and in accordance with Article 15(d)(ii) of Decree 32, residents of Turkey: (a) in the secondary markets only, may purchase or sell Notes denominated in a currency other than Turkish Lira (or beneficial interests therein) in offshore transactions on an unsolicited (reverse inquiry) basis in the secondary markets only; and (b) in both the primary and secondary markets, may purchase or sell Notes (or beneficial interests therein) denominated in Turkish Lira in offshore transactions on an unsolicited (reverse inquiry) basis; provided that (for each of clauses (a) and (b)) such purchase or sale is made through licensed banks authorised by the BRSA or licensed brokerage institutions authorised pursuant to the CMB regulations and the purchase price is transferred through such licensed banks. As such, Turkish residents should use such banks or licensed brokerage institutions while purchasing the Notes (or beneficial interests therein) and transfer the purchase price through such licensed banks.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that neither they, nor any of their respective affiliates, nor any person acting on behalf of any of the Dealers or any of their respective affiliates, have engaged or will engage in any directed selling efforts within Turkey in connection with the Notes. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that neither they nor any of their respective affiliates, nor any person acting on behalf of any of the Dealers or any of their respective affiliates (i) have engaged or will engage in any form of general solicitation or general advertising in connection with any offer and sale of the notes in Turkey, or (ii) will make any disclosure in Turkey in relation to the issuer, the notes or the Base Prospectus without the prior consent of the issuer, save as may be required by applicable law, court order or regulation.

Monies paid for purchases of Notes are not protected by the insurance coverage provided by the SDIF.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (**SFO**) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **CWUMPO**) or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Switzerland

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that this Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that this Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes and Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act, as amended (the **FinSA**) and no application has or will be made to admit Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to Notes constitutes a prospectus as such term is understood pursuant to the FinSA or has been or will be filed with or approved by a Swiss review body pursuant to Article 52 of the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified

in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Canada

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has offered and sold and will offer and sell the Notes only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

The United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

(a) an "Exempt Offer" in accordance with the Markets Rules (MKT Module) of the Dubai Financial Services Authority (the **DFSA**) rulebook; and

(b) made only to persons who meet the "Professional Client" criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, directly or indirectly, and will not offer or sell, directly or indirectly, any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Taiwan

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that the Notes (i) have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of the Republic of China (**Taiwan**) and/or other regulatory authority of Taiwan pursuant to the relevant securities laws and regulations and (ii) may not be offered, issued or sold within Taiwan through a public offering or in circumstances that constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or any other relevant laws and regulations that require a registration or filing with, or approval of, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Notes in Taiwan.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and shall be set out in the relevant subscription agreement.

GENERAL INFORMATION

The Bank is registered at the Istanbul Trade Registry under number 368587. It has its principal office at Esentepe Mah. Büyükdere Cad. No: 141, İstanbul, 34394, Turkey. Its telephone number is +90 212 348 2000 and its website is www.denizbank.com. The LEI of the Bank is 3RV7W250LTUQH12INJ88.

Authorisation

The update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 27 February 2023 and numbered 2023/38.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's main market will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to the FCA for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's main market. The listing of the Programme in respect of Notes is expected to be granted on or around 15 June 2023. Unlisted Notes may be issued pursuant to the Programme.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from https://www.denizbank.com/en/investor-relations/bonds-and-bills-issuance/emtn-programme:

(a) the English translation of the Articles of Association of the Issuer (as the same may be updated from time to time);

(b) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;

(c) a copy of this Base Prospectus; and

(d) any future Base Prospectus, prospectuses, information memoranda, supplements to this Base Prospectus and any other documents incorporated herein or therein by reference.

This Base Prospectus and Final Terms for Notes that are listed on the Official List and admitted to trading on the London Stock Exchange's main market will be published on the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

The English translation of the Articles of Association of the Issuer is an accurate and direct translation of the original foreign language document. In the event of any discrepancy between the English translation and the foreign language version, the foreign language version will prevail.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN and, if applicable the FISN and CFI Code, for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be

specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial performance or financial position of the Group since 31 March 2023 and there has been no material adverse change in the prospects of the Group since 31 December 2022.

Litigation

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Group.

Auditors

The 2021 BRSA Financial Statements incorporated by reference into this Base Prospectus have been audited, without qualification. The 2022 BRSA Financial Statements incorporated by reference into this Base Prospectus have been audited with a qualification related to free provisions amounting to TL 4,175,000 in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette No.29314 dated 2 April 2015 by BRSA (**BRSA Independent Audit Regulation**) and Independent Auditing Standards (**ISA**) which are a part of Turkish Auditing Standards issued by the POA. See also "*Presentation of Financial and Other Information–Presentation of Financial Information.*"

The 2022 BRSA Financial Statements have been audited subject to the following qualification:

> "*The accompanying Consolidated financial statements as at 31 December 2022 include a free provision amounting to TL 4,175,000 thousand, which has been recognized as an expense in the consolidated financial statements in the current period, provided by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. If the mentioned free provision were not provided, the other provisions would decrease by TL 4,175,000 thousand and profit before tax and equity would increase by TL 4,175,000 thousand for the period ended 31 December 2022*."

The free provision referred to above was included in the 2022 BRSA Financial Statements in line with the Issuer's prudent provisioning approach, not within the requirements of BRSA accounting and financial reporting legislation.

The BRSA Consolidated Financial Statements incorporated by reference into this Base Prospectus, all of which are in English, were prepared as convenience translations of the corresponding Turkish language BRSA Financial Statements (which translations the Bank confirms are direct and accurate).

DRT Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Deloitte Touche Tohmatsu Limited) is authorised by the CMB, BRSA, Turkish Treasury, Energy Market Regulatory Authority and the POA Board to conduct independent audits. The Bank's financial statements are prepared on a quarterly basis, semi-annual and annual basis in accordance with BRSA.

Dealers transacting with the Issuer

The Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Dealers, the Arrangers and their respective affiliates may have performed investment banking and advisory services for the Issuer and its affiliates from time to time for which they may have received fees, expenses, reimbursements and/or other compensation. The Dealers or their respective affiliates may, from time to time, engage in transactions with and perform advisory and other services for the Issuer and its affiliates in the ordinary course of their business. Certain of the Dealers may from time to time also enter into swap and other derivative transactions with the Issuer and its affiliates, including in relation to the hedging of the Notes. Certain of the Dealers and/or their respective affiliates have acted and expect in the future to act as a lender to the Issuer and/or other members of the Group and/or otherwise participate in transactions with the Group.

In addition, in the ordinary course of their business activities, the Arrangers, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Arrangers, certain of the Dealers and their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Arrangers, such Dealers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Arrangers, the Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

APPENDIX 1 - OVERVIEW OF SIGNIFICANT DIFFERENCES BETWEEN IFRS AND BRSA REPORTING STANDARDS

The BRSA Reporting Standards differ from IFRS. Such differences are primarily related to the presentation of financial statements, disclosure requirements (*e.g.*, IFRS 7) and certain accounting policies. BRSA presentation and disclosure requirements are prescribed by relevant regulations and do not always meet IFRS or IAS 34 and IAS 29 standards.

Other than as disclosed in this Appendix 1, there are no significant departures between the accounting or auditing standards under the BRSA Reporting Standards or auditing standards applicable to the BRSA Financial Statements on the one hand, and IFRS, IAS 34, IAS 29 and auditing principles applicable under the International Standards on Auditing on the other hand.

Among the differences in accounting policies some of the most important are:

Consolidation and equity accounting

Only financial sector subsidiaries and associates are consolidated and equity accounted, respectively, under BRSA Principles, others are carried at cost or fair value.

Application period for hyperinflationary accounting

Pursuant to TAS 29, Financial Reporting in Hyperinflationary Economies (**TAS 29**) under TFRS and the corresponding International Accounting Standards 29 (**IAS 29**) under IFRS, the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a general price index. Neither TAS 29 nor IAS 29 establishes an absolute rate when hyperinflation is deemed to arise, but rather each provides a series of non-exclusive guidelines as to when restatement of financial statements becomes necessary. These guidelines include, among other considerations, a quantitative characteristic verifying if the three-year cumulative inflation rate approaches or exceeds 100%. In March 2022, the International Practices Task Force of the Centre for Audit Quality (**IPTF**), which monitors countries experiencing high inflation, categorized Turkey as a country with three-year cumulative inflation rate greater than 100% as of February 28, 2022. Accordingly, Turkish companies reporting under IFRS should apply IAS 29 to their financial statements for periods ending on and after June 30, 2022.

However, on 20 January 2022, the POA had stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29. As of the date hereof, there has been no further announcement by the POA regarding this issue; therefore, inflation adjustments for the year ended 31 December 2021, the year ended 31 December 2022 and the three month period ended 31 March 2023 have not been applied on the BRSA Financial Statements, in accordance with TAS 29. As a result, financial statements complying with TAS 29 under TFRS currently materially differ from those complying with IAS 29 under IFRS in the application of adjustments for the effects of changes in a general price index.

See also "*Risk Factors— The Issuer's consolidated financial statements under BRSA may not provide investors with the same information as financial statements prepared under IFRS*" in the Base Prospectus.

Related Party Disclosures

Related party transactions and balances are disclosed in IFRS based on the definition provided in IAS 24, whereas in BRSA such disclosures are based on "risk group" as defined in the Banking Law.

Similar differences with IFRS also exist in the accounting policies and disclosure requirements applied to consolidated subsidiaries, especially those providing factoring and leasing services which are subject to specific BRSA policies/requirements.

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